

The National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor
Bandra-Kurla Complex
MUMBAI-400 051
NSE Symbol SHRIRAMEPC

BSE Limited
14th Floor, P.J. Towers
Dalal Street
MUMBAI-400 001
Scrip Code : 53245

August 07, 2018

Dear Sirs,

**Sub: Submission of Annual Report - Regulation 34(1) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

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Please find enclosed herewith a copy of our 18th Annual Report for the year 2017 - 18 along with the Statement of Impact on Auditors' Qualification in Annexure - J Format for your information and records.

The same is being updated in your Websites accordingly.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully
For Shriram EPC Limited


K. SURESH
Vice President &
Company Secretary

Encl: as above

Shriram EPC Limited

1st Floor, 'Rajah Annamalai Building', No.18/3, Rukmani Lakshmi pathi Road,
Egmore, Chennai - 600 008. India. Ph : +91 44 4900 5555, Fax : +91 44 4900 5599 / 4269 2155
Regd. Office : 4th Floor, 'Sigapi Achi Building', No.18/3, Rukmani Lakshmi pathi Road,
Egmore, Chennai - 600 008. Ph : +91 44 4901 5678 Fax : +91 44 4901 5655
E-mail : info@shriramepc.com, website : www.shriramepc.com
CIN : L74210TN2000PLC045167



ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018, [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs lakhs	
1	Turnover / Total income	72,037.43	72,037.43
2	Total Expenditure	69,611.53	69,611.53
3	Net Profit/(Loss)	2,425.90	2,425.90
4	Earnings Per Share	0.12	0.12
5	Total Assets	2,66,176.53	2,66,176.53
6	Total Liabilities	1,43,244.40	1,43,244.40
7	Net Worth	1,22,932.13	1,22,932.13
8	Any other financial item(s) (as felt appropriate by the management)	-	-
ii.	Audit Qualification (each audit qualification separately):		
	a. Details of Audit Qualification:		
1(a)	Long Term Loans and advances include Rs. 3,677.28 Lakhs (March 31, 2017 - Rs 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under "Other Non Current Financial Assets" include net amount of Rs. 307.21 Lakhs (March 31, 2017 - Rs. 267.08 Lakhs), due from related party. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts and as these are outstanding for more than three years, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts. (Refer Note no 7 - Note to results)		
	Note No 7 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2018		
1(b)	7. Financial Assets Loans (Non Current) include Rs. 3,677.28 Lakhs (March 31, 2017 - Rs 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under "Other Non Current Financial Assets" include net amount of Rs. 307.21 Lakhs (March 31, 2017 - Rs. 267.08 Lakhs), due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). As part of the Corporate Debt Restructuring (COR) package entered into by LSML with its bankers, the dues to SEPC is subordinated to the dues to Bankers and hence expected to be recovered before March 2030. Considering the extended repayment period and future business potential for Wind Energy Business, the management is confident of realizing the dues. The auditors have qualified this matter in their report for the year ended March 31, 2018. The same have also been qualified in the previous year.		
1(c)	Emphasis of Matter		
	i) With reference to Note No. 8 to the Statement regarding the dues of Rs. 7,106.47 Lakhs (March 2017 : Rs 6,624.57 lakhs) in respect of a project which is stalled due to statutory delays faced by the customer. As the customer has put in efforts to identify alternate options to complete the project, management is of the view that it will be able to realise such dues.		
	Note No 8 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2018		
	The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL) (related party). The project is stalled due to delay in statutory approvals. The total exposure in this project recorded under Unbilled Revenue and Contract Work In Progress is Rs. 7,106.46 Lakhs (March 31, 2017 - Rs 6,624.57 Lakhs). Considering the positive development in BCCL's efforts in identifying alternate options to complete the project, the management is of the view that BCCL will be in a position to complete the Ammonia Plant project and thereby the Company will be able to realize these amounts in full.		



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CIN : L74210TN2000PLC045167

<p>Emphasis of Matter</p> <p>(ii) With reference to Note No 9 to the financial statements regarding dues of Rs.28,642.33 Lakhs(March 2017 : Rs 24901.11 lakhs) due from an associate and a subsidiary of the associate which have been outstanding for more than three years. Based on the undertaking given by the associate with respect to divestment in its subsidiary and projected operations of mines , cashflows, the above stated dues are considered to be regularised by the management.</p> <p>Note No 9 as appearing in the Standalone Financial Results for the quarter and year ended March 31, 2018</p> <p>Financial Assets Loans (Non Current) include Rs 28,642.33 lakhs (March 31, 2017 - Rs 24,901.11 Lakhs) due from an associate company and its subsidiary. In order to secure these dues, the company has entered into an arrangement with the said associate and another wholly owned subsidiary of the associate (engaged in coal mining operations in USA). As per the arrangement, the company has acquired absolute and unconditional mining operation rights to exploit the coking coal reserves of the said subsidiary, and the right to surplus cash flows, (after meeting subsidiary's lenders and other commitments), to the extent of the above mentioned dues. Also, the associate company has given an undertaking that it will not divest its holdings in the said subsidiary company, without the prior consent of the company till the dues to the company are settled. During October 2017, the wholly owned subsidiary of the associate decided to identify buyers for the coal mining operations. Based on the projected operations of the mines and consequential projected cash flows, realisable price on sale of the coal mines, outstanding dues as at March 31, 2018 is expected to be fully recoverable.</p>	
<p>c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p>	<p>Qualification 1(a)- Repetitive (Second Year)</p> <p>Emphasis of Matter -1(c) (i) - Repetitive (Third Year)</p> <p>Emphasis of Matter -1(c) (ii) - Repetitive (Second Year)</p>
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p>	<p>Not Applicable</p>
<p>e. For Audit Qualification(s) where the Impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the Impact of audit qualification:</p> <ol style="list-style-type: none"> 1 Turnover / Total Income 2 Total Expenditure 3 Net Profit/(Loss) 4 Earnings Per Share 5 Total Assets 6 Total Liabilities 7 Net Worth <p>(ii) If management is unable to estimate the Impact, reasons for the same :</p> <p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>NIL</p> <p>Management is of the view of the entire amount is recoverable</p> <p>Refer Audit Report dated 7 June 2018 on the standalone financial statements of the Company.</p>
<p>iii. Signatories:</p> <p>T. Shivarman Managing Director, CEO</p> <p><i>(Signature)</i></p> <p><i>(Signature)</i> Audit Committee Chairman</p>	<p><i>(Signature)</i> R. S Chandrasekharan Chief Financial Officer</p> <p><i>(Signature)</i> For MSKA & Associates Chartered Accountants Geetha Jayakumar Partner</p>
<p>Place: Chennai</p> <p>Date: 07th June 2018</p>	



ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018, [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
		Rs. Lakhs	
1	Turnover / Total income	93,422.49	93,422.49
2	Total Expenditure	92,281.28	92,281.28
3	Net Profit/(Loss)	1,141.21	1,141.21
4	Earnings Per Share	(0.02)	(0.02)
5	Total Assets	3,15,104.47	3,15,104.47
6	Total Liabilities	1,92,139.46	1,92,139.46
7	Net Worth	1,22,965.01	1,22,965.01
8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):		
	a. Details of Audit Qualification:		
1(a)	Long Term Loans and advances include Rs. 3,677.28 Lakhs (March 31, 2017 - Rs 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under "Other Non Current Financial Assets" include net amount of Rs. 307.21 Lakhs (March 31, 2017 - Rs. 267.08 Lakhs), due from related party. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the said amounts and as these are outstanding for more than three years, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts. (Refer Note no 7 - Note to results) Note No 7 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2018		
1(b)	7. Financial Assets Loans (Non Current) include Rs. 3,677.28 Lakhs (March 31, 2017 - Rs 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under "Other Non Current Financial Assets" include net amount of Rs. 307.21 Lakhs (March 31, 2017 - Rs. 267.08 Lakhs), due from Leifwind Shriram Manufacturing Pvt Limited (LSML) (a related party). As part of the Corporate Debt Restructuring (CDR) package entered into by LSML with its bankers, the dues to SEPC is subordinated to the dues to Bankers and hence expected to be recovered before March 2030. Considering the extended repayment period and future business potential for Wind Energy Business, the management is confident of realizing the dues. The auditors have qualified this matter in their report for the year ended March 31, 2018. The same have also been qualified in the previous year.		
1(c)	Emphasis of Matter i) With reference to Note No. 8 to the Statement regarding the dues of Rs. 7,106.47 Lakhs (March 2017 : Rs 6,624.57 lakhs) in respect of a project which is stalled due to statutory delays faced by the customer. As the customer has put in efforts to identify alternate options to complete the project, management is of the view that it will be able to realise such dues. Note No 8 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2018 The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL) (related party). The project is stalled due to delay in statutory approvals. The total exposure in this project recorded under Unbilled Revenue and Contract Work In Progress is Rs. 8,300.19 lakhs. Considering the positive development in BCCL's efforts in identifying alternate options to complete the project, the management is of the view that BCCL will be in a position to complete the Ammonia Plant project and thereby the Company will be able to realize these amounts in full.		



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Emphasis of Matter	
<p>ii) With reference to Note No 9 to the financial statements regarding dues of Rs.28,642.33 Lakhs(March 2017 : Rs 24901.11 lakhs) due from an associate and a subsidiary of the associate which have been outstanding for more than three years. Based on the undertaking given by the associate with respect to divestment in its subsidiary and projected operations of mines , cashflows, the above stated dues are considered to be regularised by the management.</p> <p>Note No 9 as appearing in the Consolidated Financial Results for the quarter and year ended March 31, 2018</p> <p>Financial Assets Loans (Non Current) include Rs 28,642.33 lakhs (March 31, 2017 - Rs 24,901.11 Lakhs) due from an associate company and its subsidiary. In order to secure these dues, the company has entered into an arrangement with the said associate and another wholly owned subsidiary of the associate (engaged in coal mining operations in USA). As per the arrangement, the company has acquired absolute and unconditional mining operation rights to exploit the coking coal reserves of the said subsidiary, and the right to surplus cash flows, (after meeting subsidiary's lenders and other commitments), to the extent of the above mentioned dues. Also, the associate company has given an undertaking that it will not divest its holdings in the said subsidiary company, without the prior consent of the company till the dues to the company are settled. During October 2017, the wholly owned subsidiary of the associate decided to identify buyers for the coal mining operations. Based on the projected operations of the mines and consequential projected cash flows, realisable price on sale of the coal mines, outstanding dues as at March 31, 2018 is expected to be fully recoverable.</p>	
c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	<p>Qualification 1(a)- Repetitive (Second Year)</p> <p>Emphasis of Matter -1(c) (i) - Repetitive (Third Year)</p> <p>Emphasis of Matter -1(c) (ii) -Repetitive (Second Year)</p>
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views	Not Applicable
e. For Audit Qualification(s) where the impact is not quantified by the auditor:	<p>Nil</p> <p>Management is of the view of the entire amount is recoverable</p> <p>Refer Audit Report dated 7 June 2018 on the Consolidated financial statements of the Company.</p>
(i) Management's estimation on the impact of audit qualification:	
<p>1 Turnover / Total Income</p> <p>2 Total Expenditure</p> <p>3 Net Profit/(Loss)</p> <p>4 Earnings Per Share</p> <p>5 Total Assets</p> <p>6 Total Liabilities</p> <p>7 Net Worth</p>	
(ii) If management is unable to estimate the impact, reasons for the same :	
(iii) Auditors' Comments on (i) or (ii) above:	
<p>III. Signatories:</p> <p>T. Shivaraman Managing Director , CEO</p> <p>Audit Committee Chairman</p>	<p>R. S Chandrasekharan Chief Financial Officer</p> <p>For MSKA & Associates Chartered Accountants Geetha Jayakumar Partner</p>
Place: Chennai Date: 07th June 2018	

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Shriram EPC Limited

Eighteenth Annual Report 2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P.D. Karandikar – Chairman
Mr. T. Shivaraman - Managing Director & CEO
Mr. M. Amjat Shariff - Joint Managing Director
Mr. R. Sundararajan - Director
Mr. S. Krishnamurthy – Director (Resigned w.e.f. 12.06.2018)
Mr. S. Bapu - Director
Ms. Chandra Ramesh – Director
Mr. Surender Singh – Nominee Director – Oriental Bank of Commerce

CHIEF FINANCIAL OFFICER

Mr. R.S. Chandrasekharan

VICE PRESIDENT & COMPANY SECRETARY

Mr. K. Suresh

AUDITORS

M/s. MSKA & Associates , Chartered Accountants, 5th Floor, Main Building, Guna Complex, New no 443&445, Old no 304&305, Mount Road, Teynampet, Chennai- 600 018, Tamil Nadu

BANKERS

Bank Name

Oriental Bank of Commerce

Punjab National Bank

Central Bank of India

Axis Bank Limited

IDBI Bank Limited

State Bank of India

The South Indian Bank Ltd

ICICI Bank limited

Allahabad Bank

Bank Of Maharashtra

Bank Of India

Indusind Bank Limited

Lakshmi Vilas Bank Limited

Corporation Bank

Dena Bank

Federal Bank Limited

Yes Bank Limited

IFCI Factors

DBS Bank Limited

REGISTERED OFFICE

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



Contents

Chairman's Message.....	2
Financial Performance - Standalone	3
Notice of Eighteenth Annual General Meeting	4
Management Discussion and Analysis.....	12
Directors' Report.....	17
Corporate Governance Report.....	37
Auditor's Report on Standalone Ind AS Financial Statements	57
Standalone Balance Sheet.....	64
Standalone Statement of Profit and Loss.....	65
Standalone Cash Flow	67
Notes on Standalone Financial Statements	69
Auditor's Report on Consolidated IndAS Financial Statements	123
Consolidated Balance Sheet	128
Consolidated Statement of Profit and Loss	129
Consolidated Cash Flow.....	131
Notes on Consolidated Financial Statements.....	133

Chairman's Message

Dear Shareholders,

The past year has been notable as the Company has been able to return to profitability. This is due to the increased turnover and significant reduction in the interest burden. The order backlog is healthy. The Company has received orders worth over Rs.680 crores during the year mainly in the Water segment. The consolidated order book of the company stands at Rs. 2688 Crores which gives good visibility for the next couple of years.

There has been a substantial increase in investments by the government, both at the centre and the states in infrastructure development. Projects in the road and water sector have been the particular focus. This has had a significant positive impact on our order inflow. This has compensated for the slowdown in capex in the steel and power sectors. The progress on the international project is also satisfactory.

The outlook is promising and we can look forward to sustained business in the coming years.

At this juncture, I wish to express my gratitude and appreciation towards our employees, customers, business associates, suppliers and bankers who have stood by us during these trying times. Lastly, I would like to thank our shareholders for their unstinted support.

Yours sincerely,

P D Karandikar
(Din No.02142050)
Chairman



Financial Performance - Standalone

₹ in Lakhs

Statement of Profit and Loss	2008-09	2009-10	2010-11	2011-12	2012-13 (15 months)	2013-14 (9 months)	2014-15	2015-16	2016-17	2017-18
Gross Sales	91,876.55	111,051.76	128,216.76	138,220.03	170,512.96	49,509.13	54,765.89	54,759.98	51,968.59	61,504.33
Other Income	518.87	1,121.47	4,304.33	2,568.56	6,034.80	2,677.59	1,102.75	11,302.86	8,783.11	10,533.10
Interest	1,085.33	4,171.62	8,571.74	19,687.19	41,093.80	19,075.02	19,086.66	27,172.81	29,758.80	10,350.66
Profit Before Taxation	6,293.11	6,712.02	9,482.80	3,913.32	-30,512.94	-42,544.12	-25,261.56	-24,403.07	-22,231.92	2,425.9
Profit After Taxation	4,001.68	4,466.03	6,961.29	2,550.75	-26,286.12	-43,936.96	-25,285.17	-24,403.07	-15,091.76	1,076.09

Balance Sheet	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Fixed Assets (Net)	10,655.23	14,170.20	13,612.79	12,625.13	5,386.39	6,984.05	7,040.53	5,521.30	6,087.37	5,579.13
Investments (Current and Non current)	17,201.22	21,064.28	26,757.40	28,981.59	24,433.41	4,549.39	4,549.39	542.32	133.45	130.75
Net Deferred Tax	-1,542.80	-2,802.13	-2,893.64	-3,073.33	1,392.84	-	-	41,425.79	48,973.51	47,623.70
Net Assets (Current and Non Current)	88,876.75	142,355.03	193,380.78	151,749.91	214,796.57	229,957.83	255,198.02	212,842.95	198,541.37	179,344.2
Share Capital	4,334.89	4,391.38	4,426.24	4,434.43	4,435.82	34,435.82	38,635.82	33,062.64	93,696.79	97,152.90
Other Equity	33,380.25	37,619.10	44,217.91	46,314.34	20,030.22	-23,906.74	-32,437.77	-40,377.11	19,166.57	25,779.23
Loan Funds	26,543.87	63,092.12	121,223.23	179,350.36	155,973.70	172,420.29	212,142.24	187,888.42	83,618.97	79,328.47

Notice of Eighteenth Annual General Meeting

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of the Company will be held at 3.00 PM on Friday, the 3rd August 2018 at Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T. Nagar, Chennai – 600 017 to transact the business the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018 and the reports of the Auditors thereon.
2. **Re- Appointment of Mr R Sundararajan (DIN 00498404) as a Director**

To consider and if deemed fit, to pass the following as an Ordinary Resolution

RESOLVED THAT Mr. R. Sundararajan holding DIN(00498404) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the liable to retire by rotation

SPECIAL BUSINESS:

- 3 To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 148(3) and all other applicable provision of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs.50000/- (Rupees fifty thousand only) (exclusive of taxes as may be applicable) and payment of such out of pocket expenses approved by the Board of Directors to be paid to Mr.G Sundaresan, Cost Accountant (Membership No: 11733), for conduct of the audit of the cost accounting records of the Company for the financial year ending 31st March, 2019 be and is hereby ratified and confirmed .

- 4 **To consider and if thought fit, to pass, the following resolution as a Special Resolution**

RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), subject to approval of members in the general meeting

and such other consents and permission as may be necessary, consent of the board of directors be and is hereby accorded for the re-appointment of Shri .T Shivaraman, DIN: 01312018, as Managing Director & CEO of the Company for a period of 3 years with effect from 20.9.2018 to 19.9.2021 on the remuneration and terms & conditions as mentioned in the explanatory statement placed before the members of the Company.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. T Shivaraman remuneration and perquisites not exceeding the ceiling limit laid down in Section II of Part II of Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary any of the terms of remuneration in consultation with Managing Director & CEO provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time."

- 5 **To consider and if thought fit, to pass), the following resolution as a Special Resolution**

RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), subject to approval of members in the general meeting and such other consents and permission as may be necessary, consent of the board of directors be and is hereby accorded for the re-appointment of Shri .M Amjat Shariff, (DIN: 00009562), as Joint Managing Director of the Company for a period of 3 years with effect from 20.9.2018 to 19.9.2021 on the remuneration and terms & conditions as mentioned in the explanatory statement placed before the members of the Company.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Mr. M Amjat Shariff remuneration and perquisites not exceeding the ceiling limit laid down in Section II of Part II of Schedule V of the Companies Act, 2013, as may be decided by the Board of Directors".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary



any of the terms of remuneration in consultation with Joint Managing Director provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.”

By Order of the Board of Directors

Chennai

7th June, 2018

K SURESH

Vice President & Company Secretary

Notes

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll only instead of Him/Her. The proxy need not be a member of the Company. A blank form of proxy is enclosed here with and if intended to be used, it should be returned duly completed at the Registered Office of the Company not later than forty-eight hours before the scheduled time of the commencement of 18th Annual General Meeting.

- 1 At the 17th AGM, M/s MSKA & Associates, (ICAI Firm Registration No.10504716) were appointed as Statutory Auditors of the Company for a period of 5 years until the conclusion of the 22nd AGM of the Company.

The ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of Notification No.S.O.1833 (E) dated 07.05.2018 issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of this AGM Notice.

- 2 A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 3 The statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business is annexed herewith.
- 4 During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
- 5 Members / proxies should bring the duly filled Attendance Slip enclosed here with to attend the meeting.

- 6 Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the Meeting.

- 7 Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email addresses either with the Company/Registrar or with the Depository Participant(s). Members who have not registered their email addresses with the Company can now register the same by submitting a duly filled-in request form with the Registrar.

Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.

The Register of Members and the Share Transfer Books of the Company shall remain closed Monday, 30th July 2018 to Friday, 3rd August, 2018 (both days inclusive), for the purpose of Annual General Meeting.

- 8 Members are requested to notify the change in their address, if any, immediately, so that all communications can be sent to the latest address. In case of members holding shares in physical form, all intimations regarding change of address and change of bank account details are to be sent to M/s. Cameo Corporate Services Ltd, Subramanian Building, No:1 Club House Road, Chennai-600002. Members, who hold shares in electronic form, are requested to notify any change in their particulars like change in address, bank particulars etc. to their Depository Participants immediately.
- 9 Pursuant to provisions of Section 125 of the Companies Act, 2013, dividend which remain unpaid/unclaimed for a period of 7 years from the date of transfer of the same to the Company's unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

The following are the details of the dividends paid by the Company and respective due dates for claim by the Shareholders:

For the FY 2010-11, the amount of Unclaimed Dividend has been transferred to IEPF, and the shares are in the process of transfer

No claim shall lie against IEPF or the Company for the amounts so transferred prior to 31st March, 2017, nor shall any payment be made in respect of such claim.

Members who have not encashed their dividend

warrants are requested to lodge their claims with the Company.

- 10 Copies of the Annual Report 2018 are being sent by electronic mode only to all the members, who's Email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. In the case of members holding shares in physical mode whose Email IDs are registered with the Company/RegistrarsM/s.Cameo Corporate Services Limited, and have given consent for receiving communication electronically, copies of the Annual Report 2018 are being sent by electronic mode only. For members who have not registered their Email Addresses, the Board of Directors have decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for the Financial Year 2017-18, as per the provisions of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts of Companies) Rules, 2014 and Regulation 36 of the Listing Regulations. Members who desire to obtain the full version of the Annual Report may write to the Company Secretary at the Registered office. Full version of the Annual Report is also available on the Company's website HYPERLINK "<http://www.shriramepc.com>" www.shriramepc.com.
- 11 The Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent by electronic mode to all the members whose Email addresses are registered with the Company/ Depository Participants unless any member has requested for a hard copy of the same. In the case of members holding shares in physical mode whose Email IDs are registered with the Company/RegistrarsM/s.Cameo Corporate Services Limited, and have given consent for receiving communication electronically, the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, is being sent by electronic mode. For members who have not registered their Email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- 12 Members may also note that the Notice of the 18th Annual General Meeting and the Annual Report 2018 will also be available on the Company's website www.shriramepc.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's Registrars M/s. Cameo Corporate Services Limited at evoting@cameoindia.com
- 13 All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.
- 14 Voting through Electronic means
- (i) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to the members the facility to exercise their right to vote at the 18th Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- (ii) The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.
- (iii) The members who have cast their vote by remote e-voting may also attend the Meeting, but shall not be entitled to cast their vote again.
- (iv) The Company has engaged the services of Central Depository Securities Limited (CDSL) as the Agency to provide e-voting facility.
- (v) The Company has appointed Mr. R Sridharan, Practicing Company Secretary (Membership No. FCS 4775) of R Sridharan & Associates, Company Secretaries as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.
- (vi) Voting rights shall be reckoned on the paid up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e 27.07.2018.
- (vii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date,



i.e. 27.07.2018 only shall be entitled to avail the facility of remotee-voting.

(viii) Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., 27.07.2018 may obtain the User ID and password in the manner as mentioned below:

(a) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.com> the member may click "Forgot Password" and enter Folio No.or DP ID Client ID and PAN to generate a password.

(b) Member may call Central Depository Securities Limited (CDSL) toll free number 1800-200-5533

(c) Member may send an e-mail request to evoting.com. If the member is already registered with NSDL e-voting platform, then he can use his existing User ID and password for casting the vote through remotee-voting.

(ix) The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 a.m. (IST) on 31.07.2018

End of remote e-voting: Up to 5.00 p.m. (IST) on 02.08.2018

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon the expiry of the aforesaid period.

(ii) The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, within 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.shriramepc.com and on the website of CDSL <https://www.evotingindia.com>. The results shall simultaneously be communicated to the StockExchange.

(iii) Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e.3rd August, 2018.

(vi) Instructions and other information relating to remotee-voting:

A. I. The Company has entered into an arrangement with Central Depository Securities Limited (CDSL)

for facilitating e-voting for AGM. The instructions for e-voting are as under:

a. In case of Members receiving an e-mail from CDSL:

i. Open the PDF file 'SEPC e-Voting.pdf' attached to the e-mail, using your Client ID / Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.

ii. Launch an internet browser and open <https://www.evoting.CDSL.com/>

iii. Click on Shareholder - Login.

iv. Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.

v. Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password.

1. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.

vi. Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.

vii. Select 'EVEN' of Shriram EPC Limited.

viii. Now you are ready for e-voting as 'Cast Vote' page opens.

ix. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.

x. Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at scrutinizer@snaco.net with a copy marked to evoting@cdsl.co.in.

(a) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip

(i) Initial Password is provided, as follows, at the bottom of the Attendance Slip.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- II In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of CDSL's e-voting website www.evoting.cdsl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV The voting rights shall be as per the number of equity share held by the Member(s) as on 27th July 2018. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V The e-voting module shall be disabled by CDSL at 5.00 p.m. on the same day.

By Order of the Board

Chennai
7th June, 2018

K Suresh
Vice President &
Company Secretary

Registered Office:
Sigappi Achi Building, 4th Floor,
18/3 Rukmini Lakshmipathi Road,
Egmore, Chennai-600008
CIN: L74210TN2000PLC045167
Tel:+91(44)49015678 Fax: 91(44)4901 5655
E-mail:investor.relations@shriramepc.com
Website: www.shriramepc.com



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act 2013 (Act) , the following statement sets out all material facts relating to the businesses mentioned under item nos. 2,3,4 and 5 of the Accompanying Notice

ITEM NO 2

Mr.R. Sundararajan is liable to retire by rotation at this AGM pursuant to Section 152(6) of the Companies Act 2013 and being eligible has offered himself for re-appointment. The Company has received the requisite consent and disclosures from him

Mr. R. Sundararajan was born on 28th April 1948. He is a Mechanical Engineer from the Jadhavpur University, Calcutta, and an MBA from Indian Institute of Management, Ahmedabad. Mr. Sundararajan comes with a rich experience of over 43 years. He has spearheaded significant technology innovations and foreign collaborations in this sector.

Earlier, Mr. Sundararajan was the Executive Vice President-Strategic Business Planning of Matrix Laboratories Ltd. He is currently Advisor to Shriram Group of Companies, Chennai and on the Board of several reputed Companies like RAMBAL Limited, Medispan Limited , Orient Green power company Limited , Take solutions limited , Tenshi Life care Private Limited , Shriram Credit company Limited and NAMO Techonologies India Private Limited

He has travelled around the world, attended international conferences and interacted with major international pharmaceutical manufacturers.

He is serving as a Director of the Company since 22nd October, 2005.

He is a member of the following Committees: 1. Investment Committee 2. Nomination & Remuneration Committee 3. Stakeholder Relationship Committee

He holds 9800 shares in the Company and has no relationship, inter-se, with any other Directors of the Company.

ITEM NO.3

Pursuant to Section 148(3) and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) has approved the appointment of Mr. G Sundaresan, Cost Accountant (Membership No: 11733 as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending on 31st March 2018 on a remuneration of Rs.50000/-(exclusive of GST as may be applicable) and payment of such out of pocket expenses. The remuneration payable to the cost auditor shall be ratified by the shareholders of the Company.

Accordingly, consent of members is sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditor for the financial year ending 31st March, 2018 in terms of Section 148(3) and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the ratification of remuneration payable to Cost Auditors for the financial year ending 31st March, 2018.

Memorandum of Interest

None of the Directors or Key Managerial Personnel of the company or their relatives is interested or concerned, financially or otherwise in the aforesaid Ordinary Resolution.

ITEM NO.4

The Board vide its Resolution dated 7th June 2018 had approved the re-appointment of Mr. T Shivaraman as the Managing Director & CEO of the Company for a further period of 3 years from 20th September 2018 to 19th September 2021.

The present reappointment for a further period of 3 years will be on the increased remuneration as recommended by the Nomination & Remuneration Committee and approved by the Board on 30.5.2017 with an increase of 10% every year.

Gross Annual Salary (Basic Pay)

Rs. 48, 00,000 (Rupees Forty-Eight Lakhs only)

CATEGORY “A”

House Rent Allowance, Leave Travel Concession, Medical Reimbursement, fees of clubs and personal Accident Insurance as under.

(i) Housing:

Annual House Rent Allowance - Rs. 1200000/-

(ii) Medical re-imburement- Rs.15000/- per annum

(iii) Leave Travel Concession: Rs.200000/- per annum

(iv) Club fees:

Fees of clubs subject to a maximum of 2 clubs and amount not exceeding Rs 50,000/ p.a. This will not include admission and life membership.

(v) Personal Accident Insurance:

Premium not to exceed Rs.15000/- p.a.

(vi) Contribution to Provident Fund: 12% of Basic-Rs.576000/- p.a

(vii) Commission: 0.5% of Net profit upto a limit not exceeding Rs.20,00,000/- in a year

CATEGORY “B”

Gratuity payable Rs.154000/- per annum.

CATEGORY “C”

Provision for car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to MD & CEO.

Annual Increment: To be decided by the Nomination and Remuneration Committee subject to a maximum of 10% per year.

Leave Entitlement: As per rules of the Company

The perquisites mentioned above are interchangeable within the overall ceiling of the Annual salary of Managing Director & CEO.

Mr. T Shivaraman is a B. Tech (Chemical Engineering) and an M.S from IIT. He started his career as a management Trainee in ICI India Ltd at their Fertilizer Plant in Kanpur. He has more 28 years' experience in plant operations and project engineering. He has been involved with the EPC Business since 1992. He is well versed in technical handling of projects, studying its viability and feasibility has no relationship, inter-se, with any other Directors of the Company. Mr. T Shivaraman is a Director of Orient Green Power Company Limited and is a Member in CSR Committee of the Company.

Where in any financial year during the currency of tenure of the Managing Director, the Company had no profits or inadequate profits, the Company would pay Mr. T Shivaraman, remuneration, perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013, and as would be decided by the Board of Directors.

The terms and conditions of remuneration may be varied from time to time by the Board as it may, in its discretion, deem fit, in consultation with Managing Director provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.

The Managing Director shall not be entitled to receive any fees for attending the Meetings of the Board of Directors of the Company or Committees thereof.

The remuneration package of Mr. T Shivaraman and other details such as remuneration, service contract, notice period, etc. have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board recommends the approval by the members of the re-appointment of Mr. T Shivaraman as the Managing Director & CEO and payment of remuneration to him.

Mr. T Shivaraman is concerned or interested in the said resolution at item no. 4 accompanying notice.

The above may be treated as an abstract of the terms of re-appointment payable to Mr. T Shivaraman, as Managing Director as required, pursuant to section 196 of the Companies Act, 2013.

Memorandum of Interest

Except Mr T. Sivaraman, being the Appointee, none of the Directors or Key Managerial Personnel of the company or their relatives is interested or concerned, financially or otherwise in the aforesaid Special Resolution.

ITEM NO. 5

The Board vide its Resolution dated 7th June 2018 had approved the re-appointment of Mr. M Amjat Shariff, Joint Managing Director of the Company for a further period of 3 years from 20th September 2018 to 19th September 2021.

The present reappointment for a further period of 3 years will be on the increased remuneration as recommended by the Nomination & Remuneration Committee and approved by the Board on 30.5.2017 with an increase of 10% every year.

Gross Annual Salary (Basic Pay)

Rs. 48, 00,000 (Rupees Forty-Eight Lakhs only)

CATEGORY "A"

House Rent Allowance, Leave Travel Concession, Medical Reimbursement, fees of clubs and personal Accident Insurance as under.

(viii) Housing:

Annual House Rent Allowance - Rs. 1200000/-

(ix) Medical re-imburement- Rs.15000/- per annum

(x) Leave Travel Concession: Rs.200000/- per annum

(xi) Club fees:

Fees of clubs subject to a maximum of 2 clubs and amount not exceeding Rs 50,000/ p.a. This will not include admission and life membership.

(xii) Personal Accident Insurance:

Premium not to exceed Rs.15000/- p.a.

(xiii) Contribution to Provident Fund: 12% of Basic-Rs.576000/- p.a

(xiv) Commission: 0.5% of Net profit upto a limit not exceeding Rs.20,00,000/- in a year

CATEGORY "B"

Gratuity payable Rs.154000/- per annum.

CATEGORY "C"

Provision for car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to and Joint Managing Director.

Annual Increment: To be decided by the Nomination and Remuneration Committee subject to a maximum of 10% per year.

Leave Entitlement: As per rules of the Company

The perquisites mentioned above are interchangeable within the overall ceiling of the Annual salary of Joint Managing Director.

Mr. M Amjat Shariff is basically a Chemical Engineer with M.Tech (Chem), IIT, Chennai. He started his career as Chief Engineer and was involved in design and installation of hi-tech projects for a variety of industrial applications in the areas of fertilizer, chemical, ferrous and non-ferrous and other industries. He has over 38 years' experience in project



execution, sales, marketing and corporate planning. He has specialized in core sector, executing and management of projects, particularly related to steel, copper and power. He has vast experience in imparting training to professionals and has no relationship, inter-se, with any other Directors of the Company. Mr. M Amjat Shariff is not a Director in any other Listed Entity and is also not a Member of any of the Committees of the Company.

Where in any financial year during the currency of tenure of the Joint Managing Director, the Company had no profits or inadequate profits, the Company would pay Mr. M Amjat Shariff, remuneration, perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule V of the Companies Act, 2013, and as would be decided by the Board of Directors.

The terms and conditions of remuneration may be varied from time to time by the Board as it may, in its discretion, deem fit, in consultation with Joint Managing Director provided such variation is in accordance with the provisions of Schedule V of the Companies Act, 2013 and/ or the provisions of law as may be applicable thereto from time to time.

The Joint Managing Director shall not be entitled to receive any fees for attending the Meetings of the Board of Directors of the Company or Committees thereof.

The remuneration package of Mr. M Amjat Shariff and other details such as remuneration, service contract, notice period, etc. have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board recommends the approval by the members of the re-appointment of Mr. M Amjat Shariff as Joint Managing Director and payment of remuneration to him.

Mr. M Amjat Shariff is concerned or interested in the said resolution at item no.5 accompanying notice.

The above may be treated as an abstract of the terms of re-appointment payable to Mr. M Amjat Shariff, as Joint Managing Director as required, pursuant to section 196 of the Companies Act, 2013.

Memorandum of Interest

Except Mr M. Amjat Shariff, being the Appointee, none of the Directors or Key Managerial Personnel of the company or their relatives is interested or concerned, financially or otherwise in the aforesaid Special Resolution.

By Order of the Board

K Suresh

Vice President &
Company Secretary

Chennai
7th June, 2018

Registered Office:

Sigappi Achi Building, 4th Floor,
18/3 Rukmini Lakshmipathi Road,
Egmore, Chennai-600008.

Management Discussion and Analysis FY - 2017-18

Company Overview

Headquartered in Chennai, Tamil Nadu, Shriram EPC Limited (SEPC) is one of the country's leading service provider of integrated design, engineering, procurement, construction and project management services for water and waste-water treatment plants and infrastructure, process and metallurgy plants, power plants, and mines and mineral processing.

SEPC has a proven track record, having executed some of the most complex and technically challenging projects across the country and overseas. Projects are being executed in Africa and the Middle East.

Economic Overview

Global Economic Scenario

The revival in the global economy is expected to be sustained over the next couple of years and may even accelerate given the likely momentum in export dependent emerging market and developing economies (EMDEs) thanks to a rebound in commodity prices. Further, implementation of structural reforms undertaken across developed and developing economies is expected to lead to an improved growth trajectory. However, the increasing clamour for protectionism, geopolitical tensions and financial instability could derail the growth potential.

The World Bank forecasts global economic growth to edge up to 3.1 percent in 2018 after a much stronger-than-expected 2017, as the recovery in investment, manufacturing, and trade continues. Growth in advanced economies is expected to moderate slightly to 2.2 percent in 2018, as central banks are preparing to gradually withdraw the accommodative policies undertaken post crisis following stabilizing of economy.

Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in 2018, as activity in commodity exporters continues to recover amid firming prices.

Domestic Economic Scenario

According to The World Bank, the Indian economy is likely to grow at 7.6 % in 2017-18 and 7.8 % in 2018-19, retaining its tag of being the fastest growing major economy and shrugging off any slowdown concerns caused by Government's demonetization program. The economy is expected to revert to its historical growth rate on the back of implementation of structural reforms and likely pick up in consumption. Early signs of revival are visible in the form of uptick in industrial output and improving performance of core sectors. The Government is also targeting inclusive growth through its various schemes such as Jan Dhan, Digital India & Sagar Mala. Further, it is also working on addressing the concerns grappling the banking sector by undertaking measures towards deepening the debt markets, promoting newer funding avenues / instruments like Real

Estate Investment Trusts and Infrastructure Investment Trusts to improve the availability and sources of capital while optimizing costs.

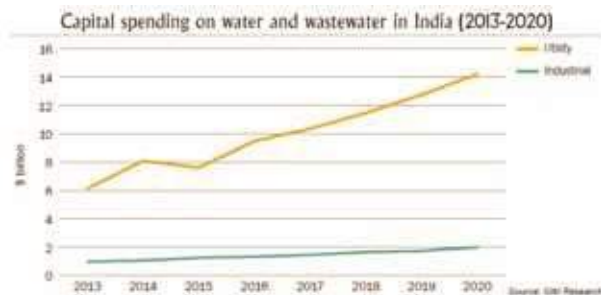
In addition, it is also undertaking measures towards improving the ease of doing business, reducing government intervention in the business and opening up new sectors.

Industry Overview covering key sectors of operations

Water and waste- water

The Indian water market size is estimated to be about \$ 30 billion. Due to the central and state governments' renewed vigour in propounding the reduction and eventual elimination of pollution in India's rivers, the wastewater treatment sector is expected to grow faster than water treatment. The pollution of India's rivers has become critical, and the government is leaping into action in an attempt to tackle it. Only around 30% of wastewater generated in India is treated, and millions of litres of untreated wastewater flow into rivers every day. The pollution of India's rivers has become critical, and the government is taking rapid action in an attempt to tackle this problem.

- Key focus areas: equipment supply, public private partnerships for water supply and distribution, water treatment plants and water EPC (engineering, procurement and construction) business and integrated water resource management for utilities



Government initiatives

The Centre has allocated of Rs 12,517 crore (US\$1.86 billion) to the Ministry of Water Resources in FY 2016-17

The Centre Allocation of Rs 9,000 crore (US\$ 1.34 billion) in FY 2016-17

Swachh Bharat Abhiyan (Clean India Campaign), the country's biggest drive to improve sanitation and cleanliness, US\$ 3 billion has been allocated for the Clean Ganga programme for the next 5 years

As per the Union budget 2016, all the 89 'active' irrigation projects are to be placed under the Accelerated Irrigation Benefit Programme (AIBP) on fast track, and raise the required Rs 86,500 crore to finance through budgetary and extra-budgetary resources



Metallurgy

The growth in the Indian steel sector has been to a large extent driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been one of the major contributors to India's manufacturing output.

The Indian steel industry is highly modernized with most of the leading players deploying state of the art technology. Usage of latest technology has resulted in higher efficiencies and output levels. India's crude steel output grew 5.87 per cent year-on-year to 101.227 million tonnes (MT) in CY 2017. Crude steel production reached 93.183 MT during April-February 2017-18. Total consumption of finished steel stood at 81.943 MT during April-February 2017-18

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past. Some of the other recent government initiatives in this sector are as follows:

Government of India's focus on infrastructure is aiding the boost in demand for steel. Also, likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.

The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, in its attempt to create a globally competitive steel industry in the country. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030.

Road ahead

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production. It aims to achieve 300 million tonnes of annual steel production by 2025-30.

Power

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy.

India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise even further in the years to come. In order to meet the increasing demand for electricity in the country, sizeable capacity addition is required.

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the Government on promoting renewable energy and implementation of projects in a time bound manner. Further, India has moved up 73 spots to rank 26th in the World Bank's list of electricity accessibility in 2017, according

to Mr Piyush Goyal, Minister of State (Independent Charge) for Power, Coal, Renewable Energy and Mines, Government of India.

In September 2017, the Government of India launched the Saubhagya scheme to provide electricity connections to over 40 million families in rural and urban areas by December 2018 at a cost of US\$ 2.5 billion.

Market Size

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Total installed capacity of power stations in India stood at 334,146.91 Megawatt (MW) as on February, 2018.

The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy.

The Indian solar industry has installed a total of 2,247 megawatts (MW) in the third quarter of 2017, from 1,947 MW in the second quarter of 2017. The cumulative installed capacity reached 7,149 MW in the first nine months of 2017, covering more than one-third of total new power capacity addition in 2017.

The total estimated potential of tidal energy in India is about 8,000 megawatt (MW), of which 7,000 MW is in the Gulf of Kambhat, 1,200 MW is in the Gulf of Kutch and 100 MW in the Gangetic Delta.

The Road Ahead

The Government of India has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power. The Union Government of India is preparing a 'rent a roof' policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.

Coal-based power generation capacity in India, which currently stands at 192 GW is expected to reach 330-441 GW by 2040##.

The 2026 forecast for India's non-hydro renewable energy capacity has been increased to 155 GW from 130 GW on the back of more than expected solar installation rates and successful wind energy auctions#.

India's installed solar power capacity reached 14,771.69 as of September 2017.

The Government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019, which would

entail doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use.

Key Developments - Company

The Company has turned profitable for the past year largely due to the increased turnover and the reduction in interest outgo.

The overseas project in the Middle East has contributed significantly to the Company's turnover.

SWOT Analysis –

Strengths –

Strong Promoter Support – SEPC is part of SVL, a conglomerate with presence across varied business segments like real estate, information technology and financial services. The support offered has been extremely valuable and has aided in business sustenance during extremely challenging periods in recent times.

Technical Proficiency – SEPC's efficiency in providing high end designing and engineering solutions have enabled it to carve out a niche for itself in domestic and international market. The Company's ability to offer cost effective solutions to its clients facilitates them to improve their competitive positioning, maximize assets and increase long term business success. Further, SEPC's capability in offering customized solutions helps it to differentiate itself from the rest. The confluence of such factors results in securing repeat orders from its clients.

Well established in sectors with high potential – SEPC has developed strong expertise and offerings catering to sectors such as water and waste-water distribution and water treatment plants, process and metallurgy projects, especially in the steel sector, mines & mineral processing and power plants including renewable energy. The water sector especially enjoy high potential and provides the company significant opportunity for further growth in India and overseas market.

Skilled Management – A strong management is a backbone of any successful organization. SEPC's management team comprises of qualified personnel with rich experience who have been instrumental in guiding the Company through some of the most challenging and difficult times for the EPC Industry. Also, the management is equally supported by its Board of directors, with both teams working towards ensuring growth and development of the business of the Company.

Weakness –

Cyclical nature of business– Despite offering solutions and services across various sectors, the Company's success is dependent upon the business climate and health of the overall economy. Any slowdown in domestic or global business environment might result in clients delaying or curtailing their expansion plan in turn affecting the growth of our business.

Financial Position - SEPC's financial strength is currently subdued due to impact of external environment and circumstances on its business performance. While the promoters have infused additional funds in the Company, it is steadily restructurings is financial position with the support of lenders. As it improves its financial position, its ability to compete for business will be enhanced.

Opportunities –

Domestic Market

The Government of India is taking every possible initiative to boost the infrastructure sector.

Investments in excess of Rs 50 lakh crore (US\$ 786.02 billion) are required in the country's infrastructure to increase the growth of GDP and connect and integrate country's transport network.

- Budgetary allocation for infrastructure is set at Rs 5.97 lakh crore (US\$ 93.85 billion) for 2018-19.
- All-time high allocations have been made to the rail and road sectors.
- Under the Smart Cities Mission, projects worth Rs 2,350 crore (369.43 million) have been completed and projects worth 20,852 crore (US\$ 3.82 billion) are under progress. A total of 99 cities have been selected under the mission with an outlay of Rs 2.04 lakh crore (US\$ 32.07 billion).

Around 35,000 km of road construction has been approved under the Phase-1 of the Bharatmala Pariyojana at an estimated cost of Rs 5.35 lakh crore (US\$ 84.10 billion)

International Market

The overseas project in the Middle East for constructing Balance of Plant (BoP) for 1.2 MTPA Mini Mill Project in Sohar, Sultanate of Oman through its 100 % subsidiary, SHRIRAM EPC FZE, SHARJAH is progressing well.

The company continues to look for increasing the proportion of international projects with better margins, which will negate the lower margins in domestic orders.

Wider Offerings

SEPC has broadened its offerings over the years by not only becoming horizontally integrated but by also venturing into newer segments. Expertise across multiple verticals has not only enabled the Company to lower its concentration risk but the same has also enabled SEPC accrue synergetic benefits for its existing core business.

Threats –

Regulatory & Political Risk

The Company functions in a dynamic and ever changing business environment, wherein any sudden withdrawal or policy cancellation can have an adverse impact on the businesses overall operations. In addition, higher level of regulations can also have an adverse impact on the Company's profitability.



Increasing Competition

Heightened competition results in increased bidding for projects which in turn forces companies to bid for projects at unviable margins. In addition, increased competition can have a negative impact on profitability owing to lower revenue generation and greater operating cost.

SEPC Outlook

The Company has been going through challenging time over the past few years, a consequence of slowing capex activities and higher interest environment in the country. Subdued economic activities resulted in clients cancelling or delaying their expansion plans in turn affecting the revenue visibility and cash flows cycle of the Company. On the other hand, debt commitments in terms of interest expenses kept on mounting leading to tightening of liquidity position and profitability erosion of the business. However, in a bid to revive the business and restore its financials the Company has undertaken a series of measures directed towards improving its operational efficiencies, cutting down on expenses and negotiating with the bankers for securing better terms on existing debt. The promoters as well have shown their faith in the business and continued to offer support in monetary and non-monetary terms. The faith was equally replicated by our clients who despite the current situation had little hesitation in awarding contracts to the Company - a testament to our project execution capability.

The Company's strategic initiatives are also ably supported by improving macro environment on the back of supportive policies of the government.

The Company is optimistic that the above factors will help it emerge as a stronger and more focused EPC player.

Financial Performance

Revenue – Total income during the year stood at Rs. 828.86 crore, higher by 11.37% when compared with Rs. 744.22 crore generated during corresponding period last year.

Other Income – Other income comprising mainly of interest income for the period stood at Rs.105.36 crore as against Rs. 87.83 crore.

Expenditure – Total expenditure before interest and depreciation for the year stood at Rs. 813.22 crore compared to Rs.737.19 crore during the previous year. The increase in expenditure by 10.31% is less than the increase in revenue of 11.37% during the same period.

Interest – Interest expense for the year stood at Rs. 103.73 crore as against Rs. 297.62 crore. The decrease has been primarily on account of conversion of loans into equity.

Depreciation - Depreciation expense for the year stood at Rs. 5.86 crore as against Rs. 6.08 crore.

Provision for Taxation – During the year the current taxation is NIL (Previous Year Nil). The provision for Deferred tax is made for Rs. 13.50 crore compared to Rs.(75.47) crore mainly on account of profits made during the year.

Profit after Tax – The company reported loss of Rs. 2.09 Cr for the current year as against the loss of Rs. 137.44 Cr during the previous year.

Equity –The Company's share capital increased by 3.69% during 2018-19 mainly on account of the conversion of loans into equity by the bankers and 35 crores equity infusion by a private Company. Reserves & surplus increased by 26.69 % during the year due to a securities premium on conversion of loans into equity.

Loan – The loans (short term and long term) outstanding as on 31.03.2018 is Rs. 793.28 Crores compared to the position as on 31.03.2017 of Rs. 836.18 crores. Cash and bank balance as of 31.03. 2018 stood at Rs. 23.73 crore (Rs. 55.43 crore) resulting in a net debt at Rs. 769.55 crore (Rs. 780.75 crores)

Company Overview

Your Company offers services relating to industrial processes, metallurgy, thermal power plants, biomass power plants, Mines and Mineral processing, water and waste and water management and distribution systems.

Process & Metallurgy, Mining & Ropeway

SEPC provides turnkey contracting solutions comprising of designing, engineering and construction for Ferrous & Non Ferrous Industries, Cement Plants, Coke Oven & By-product Plants, Process Plants and material handling, Mining & Ropeway.

The Company's broad range of metallurgical process design options helps reduce risk, enhance value and maximize return.

SEPC's has strategic tie-ups with renowned global players in this segment

The Company's client roster comprises of renowned brands like Grasim, MALCO, SAIL, RINL, NMDC, Hindustan Copper, Kerala Feeds etc.

Rs. in crs.

Palani Ropeway	72
Hindusthan Copper Ltd – Mining	25

Power Projects

SEPC is amongst the few players in the country that are actively involved in building broad range of energy projects. With significant expertise and experience in executing complex power projects across conventional and renewable projects the Company is more than just a contractor.

Water and Waste Water Management

SEPC provides turnkey design – build environmental projects related to water and waste water treatment, management and water distribution system.

SEPC is amongst the leading player offering technologies and services that help municipal and industrial customers meet their wastewater treatment requirements.

The company undertakes municipal services projects and is involved in EPC projects for water treatment plants, underground drainage systems, wells and pump houses and pipe rehabilitation systems.

During the year, the Company has received the following orders:

Domestic orders

Water and Infrastructure projects

Rs. in crs

TWAD Hosur – Drinking water Supply	83
KUIDFC Davanagere – Drinking Water Supply	83
Town Municipal Council- Byadgi – 24 X 7 Water supply	38
BUIDCO – Gaya -24 X7 Water supply	312
DWSD-Baghmara	84

Risk Management and Internal Controls

Risk Management

Your Company's risk management policy, approved by the Board of Directors supports business endurance and ensures achievement of strategic goals. The purpose of risk assessment is to identify and analyze risks that could affect the achievement of specified targets, and to identify measures to reduce risks.

Project Risks:

The Infrastructure Industry is going through tough times and the Compound Annual Growth Rate (CAGR) for the next five years is expected to be ~6.5 %. In the execution of large projects there could be exposure to time and cost overruns. To mitigate these risks, the project management team and the project accounting and governance framework has been further strengthened. The Company has developed a separate structure at Project sites with defined roles and accountability of individuals especially for large projects.

Competition Risks:

The Infrastructure Industry is intensely competitive with the foray of new entrants and some of the existing players adopting inorganic growth strategies. To mitigate this risk, the Company is leveraging on its expertise, experience and it's created opportunities to enlarge product portfolio and service offerings.

OH&S Risks:

Safety of employees and workers is of utmost importance to the Company. To reinforce the safety culture in the

Company, it has identified Occupational Health & Safety as one of its focus areas. Various training programmes have been conducted at the sites such as behavior based safety training program, Visible Safety Leadership program, Logistics Safety program etc. The accountability structure has also been strengthened by integrating OH&S competencies into the job descriptions of all Line Management and Safety Professionals.

Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all project sites of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Human Resources

SEPC recognizes that its employees are its key assets and that the Company's eventual performance is dependent on its ability to motivate and retain quality people.

Many initiatives have been taken to support business through organizational efficiency, process change and various employee engagement programmes. A significant effort has also been undertaken to develop leadership as well as technical/functional capabilities in order to meet future talent requirement.

The Company's HR processes follow an improved hiring and on-boarding, fair and transparent performance evaluation and talent management process, and market aligned policies.

Leadership Development

As a part of leadership development, a number of senior, middle and other employees are identified for additional responsibilities or are assigned to small independent projects which are planned for identified talent.

The Company also imparts necessary training and education on its employees in the area of Health, Safety and environment.

As of March 2018, the Company's total human capital comprising of experienced and well skilled employees stood at 441.



Directors' Report

Dear Shareholder,

Your Directors present the Eighteenth Annual Report together with the Audited Financial Statements of your Company for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

(₹ in Lakhs)

	Consolidated (12 months)	Consolidated (12 months)	Standalone (12 months)	Standalone (12 months)
	2017-18	2016-17	2017-18	2016-17
Total Income	82886.63	74422.23	61504.33	51968.59
Profit before Interest, Depreciation, tax and extra-ordinary items	12100.22	9077.92	2827.60	(649.06)
Interest & depreciation	10959.00	30370.17	10934.80	30365.97
Profit before tax & before extra-ordinary items	1141.21	(20884.69)	2425.90	(2231.93.)
Provision for taxation	1350.71	(7547.72)	1349.81	(7547.72)
Profit after tax & extra-ordinary items	(209.50)	(13744.53)	1076.09	(15091.76)
Balance brought forward from last year	(170611.57)	(156867.04)	(167166.73)	(152074.97)
Profit available for appropriation	(170821.07)	(170611.57)	(166090.64)	(167166.73)
Transfer to general reserves	–	–	–	–
Surplus carried forward	(170821.07)	(170611.57)	(166090.64)	(167166.73)

OPERATING RESULTS & PERFORMANCE

During the financial year ended March 31, 2018 the company had recorded a total income at Rs. 615.04 Crores as against Rs. 519.69 Crores in the previous year on a standalone basis. Profit was at Rs. 2425.90 lakhs as against a loss of Rs.22231.92 Crs. during the Corresponding period.

Profit after tax was at Rs.1076.09 crores compared to a loss in the previous year of Rs. 1509176 lakhs.

BUSINESS HIGHLIGHTS

During the past year, the operations of the Company showed improvement with the overseas project at Muscat Oman showing good progress. After more than 5 years, the Company had an operating profit. The interest savings were significant. However, the Company continued to be under some stress primarily due to delays in approval and release of enhanced limits from Banks which affected the domestic operations and the cash flows.

During the year, your company was awarded domestic orders worth approx. Rs.700 crores. Significant orders include the following:

Domestic orders

Water and Infrastructure projects

₹ In crs

TWAD Hosur – Drinking water Supply	83
KUIDFC Davanagere – Drinking Water Supply	83
Town Municipal Council- Byadgi – 24 X 7 Water supply	38
BUIDCO – Gaya -24 X7 Water supply	312
DWSD-Baghmara	84

Other orders received

Palani Ropeway	72
Hindusthan Copper Ltd – Mining	25

Company's Standalone Order Book was over Rs. 2081.37 crores as at March 31, 2018 and the consolidated order book Rs. 2668 crores.

BASRA PROJECT

This contract was awarded in December 2011 to (where the Company has a 50% Stake) MSJV for a total contract value of 235 Mill US \$. The work was withdrawn by Governate of Basra (GOB) in February 2014 citing reasons of delay. In the Court of cessation, the court held that the work withdrawal was due to “impossibility of implementation of contract” – Akin to force majeure and remanded the case to the local court to determine compensation. Based on negotiation with the GOB, the Contract has been restored to MSJV. The Contract will be executed through a local partner.

BUSINESS RISK MANAGEMENT

Pursuant to the requirement of Regulation 21 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has constituted Business Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Directors’ Report.

The Company has a robust Business Risk Management (BRM) framework to identify, evaluate, treat and Report business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company’s competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as well as business segments and its mitigation plans.

The business risks identified by the Company and its mitigation plans are as under:

Project Risks:

In the context of the projects being executed, the Company reviews the risks associated with a project in all the following aspects, but not restricted to:

- Client related details such as financial closure of the project, creditworthiness and reputation of the client before even signing of the contract.
- Estimation risk like price and quantity variances, contingency provision, forex fluctuation on a periodic basis.
- Commercial risks like taxes and duties, payment terms, bank guarantee requirements
- Organisational risks like availability of technical and managerial resources, gap funding needs, consortium partners roles and responsibilities.
- Performance risk like achievability of guarantee parameters, time schedule, warranty and defect liability obligations.
- Interfacing risks like coordination with multiple agencies for approvals and clearance
- Geographic risks like unfavourable weather conditions, earth quake floods etc.

The above key risks are closely tracked for timely mitigation.

Competition Risks:

The Infrastructure Industry is intensely competitive. To mitigate this risk, the company is leveraging on its expertise, experience to increase market share, enhance brand equity / visibility and enlarge product portfolio and service offerings.

Occupational Health & Safety (OHS) Risks:

Safety of employees and workers is of utmost importance to the company. To reinforce the safety culture in the company, it has identified occupational health & safety as one of its focus areas. Various training programmes have been conducted at the sites such as behaviour based safety training program, visible safety leadership program, logistics safety program etc.

ECONOMIC SCENARIO AND OUTLOOK

Global growth is expected to be sustained over the next couple of years—and even accelerate somewhat in emerging market and developing economies (EMDEs) thanks to a rebound in commodity prices. Although near-term growth could surprise on the upside, the global outlook is still subject to substantial downside risks, including the possibility of financial stress, increased protectionism, and rising geopolitical tensions. Early signs of revival are getting visible in the form of uptick in industrial output and declining unemployment rate.

BUSINESS OVERVIEW

Your Company operates in the turnkey contracts business.

The turnkey contracts business cover the engineering, procurement and construction projects, which include renewable energy projects like biomass-based power plants, metallurgical and process plant projects and municipal services projects like water and wastewater treatment plants, water and sewer infrastructure and pipe rehabilitation.

The order backlog was over Rs. 2668 crores as on March 31, 2018.

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs (MCA) has through Circular No.17/2011 pronounced a Green initiative in Corporate Governance that allows Companies to send notices/ documents to shareholders electronically. The Green Initiative endeavors to reduce consumption of paper, in turn preventing deforestation and contributes towards a green and clean environment. In support of the initiative announced by MCA, your Company will send notices convening Annual General Meeting, Audited Financial Statements, Directors Report and Auditors’ Report etc in electronic form in the current financial year. Your Company would like to continue the Green Initiative further and requests all shareholders to opt for electronic documents.



However, on request by any member of the Company/ Statutory Authority interested in obtaining full text of the financial statements, these documents will be made available for examination, at its registered office. On personal request by any shareholder, a physical copy of the Annual Accounts need to be provided. Pursuant to this, a statement summarizing the financial results of the Subsidiary is attached to the Consolidated Financial Statement.

SUBSIDIARY

SHRIRAM EPC FZE, SHARJAH

During the year, the progress of the contract execution for constructing Balance of Plant (BoP) for 1.2 MTPA Mini Mill Project in Sohar, Sultanate of Oman has been satisfactory. Nearly 40% of the project has been completed.

ASSOCIATES

HALDIA COKE & CHEMICALS PVT. LTD (HCCL)

The Company has been referred to NCLT and the plans are being drawn for settlement with the creditors.

DIVIDEND

The Board has decided not to recommend a Dividend.

SHARE CAPITAL

The authorized and paid-up capital of your Company is Rs.1050 crs and Rs.971.53 crores respectively.

The shareholding pattern as on 31st March 2018 is as under:

Sl	Shareholders	% holding
1	SVL Ltd(promoters)	28.76
2	Bankers	67.25

The total networth of the Company as at 31st March, 2018 on Standalone basis was Rs.1229.32 Crores.

DETAILS OF DEPOSITS

The Company has not accepted any Deposits covered under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

In addition to the Internal Controls on Operations, the Board has laid emphasis on adequate internal financial controls to ensure that the financial affairs of the Company are carried out with due diligence. Apart from Internal Audit function

which scrutinizes all the financial transactions, there are also processes laid down, leading to CFO/CEO certification to Board on the adequacy of Internal Financial Controls as well as internal controls over financial reporting.

APPOINTMENT OF DIRECTORS

Mr. R Sundararajan, Director (DIN: 00498404) will retire by rotation pursuant to Section 152(6) of the Companies Act, 2013 at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

EVALUATION OF BOARD'S PERFORMANCE

As per the provisions of Section 134(3) (p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an

annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Risk Management Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of familiarization programmes for Independent Directors of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the following link: <http://www.shriramepc.com/Companies-Act-2013-Compliance.aspx>

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149(6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

REMUNERATION POLICY

Pursuant to Section 178(3) of the Companies Act, 2013, the Board on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and other employees and their remuneration.

The details of the Remuneration Policy are stated in the Corporate Governance Report.

NUMBER OF MEETINGS OF THE BOARD

During the year 2017-18, 5(Five) meetings of the Board of Directors were held on 30th May 2017, 24th August 2017, 13th September 2017, 7th December 2017, 14th February

2018. The Audit Committee had met Four (4) times on 30th May 2017, 13th September 2017, 7th December 2017, 14th February 2018. The details of the said meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b. that the directors had selected such accounting policies as mentioned in Note No: 2 of the Financial Statements and applied them consistently and judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the Profit of the Company for the year ended on that date;
- c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared the annual accounts on a going concern basis;
- e. that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the company at large. None of the Directors had any pecuniary relationships or transactions vis-à-vis the Company other than sitting fees and reimbursement of expenses incurred, if any, for attending the Board meetings.

All related party transactions are placed before the audit committee for review and approval as per terms of the Policy for dealing with related parties. Prior omnibus approval of the audit committee is obtained on a quarterly basis for the

transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the audit committee and the board of directors for their approval on a quarterly basis.

All transactions with Related Parties entered during the financial year were in the ordinary course of business and on an arm's length basis. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company at large. There are no contracts or arrangements entered into with Related Parties during the year to be disclosed under Sections 188(1) and 134(h) of the Companies Act, 2013 in form AOC-2.

The policy on related party transactions as approved by the board is uploaded on the company's website at the following link. <http://www.shriramepc.com/Companies-Act-2013-Compliance.aspx>

EXPLANATIONS OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMER MADE BY THE STATUTORY AUDITORS AND THE PRACTISING COMPANY SECRETARY IN THEIR REPORT

The explanations/comments made by the Board relating to qualification, reservations or adverse remarks made by the Statutory Auditors and the Practising Company Secretary in their respective reports are furnished below:

QUALIFICATIONS OF STATUTORY AUDITORS

Management's response to Auditors qualification

Financial Assets Loans (Non-Current) include Rs. 3,677.28 Lakhs (March 31, 2017 - Rs 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under "Other Non-Current Financial Assets" include net amount of Rs. 307.21 Lakhs (March 31, 2017 - Rs. 267.08 Lakhs), due from Leitwind Shriram Manufacturing Pvt Limited (LSML) (a related party). As part of the Corporate Debt Restructuring (CDR) package entered into by LSML with its bankers, the dues to SEPC is subordinated to the dues to Bankers and hence expected to be recovered before March 2030. Considering the extended repayment period and future business potential for Wind Energy Business, the management is confident of realizing the dues. The auditors have qualified this matter in their report for the year ended March 31, 2018. The same have also been qualified in the previous year.

QUALIFICATIONS BY THE SECRETARIAL AUDITORS

Management response to point no.1

Since the Company has a networth of more than Rs.500 crores, it becomes mandatory requirement for a CSR committee to be formed. The Company has formed the Committee on 7/6/2018. The policy of the CSR Committee will be recommended by the Committee to the Board for their approval at the next Board meeting.



Management response to point no.2

The Company has already transferred the Unpaid/ Unclaimed amounts till 2009-10 and has taken steps to transfer the underlying shares for the above mentioned years to IEPF. For the year 2010-11, the Company is transferring Unpaid/ Unclaimed amounts along with the underlying shares.

Management response to point no.3

The Company has appointed the Company Secretary as the Nodal officer at the Board meeting held on 7/6/2018 for the purpose of co-ordination with IEPF Authority.

Management response to point no.4

However, for the purposes of quorum the Chairman's presence has not been taken into account.

Management response to point no.5

The Company shall ensure henceforth that the statutory deadline is adhered to.

Management response to point no.6

The Scrutinizer Report received from Practicing Company Secretary has been corrected in tune with Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Management response to point no.7

The Company has noted the same and shall ensure that the name of Top 10 employees in terms of remuneration drawn is disclosed in the current annual report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes or commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

COMPOSITION OF AUDIT COMMITTEE

Pursuant to Section 177 of the Companies Act, 2013, during the year, the Audit Committee was reconstituted* by the Board of Directors which consists of the following members:

- 1. Mr. P D Karandikar - Chairman
- 2. Mr. S Krishnamurthy - Member
- 3. Mr. S Babu - Member
- 4. Ms. Chandra Ramesh - Member

*on 4th May 2018

The Board has accepted the recommendations of the Audit Committee and there were no incidences of deviation from such recommendations during the financial year under review.

VIGIL MECHANISM

The Company has devised a vigil mechanism in pursuance of provisions of Section 177(10) of the Companies Act, 2013 for Directors and employees to report genuine concerns or grievances to the Audit Committee in this regard and details whereof are available on the Company's website.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of the Companies Act, 2013, during the year, the Board had reconstituted the Nomination and Remuneration Committee consisting of the following members:

- 1. Ms. Chandra Ramesh - Chairman
- 2. Mr. P D Karandikar - Member
- 3. Mr R. Sundararajan - Member

The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company had laid out the policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section 3 of Section 178 of the Companies Act, 2013.

Policy on Criteria for Board Nomination and Remuneration is available in the website of the Company under the link <http://www.shriramepc.com/Companies-Act-2013-Compliance.aspx>

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility Committee is formed based on the network of the Company as per the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy shall be framed and recommended to the Board for their approval in the forthcoming meeting.

The CSR Committee consists of following Members :

- 1. Mr. P D Karandikar - Chairman
- 2. Mr. T Shivaraman - Member
- 3. Ms. Chandra Ramesh - Member

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

The Company received 2 NCLT orders as mentioned below:

- 1. The Company received an Order No. CP/537(IB)/CB/2017 dated 10th August 2017 from the National Company Law Tribunal, Division Bench, Chennai pertaining to Rio Glass Solar SA. Consequently, the NCLAT on 2.11.2017 has set aside the impugned order dated 10/8/2017 passed by the learned adjudicating Authority in CP/537(IB)/CB/2017.
- 2. The Company received an Order No. CP/714(IB)/CB/2017 dated 17th May 2018 from the National Company Law Tribunal, Division Bench, Chennai pertaining to Asset Care & Reconstruction Enterprises Limited. Consequently, the CIRP proceedings have been stayed by the National

Company Law Appellate Tribunal dated 31/5/2018 on the Company appeal (AT)(Ins) No.241/2018.

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on 2nd September, 2015 issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015 and accordingly all listed entities were required to enter into the listing agreement within six months from the effective date. The Company entered into Listing Agreements with BSE Limited and National Stock Exchange of India Limited during December, 2015.

AUDITORS

The Company's auditors, M/s. MSKA & Associates (ICAI Firm Registration Number- 105047W) have already been appointed for a period of 5 years at the last Annual General Meeting held on August 24, 2017.

The ratification of their appointment pursuant to Section 139 of the Companies Act, 2013 is not required in terms of the recent MCA Notification dated 7-5-2018.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 (Act) read with Rule 14 of Companies (Audit and Auditors) Rules, 2014, (Rules) Mr. G Sundaresan, CMA (Membership No:11733) was appointed as Cost Auditor of the company for the financial year 2018-19 on a remuneration of Rs.50,000/-. In terms of the Act and Rules referred above the remuneration payable to the cost auditor is required to be placed before the members in a general meeting for their ratification.

Accordingly, a resolution seeking member's ratification for the remuneration payable to Mr. G Sundaresan, CMA, Cost Auditor is included at Item No.3 of the notice convening the annual general meeting.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Messrs R Sridharan & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

CORPORATE GOVERNANCE

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with a Certificate from the Practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub- Regulation 34(3) of the Listing Regulations is attached to this report.

ABRIDGED ANNUAL REPORT

In terms of the provision of Section 136(1) of the Companies Act, 2013, Rule 10 of Companies (Accounts of Companies) Rules, 2014 and Regulation 36 of the Listing Regulations, the Board of Directors has decided to circulate the Abridged Annual Report containing salient features of the balance sheet and statement of profit and loss and other documents to the shareholders for the Financial Year 2017-18, under the relevant laws. Members who desire to obtain the full version of the Annual Report may write to the Company Secretary at the registered office.

Full version of the Annual Report is also available on the Company's website HYPERLINK "<http://www.shriramepc.com>" www.shriramepc.com.

PROTECTION OF WOMEN AT WORK PLACE

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is the summary of sexual harassment complaints during the year 2017-18.

No. of complaints received – Nil

No. of complaints disposed off– Not Applicable

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is given below:

Earnings in Foreign Currency: Nil

Expenditure in Foreign Currency: Rs. 487.98 lakhs



Rs. In Lakhs

EXTRACT OF ANNUAL RETURN

Travelling and conveyance	68.45
Professional and consultation fees	45.57
Erection, Construction & Operation Expenses	14.35
Others	359.60
Total	487.98

The details forming part of the extract of the Annual Return in the prescribed form MGT 9 as per Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed and forms part of this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Companies Act 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) a statement showing the names of top ten employees of the Company in terms of remuneration drawn and other particulars of the employees drawing remuneration in excess of the limits set out in said rules are given below "Annexure-A"

Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 or amendments made thereto:

SI No	Name	Remuneration received	Nature of employment	Designation	Qualifications & experience	Date of commencement of employment	Age (Years)	Last employment held
1	R. Sriram	10000040	Regular	Executive Director	B.Tech., M.S. - 30 Years	26/02/2009	53	Saag RR Infra Ltd -MD
2	V. Jayanarayanan	7200000	Regular	Group Financial Controller	BE/ ICWA/ ACS - 40 Years	02/07/2007	64	President-NEPC
3	K.P. Mishra	6500040	Consultant	Executive Director	BE-MECH - 40 Years	01/11/2013	65	Tata Projects -HEAD SBU
4	M.A. Shariff	5611002	Regular	Joint Managing Director	M Tech - 38 Years	12/06/2000	63	President-TTG Industries Ltd
5	T Shivaraman	5515002	Regular	Managing Director & CEO	BTECH/MS - 28 Years	02/01/1992	52	Chief of technical services-Shriram Tower Tech Ltd
6	D. Arivalagan	4429740	Regular	Sr Vice President	BE-MECH - 35 Years	01/08/2007	60	General Manager in Shriram PPR Technology (P) Ltd
7	R.S. Chandrasekeran	4344360	Regular	Chief Financial Officer	BCOM/ FCA/DI PIFR(ACCA-UK) - 33 Years	06/02/2012	58	Corporate Financial Controller-Shasun Pharmaceuticals Ltd
8	Srikanth Varadhan	4025040	Regular	Sr Vice President	BE-CIVIL - 24 Years	30/09/2013	48	AGM -IVRCL Infrastructure & projects

SI No	Name	Remuneration received	Nature of employment	Designation	Qualifications & experience	Date of commencement of employment	Age (Years)	Last employment held
9	K. Chinnaraju	3543816	Regular	Sr Vice President	BE-MECH - 24 Years	22/01/2007	61	AGM-Jindal Stainless Ltd
10	R. Venkataraman	3491508	Regular	Vice President	BE - CHEMICAL - 30 Years	18/10/2010	53	Manager-NAMA Chemicals groups, Jubail Chemical Industries Company (JANA), Kingdom of Saudi Arabia

Notes:

- (i) The remuneration shown above comprises salary allowances perquisites performance linked incentive/ Exgratiamedical Company's contribution to provident fund and all other reimbursements if any.
- (ii) None of the employees is related to any director of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations the consolidated financial statements prepared in accordance with the Indian Accounting Standards prescribed by the Institute of Chartered Accountants of India, is provided in the Annual Report. Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, Associates in Form AOC-1 is attached to the financial statements of the Company.

the Shareholders of the company for their continued support even during these testing period. Further, the Directors also wish to thank the customers and suppliers for their continued cooperation and support. The Directors further wishes to place on record their appreciation to all employees at all levels for their commitment and their contribution.

For and on behalf of the Board

APPRECIATION & ACKNOWLEDGEMENTS

The Directors wish to thank the bankers for their continued assistance and support. The Directors also wish to thank

7th June 2018
Chennai

P D Karandikar
(DIN: 02142050)
Chairman



FORM MGT-9

Extract of Annual Return as on the financial year ended on 31 March, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L74210TN2000PLC045167
ii	Registration Date	12 th June 2000
iii	Name of the Company	Shriram EPC Limited
iv	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v	Address of the Registered office and contact details	Sigapi Achi Building, 4 th Floor No.18/3 Rukmani Lakshmipathi Road, Egmore, Chennai-600 008
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited Subramanian Building, V Floor No. 1, Club House Road Chennai 600 002 India Tel: (91 44) 2846 0390 / 40020700 (Board) Fax: (91 44) 2846 0129 Email: shriramepc@cameoindia.com Website: www.cameoindia.com Contact Person: Mr. R.D. Ramasamy

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SI No.	Name and description of main products / services	NIC code of the product/ service	% to total turnover of the Company
1	EPC	4220	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI no	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	SVL Ltd 123, Angappa Naicken Street, Chennai-600001	U74900TN1986PLC013431	Holding	28.76%	2(46)
2	Shriram EPC FZE, Sharjah	NA	Subsidiary	100%	2(87)
3	Shriram EPC Arkan LLC Muscat	NA	Step down subsidiary	-	2(87)
4	Haldia Coke & Chemicals Pvt Ltd. Sigapi Achi Building, 4 th Floor No.18/3, Rukmani Lakshmipathi Road, Egmore, Chennai-600 008	U15541TN2004PTC054260	Associate	48.48%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Name of the Company : SHRIRAM EPC LIMITED
 Face Value : 10/-
 Paidup Shares as on 01-Apr-2017 : 971529018
 Paidup Shares as on 31-Mar-2018 : 971529018
 For the Period From : 01-Apr-2017 To : 31-Mar-2018

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	279391356	0	279391356	29.8187	279391356	0	279391356	28.7579	-1.0608
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(1)	279391356	0	279391356	29.8187	279391356	0	279391356	28.7579	-1.0608
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	279391356	0	279391356	29.8187	279391356	0	279391356	28.7579	-1.0608
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	631962111	0	631962111	67.4476	653681924	0	653681924	67.2838	-0.1638
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	Foreign Portfolio Investor (Corporate) Category I	0	0	0	0.0000	13494	0	13494	0.0013	0.0013
	Foreign Portfolio Investor (Corporate) Category II	8140	0	8140	0.0008	454227	0	454227	0.0467	0.0459
	Foreign Portfolio Investor (Corporate) Category III	1123364	0	1123364	0.1199	824914	0	824914	0.0849	-0.0350
		1131504	0	1131504	0.1208	1292635	0	1292635	0.1330	0.0122
	SUB - TOTAL (B)(1)	633093615	0	633093615	67.5683	654974559	0	654974559	67.4168	-0.1515
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	4073416	0	4073416	0.4347	16943340	0	16943340	1.7439	1.3092
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	7034263	1236	7035499	0.7509	10640248	1561	10641809	1.0953	0.3444
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	5233574	0	5233574	0.5586	7079989	0	7079989	0.7287	0.1701
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	145598	0	145598	0.0155	126919	0	126919	0.0130	-0.0025
	DIRECTORS AND THEIR RELATIVES	14100	20	14120	0.0015	579449	20	579469	0.0596	0.0290
	FOREIGN CORPORATE BODIES	6730090	0	6730090	0.7183	608000	0	608000	0.0625	-0.6558
	HINDU UNDIVIDED FAMILIES	445515	0	445515	0.0475	810060	0	810060	0.0833	0.0358
	NON RESIDENT INDIANS	142379	0	142379	0.0152	373517	0	373517	0.0384	0.0232
	TRUSTS	662779	0	662779	0.0707	0	0	0	0.0000	-0.0707
		8140461	20	8140481	0.8688	2215270	20	2215290	0.2280	-0.6408
	SUB - TOTAL (B)(2)	24481714	1256	24482970	2.6130	37161522	1581	37163103	3.8252	1.2122
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	657575329	1256	657576585	70.1813	692136081	1581	692137662	71.2420	1.0607
	TOTAL (A)+(B)	936966685	1256	936967941	100.0000	971527437	1581	971529018	100.0000	0.0000

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	936966685	1256	936967941	100	971527437	1581	971529018	100.0000	0.0000

ii) Shareholding of promoters

Name of the Company: SHRIRAM EPC LIMITED

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year	FOLIO/DP_CL_ID	PAN	Pledged Shares at beginning of the Year	Pledged Shares at end of the Year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares					
1	SVL LIMITED	159538459	16.4213	8.6832	273516953	28.1532	14.6665	11.7318	'IN30002011730413	AAACS7696D	84360560	142489592
	HAVING SAME PAN											
1	SVL	5874403	0.6046	0.0000	5874403	0.6046	0.0000	0.0000	'1301490000019372	AAACS7696D	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Company : SHRIRAM EPC LIMITED

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	SVL LIMITED						
	At the beginning of the year 01-Apr-2017	159538459	16.4213	159538459	16.4213	'IN30002011730413	AAACS7696D
	Purchase 08-Sep-2017	113978494	11.7318	273516953	28.1532		
	At the end of the Year 31-Mar-2018	273516953	28.1532	273516953	28.1532		
	HAVING SAME PAN						
1	SVL						
	At the beginning of the year 01-Apr-2017	5874403	0.6046	5874403	0.6046	'1301490000019372	AAACS7696D
	At the end of the Year 31-Mar-2018	5874403	0.6046	5874403	0.6046		



(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Name of the Company : SHRIRAM EPC LIMITED

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	CENTRAL BANK OF INDIA						
	At the beginning of the year 01-Apr-2017	91973534	9.4668	91973534	9.4668	IN30081210491515	AAACC2498P
	Purchase 08-Dec-2017	1596742	0.1643	93570276	9.6312		
	At the end of the Year 31-Mar-2018	93570276	9.6312	93570276	9.6312		
2	ORIENTAL BANK OF COMMERCE						
	At the beginning of the year 01-Apr-2017	68993466	7.1015	68993466	7.1015	IN30002010060150	AAACO0191M
	Purchase 08-Dec-2017	116024	0.0119	69109490	7.1134		
	At the end of the Year 31-Mar-2018	69109490	7.1134	69109490	7.1134		
3	STATE BANK OF PATIALA						
	At the beginning of the year 01-Apr-2017	64466433	6.6355	64466433	6.6355	IN30378610000279	AACCS0143D
	Purchase 08-Dec-2017	124876	0.0128	64591309	6.6484		
	At the end of the Year 31-Mar-2018	64591309	6.6484	64591309	6.6484		
	HAVING SAME PAN						
3	STATE BANK OF TRAVANCORE						
	At the beginning of the year 01-Apr-2017	43664378	4.4943	43664378	4.4943	IN30378610000262	AAGCS9120G
	Purchase 08-Dec-2017	509777	0.0524	44174155	4.5468		
	At the end of the Year 31-Mar-2018	44174155	4.5468	44174155	4.5468		
	HAVING SAME PAN						
3	STATE BANK OF MYSORE						
	At the beginning of the year 01-Apr-2017	16476207	1.6959	16476207	1.6959	IN30081210491164	AACCS0155P
	Purchase 08-Dec-2017	393172	0.0404	16869379	1.7363		
	At the end of the Year 31-Mar-2018	16869379	1.7363	16869379	1.7363		
4	IDBI BANK LTD.						
	At the beginning of the year 01-Apr-2017	58644408	6.0363	58644408	6.0363	IN30081210495586	AABCI8842G
	Purchase 08-Dec-2017	986775	0.1015	59631183	6.1378		
	At the end of the Year 31-Mar-2018	59631183	6.1378	59631183	6.1378		
5	PUNJAB NATIONAL BANK						
	At the beginning of the year 01-Apr-2017	54190436	5.5778	54190436	5.5778	IN30081210501028	AAACP0165G
	Purchase 08-Dec-2017	1092502	0.1124	55282938	5.6903		
	At the end of the Year 31-Mar-2018	55282938	5.6903	55282938	5.6903		
6	THE SOUTH INDIAN BANK LTD						
	At the beginning of the year 01-Apr-2017	39642196	4.0803	39642196	4.0803	IN30009511274987	AABCT0022F
	Purchase 08-Dec-2017	163130	0.0167	39805326	4.0971		
	At the end of the Year 31-Mar-2018	39805326	4.0971	39805326	4.0971		

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
7	AXIS BANK LIMITED						
	At the beginning of the year 01-Apr-2017	35608476	3.6651	35608476	3.6651	IN30048410820757	AAACU2414K
	Purchase 08-Dec-2017	55943	0.0057	35664419	3.6709		
	At the end of the Year 31-Mar-2018	35664419	3.6709	35664419	3.6709		
	HAVING SAME PAN						
7	AXIS BANK LIMITED						
	At the beginning of the year 01-Apr-2017	68449	0.0070	68449	0.0070	IN30048412622255	AAACU2414K
	Sale 28-Apr-2017	-15463	0.0015	52986	0.0054		
	Purchase 05-May-2017	45400	0.0046	98386	0.0101		
	Sale 12-May-2017	-19690	0.0020	78696	0.0081		
	Sale 19-May-2017	-1650	0.0001	77046	0.0079		
	Sale 26-May-2017	-46680	0.0048	30366	0.0031		
	Sale 02-Jun-2017	-3400	0.0003	26966	0.0027		
	Purchase 14-Jul-2017	6865	0.0007	33831	0.0034		
	Sale 04-Aug-2017	-19981	0.0020	13850	0.0014		
	Purchase 11-Aug-2017	20166	0.0020	34016	0.0035		
	Sale 18-Aug-2017	-100	0.0000	33916	0.0034		
	Sale 01-Sep-2017	-21066	0.0021	12850	0.0013		
	Purchase 08-Sep-2017	111	0.0000	12961	0.0013		
	Purchase 15-Sep-2017	34692	0.0035	47653	0.0049		
	Sale 29-Sep-2017	-33992	0.0034	13661	0.0014		
	Purchase 06-Oct-2017	34342	0.0035	48003	0.0049		
	Sale 13-Oct-2017	-500	0.0000	47503	0.0048		
	Sale 20-Oct-2017	-5021	0.0005	42482	0.0043		
	Purchase 27-Oct-2017	3121	0.0003	45603	0.0046		
	Sale 31-Oct-2017	-25632	0.0026	19971	0.0020		
	Purchase 03-Nov-2017	46783	0.0048	66754	0.0068		
	Purchase 10-Nov-2017	23756	0.0024	90510	0.0093		
	Sale 17-Nov-2017	-13683	0.0014	76827	0.0079		
	Sale 24-Nov-2017	-40718	0.0041	36109	0.0037		
	Sale 01-Dec-2017	-300	0.0000	35809	0.0036		
	Sale 08-Dec-2017	-15368	0.0015	20441	0.0021		
	Sale 15-Dec-2017	-8719	0.0008	11722	0.0012		
	Purchase 22-Dec-2017	21228	0.0021	32950	0.0033		
	Sale 29-Dec-2017	-26788	0.0027	6162	0.0006		
	Purchase 12-Jan-2018	55934	0.0057	62096	0.0063		
	Purchase 19-Jan-2018	26741	0.0027	88837	0.0091		
	Sale 25-Jan-2018	-15085	0.0015	73752	0.0075		
	Purchase 02-Feb-2018	11430	0.0011	85182	0.0087		
	Sale 09-Feb-2018	-7699	0.0007	77483	0.0079		



(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.)

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
	Sale 16-Feb-2018	-39691	0.0040	37792	0.0038		
	Sale 23-Feb-2018	-635	0.0000	37157	0.0038		
	Sale 02-Mar-2018	-6081	0.0006	31076	0.0031		
	Sale 09-Mar-2018	-7450	0.0007	23626	0.0024		
	Purchase 16-Mar-2018	2225	0.0002	25851	0.0026		
	Purchase 23-Mar-2018	129380	0.0133	155231	0.0159		
	Sale 30-Mar-2018	-65698	0.0067	89533	0.0092		
	At the end of the Year 31-Mar-2018	89533	0.0092	89533	0.0092		
	HAVING SAME PAN						
7	AXIS BANK LIMITED						
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000	IN30048413892539	AAACU2414K
	Purchase 20-Oct-2017	8456	0.0008	8456	0.0008		
	Sale 01-Dec-2017	-573	0.0000	7883	0.0008		
	Sale 15-Dec-2017	-300	0.0000	7583	0.0007		
	Sale 22-Dec-2017	-100	0.0000	7483	0.0007		
	Sale 29-Dec-2017	-1042	0.0001	6441	0.0006		
	Sale 25-Jan-2018	-1815	0.0001	4626	0.0004		
	Sale 09-Feb-2018	-100	0.0000	4526	0.0004		
	Sale 16-Feb-2018	-50	0.0000	4476	0.0004		
	Sale 02-Mar-2018	-1110	0.0001	3366	0.0003		
	At the end of the Year 31-Mar-2018	3366	0.0003	3366	0.0003		
8	BANK OF INDIA						
	At the beginning of the year 01-Apr-2017	27799489	2.8614	27799489	2.8614	IN30074910000012	AAACB0472C
	Purchase 08-Dec-2017	58249	0.0059	27857738	2.8674		
	At the end of the Year 31-Mar-2018	27857738	2.8674	27857738	2.8674		
9	BANK OF MAHARASHTRA						
	At the beginning of the year 01-Apr-2017	23941705	2.4643	23941705	2.4643	IN30038610000287	AACCB0774B
	Purchase 08-Dec-2017	456665	0.0470	24398370	2.5113		
	At the end of the Year 31-Mar-2018	24398370	2.5113	24398370	2.5113		
10	THE LAKSHMI VILAS BANK LIMITED						
	At the beginning of the year 01-Apr-2017	22571978	2.3233	22571978	2.3233	IN30012611204350	AAACT4291P
	At the end of the Year 31-Mar-2018	22571978	2.3233	22571978	2.3233		
	NEW TOP 10 AS ON (31-Mar-2018)						

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Company: SHRIRAM EPC LIMITED

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year		FOLIO/DP_CL_ID	PAN
		No of shares	% of total shares of the company	No of shares	% of total shares of the company		
1	RANGASWAMY SUNDARARAJAN						
	At the beginning of the year 01-Apr-2017	9800	0.0010	9800	0.0010	1203840000800556	AACPR1580Q
	At the end of the Year 31-Mar-2018	9800	0.0010	9800	0.0010		
2	T SHIVARAMAN						
	At the beginning of the year 01-Apr-2017	3000	0.0003	3000	0.0003	IN30036022465056	AACPS3488G
	At the end of the Year 31-Mar-2018	3000	0.0003	3000	0.0003		
	HAVING SAME PAN						
2	T SHIVARAMAN						
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000	1203840001707045	AACPS3488G
	Purchase 30-Mar-2018	282675	0.0290	282675	0.0290	'	
	At the end of the Year 31-Mar-2018	282675	0.0290	282675	0.0290		
3	T SHIVARAMAN						
	At the beginning of the year 01-Apr-2017	1000	0.0001	1000	0.0001	IN30036022567986	AAAHT0053L
	At the end of the Year 31-Mar-2018	1000	0.0001	1000	0.0001		
4	AMJAT SHARIFF M						
	At the beginning of the year 01-Apr-2017	300	0.0000	300	0.0000	IN30131320668989	AAQPS9393A
	Purchase 30-Mar-2018	282674	0.0290	282974	0.0291	'	
	At the end of the Year 31-Mar-2018	282974	0.0291	282974	0.0291		
5	KRISHNAN SURESH						
	At the beginning of the year 01-Apr-2017	50	0.0000	50	0.0000	IN30177414854843	AAMPS5523L
	At the end of the Year 31-Mar-2018	50	0.0000	50	0.0000		
6	AMJAT SHARIFF M						
	At the beginning of the year 01-Apr-2017	10	0.0000	10	0.0000	00000006	
	At the end of the Year 31-Mar-2018	10	0.0000	10	0.0000		
7	SHIVARAMAN T						
	At the beginning of the year 01-Apr-2017	10	0.0000	10	0.0000	00000040	
	At the end of the Year 31-Mar-2018	10	0.0000	10	0.0000		



VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, whole time Directors and/or/Manager

SI No	Particulars of Remuneration	Name of the MD/WTD		Total
		T Shivaraman Rs. In lacs	M Amjat Shariff Rs. In lacs	Amount Rs. In lacs
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44.00	44.00	88.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	11.41	12.11	23.52
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
5	Others (Contribution to PF & Superannuation)	–	–	–
	Total (A)	55.41	56.11	111.52
	Ceiling as per the Act	145.72	145.72	–

B. Remuneration to other Directors:

Particulars of Remuneration	S R Ramakrishnan	R Sundararajan	S Krishnamurthy	S Bapu	Sunil K Kolangara	P D Karandikar	Chandra Ramesh
	Chairman- Independent	Non Independent*	Independent	Non Independent	Nominee	Independent	Independent
– Fee for attending Board /	27,000	54,000	67,500	40,500	40,500	67,500	67,500
Committee meetings	27,000	81,000	54,000	27,000		72,000	72,000
Total	54,000	1,35,000	1,21,500	67,500	40,500	1,39,500	139,500
Overall Ceiling as per the Act	Max of Rs.1 lac per each meeting of the board / committee	Max of Rs.1 lac per each meeting of the board / committee	Max of Rs.1 lac per each meeting of the board / committee	Max of Rs.1 lac per each meeting of the board / committee	Max of Rs.1 lac per each meeting of the board / committee	Max of Rs.1 lac per each meeting of the board / committee	Max of Rs.1 lac per each meeting of the board / committee

* Non-Executive Non-Independent Director

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

	Particulars of Remuneration	Name of the KMP		TotalAmount
		R S Chandrasekharan	K Suresh	
1	Gross salary	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.16	33.69	73.85
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–
2	Stock option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
5	Others (Contribution to PF & Superannuation)	–	–	–
	Total (A)	40.16	33.69	73.85

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

Annexure to the Directors' Report

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. **Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2016-17, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the financial year 2016-17.**

SI No	Name of Director/KMP	Designation	Remuneration (Rs.in lacs)	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
I	Non-Executive Directors				
II	Executive Directors				
1	T Shivaraman	Managing Director & CEO	55.41	13.35	27.00%
2	M Amjat Shariff	Joint Managing Director	56.11	13.52	21.60%
III	Governed under remuneration structure				
3	R S Chandrasekharan	Chief Financial Officer	40.16	9.68	NIL
4	K Suresh	Vice President & Company Secretary	33.69	8.12	NIL

Note:

- a) The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions. The details of remuneration of Non- executive Directors are provided in the Corporate Governance report.
The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the above purpose.
- b) Percentage increase in remuneration indicates annual target total compensation increases, as approved by the Nomination and Remuneration Committee of the Company during the financial year 2017-18.



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- ii. The percentage increase in the median remuneration of Employees for the financial year was 9%.
 - iii. The Company has 441 permanent Employees on the rolls of Company as on 31st March, 2018
 - iv. Relationship between average increase in remuneration and Company's performance: The reward philosophy of the Company is to provide market competitive total reward opportunity that has a strong linkage to and drives performance culture. Every year, the salary increase for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability.
 - v. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
In line with Company's reward philosophy, merit increases of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the Company business. The increase in the remuneration of the Managing Director & CEO and Joint Managing Director for the year was approved by the Nomination & Remuneration Committee at their meeting held on 30th May 2017.
 - vi. The Market Capitalisation of the Company as on 31st March, 2018 was Rs. 2427.50 crore
 - vii. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was NIL, whereas the increase in the Managing Director & CEO and Joint Managing Director remuneration was 27% and 21.60% respectively.
 - viii. The key parameters for any variable component of remuneration:
Variable compensation is an integral part of our total reward package for all Employees including Executive Directors. At the start of the year, every Employee (including Executive Directors), have the KRAs fixed and their roles assigned for the year in addition to their job fundamentals. These are drawn from the organizational strategic plan and are then reviewed for consistency and stretch. The Company's targets are a combination of goals such as Sales Growth, Operating Margin etc.
 - ix. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:
Managing Director & CEO - 0.55
Joint Managing Director - 0.56
 - x. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1	Name of the subsidiary	Shriram EPC FZE
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AED
4	Share capital	Rs 24,25,939
5	Reserves & surplus	Rs (13,89,94,493)
6	Total assets	Rs 5,04,92,25,798
7	Total Liabilities	Rs 5,18,55,63,794
8.	Investments	Rs 2,98,47,626
9.	Turnover	Rs 1,65,70,03,887
10.	Profit before taxation	Rs (13,02,69,351)
11.	Provision for taxation	Nil
12	Profit after taxation	Rs (13,02,69,351)
13.	Proposed Dividend	---
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Haldia Coke and Chemicals Private Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end	
Amount of Investment in Associates/Joint Venture	Rs 4007.22 lakhs
Extend of Holding%	48.48%
3. Description of how there is significant influence	NA
4. Reason why the associate/joint venture is not consolidated	The carrying value of the investment as at 31st March 2015, after recognizing the group's share of loss in the Associate up to that date was NIL. Considering the erosion of net worth and continuing losses being incurred by it, the group's share of losses in the associate for the current year has not been recognized in these consolidated financial
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
6. Profit/Loss for the year	
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	Nil

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.



CORPORATE GOVERNANCE REPORT

1. Company's practice on Corporate Governance

The Company has consistently aimed at developing a formalised system of Corporate Governance. We believe that it is imperative and non-negotiable for a world class Company to adopt transparent accounting policies, appropriate disclosure norms, best-in-class board practices and consistent high standards of corporate conduct towards its stakeholders.

The Company adopts the Corporate Governance by adopting practices mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Corporate Governance and by establishing procedures and systems to be fully compliant with it. Periodic review of the procedures and systems are done in order to ensure continued relevance, effectiveness and responsiveness to the needs of the Shareholders.

The Company adopts practices mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Corporate Governance and by establishing procedures and systems to be fully compliant with it. Periodic review of the procedures and systems are done in order to ensure continued relevance, effectiveness and responsiveness to the needs of the Shareholders.

The Company discloses information regarding its financial position, performance and other vital matters with transparency, fairness and accountability on timely basis and the Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the Corporate Governance, applicable for the financial year 2017-18.

BOARD OF DIRECTORS

Composition of Board

Presently the Board comprises of eight directors of which Managing Director and Joint Managing Director has Two Executive Directors. Out of the Six Non-Executive Directors, three (3) including one-woman director are independent Directors and three (3) non independent director. The Board has an optimum combination of Executive, Independent directors. The composition of the Board is in conformity with Regulation 17 (1) of the regulations.

The Company has an appropriate size of the Board for strategic discussion and avails benefit of diverse experience and viewpoints.

All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company. The

composition of Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the composition of the Board of Directors are given in Table 1.

Information provided to the Board

Among others, information supplied to the Board includes:

- a) Annual operating plans of businesses and budgets and any updates thereof;
 - b) Capital budgets and any updates thereof;
 - c) Quarterly results for the Company and business segments;
 - d) Minutes of the meetings of the Audit Committee, other Committees of the Board and minutes of meetings of Subsidiary Companies;
 - e) The information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary;
 - f) Show cause, demand, prosecution notices and penalty notices, which are materially important;
 - g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
 - h) Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
 - i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Making of loans and investment of surplus funds;
- k) General notices of interests of Directors;
 - l) Constitution/Reconstitution of Board Committees;
 - m) Appointment, remuneration and resignation of Directors;
 - n) Dividend declaration;
 - o) Significant changes in accounting policies and internal controls;
 - p) Details of any joint venture or collaboration agreements;
 - q) Transactions that involve substantial payment

- towards goodwill, brand equity or intellectual property;
- r) Significant labour problems and their proposed solutions, any significant development on human resources, industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.;
- s) Sale of material nature of investments, subsidiaries, assets which are not in the normal course of business;
- t) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- u) Non-compliance of any regulatory, statutory nature or listing regulations and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and others;
- v) Declaration of Independent Directors at the time of appointment / annual declaration;
- w) Takeover of a Company or acquisition of a controlling of a substantial stake in another Company;
- x) Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee;
- y) Annual financial results of the Company, Auditors' Report and the Report of the Board of Directors;
- z) Compliance Certificates for all the laws as applicable to the Company; and
- aa) CSR activities carried out by the Company and expenditure made thereon.
- The Board of Directors of the Company is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with the specific reference to its effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.
- INDEPENDENT DIRECTORS**
- As mandated by Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Independent Directors on the Board:
- a) are person of integrity and possesses relevant expertise and experience;
- b) (i) are not a promoter of the Company or its holding, subsidiary or associate Company;
- (ii) are not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- c) apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters or directors, amounting to 2% (Two per cent) or more of its gross turnover or total income or ` 50,00,000/- (Rupees Fifty Lakhs only) or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself/herself, nor any of his/her relatives:
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed, of:
- a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% (Ten percent) or more of the gross turnover of such firm;
- (iii) holds together with his/her relatives 2 (Two percent) or more of the total voting power of the Company; or
- (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% (Twenty-five percent) or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% (Two percent) or more of the total voting power of the Company;



(v) is a material supplier, service provider or customer or a lessor or lessee of the Company.

f) are not less than 21 (Twenty-one) years of age.

Familiarization Program of Independent Directors

The Independent directors of SEPC are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and widerange of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website www.shriramepc.com to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. During the last financial year, we had one such programme on 24th August 2017. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

Prevention of Insider Trading

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the guidelines received and adopted by the Company. Code of Conduct for Prevention of Insider Trading for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. All the designated employees are also required to disclose related information periodically as defined in the Code. Directors and designated employees who buy and sell shares of the Company are prohibited from entering into an opposite transaction i.e. sell or buy any shares of the Company during the next six months following the prior transactions. Directors and designated employees are also prohibited from taking positions in the derivatives segment of the Company shares. The aforesaid Code is available at the website of the Company www.shriramepc.com.

Whistle Blower

Your Company has established a mechanism called 'Whistle Blower' for directors and employees to report to

the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the 'Whistle Blower Policy' uploaded at the website of the Company.

Performance evaluation of Independent Directors:

The Nomination and Remuneration Committee evaluates the performance of Independent Directors based on their commitment towards attending the meetings of the Board/ Committees, contribution and attention to the affairs of the Company and their overall performance apart from sitting fees paid for each Board and committee meetings attended by them. The evaluation mechanism of Independent Directors is detailed in Directors Report.

Evaluation Process

In conformity with the requirement of the Act, the performance evaluation of all the Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated. Independent Directors are required to evaluate the performance of non – Independent Directors and Board as a whole. The Independent Directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in Act.

To enable directors to evaluate their individual performance as well as the collective performance of the Board and Chairperson, the Company has developed a framework for evaluating Board's effectiveness, directors' and Chairperson's performance.

CRITERIA

A. Board

1. The Board Meetings are conducted with sufficient focus on important matters and views of all directors are considered before taking a decision
2. The Board composition has the right mix of knowledge and skills required to drive organizational performance
3. Meetings are scheduled with adequate notice and are conducted as per defined schedules
4. The Board meetings are adequate and directors are provided opportunity to suggest agenda items for the Board/Committees, allowing appropriate time for critical issues
5. The Board prioritizes organizational needs
6. The Board provides feedback to management

7. The Board members are aware of their Roles, duties, responsibilities, liabilities and powers
8. The Board materials sufficiently covers the subject and are sent adequately in advance to allow Board to understand the information
9. The Board is effective in establishing a corporate governance that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
10. The internal control systems are effective for identifying material risks and reporting material violations of policies
11. The Board has the desired diversity in terms of expertise and knowledge, gender etc. to discharge its responsibilities
12. The minutes adequately captures the Board deliberations and directions and are circulated to the directors well in advance for their review
13. The management periodically updates the Board on the action taken on the directions given by the Board.

(D) Other provisions as to Board and Committees

The Board comprises of Mr. P D Karandikar, as Non-Executive Independent Chairman, Mr. T Shivaraman as Managing Director & CEO, Mr.M. Amjat Shariff, Joint Managing Director, Mr. S Krishnamurthy, Mr. R Sundararajan, Mr. S Babu and Mrs. Chandra Ramesh as Non-Executive Directors. Mr. Surender Singh had been appointed as OBC nominee Director in May 2017.

During the year 2017-18, 5(Five) meetings of the Board of Directors were held on 30th May 2017, 24th August 2017, 13th September 2017, 7th December 2017, 14th February 2017. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2018 have been made by the Directors as per LODR Regulations, 2015.

Details of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the positions as on 31 March, 2018 are given below:

Name of Director	Position	Relationship with other Directors	Directorships held as on March 31, 2018 in other Indian Public Limited Companies*	**Member in Committees -Position held in other Indian Public Limited Companies	
				Member	Chairman
Mr. P D Karandikar (DIN: 02142050)	Non – Executive Chairman	None	2	2	--
Mr. T. Shivaraman (DIN ; 01312018)	Executive Managing Director& CEO	None	2	1	----
Mr. M Amjat Shariff (DIN:00009562)	Executive Joint Managing Director	None	1	--	---
Mr. R. Sundararajan (DIN ; 00498404)	Non – Executive Non- Independent Director	None	6	3	2
Mr. S. Krishnamurthy (DIN : 00140414)	Non – Executive Independent Director	None	2	2	2
Mr. S Babu (DIN:02541697)	Non- Independent Director	None	-	-	--
Ms. Chandra Ramesh (DIN:00938694)	Non – Executive Independent Director	None	-	--	--
Mr. Surender Singh*** (DIN:07821680)	Non – Executive Nominee Director -OBC	None	-	--	--

*Includes Directorship in the Companies incorporated under the Companies Act, 1956 /2013.

**Only membership in Audit Committee and Share Transfer and Investors' Grievance Committee are considered.

*** Appointed as Nominee Director of Oriental Bank of Commerce on 15th May 2017



Other Directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

No Director of the Company is related to any other Director of the Company.

Code of Conduct

The Company has adopted a Code of Conduct ("the Code") for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company's website at the link: www.shriramepc.com.

The Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman and Managing Director of the Company is contained in this Annual Report.

3. Board Committees

3.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements under the listing regulation 18 of the Regulations read with Part C of Schedule II of the Regulations. pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the Four Non-Executive Directors, out of which three are Independent Directors;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was not present at the last Annual General Meeting held on 24th August, 2017.

(B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- A. The regulations governing the committee are:
1. The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be independent directors.

2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
3. The Chairman of the Audit Committee shall be an independent director;
4. The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;
5. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee;
6. The Company Secretary shall act as the secretary to the committee.

B. Meeting of Audit Committee

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

C. Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

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.

D. The role of the Audit Committee

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- o Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - o Changes, if any, in accounting policies and practices and reasons for the same
 - o Major accounting entries involving estimates based on the exercise of judgment by management
 - o Significant adjustments made in the financial statements arising out of audit findings
 - o Compliance with listing and other legal requirements relating to financial statements
 - o Disclosure of any related party transactions
 - o Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. Discussion with internal auditors of any significant findings and follow up there on;
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal

control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Risk Management- To evaluate the Risk Management System including Risk Policy, Risk Process (Risk Identification, Assessment, Mitigation and Monitoring) and Risk Registers, laid down by the management;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition, names of Members and Chairperson, its meetings and attendance:

The composition of the Committee is Mr. P D Karandikar, Chairman, Mr. S Krishnamurthy Mr. S Babu, and Ms. Chandra Ramesh as members of the Committee.

During the year, 4 Audit Committee meetings were held on 30th May 2017, 13th September 2017, 7th December 2017 and 14th February 2018.

The composition of the Audit Committee, which has been reconstituted during the year and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Mr. P D Karandikar – Chairman	4	4
Mr. S Krishnamurthy – Member	4	4
Mr. S Babu – Member	4	3
Ms. Chandra Ramesh – Member	4	4
Mr. S R Ramakrishnan- **	4	1
Mr. R Sunderarajan – Member***	4	4

Mr. K Suresh, Company Secretary is the Secretary of the Audit Committee.

** Mr. S R Ramakrishnan resigned from the Committee on 27.10.2017 Consequent on his resignation from the Company.

*** Mr. R Sunderarajan stepped down from the Audit Committee on 04.05.2018.



Nomination and Remuneration Committee

(A) Constitution

The Nomination and Remuneration Committee has been reconstituted during the year and comprises of Mr. S Krishnamurthy, Mr. R Sundararajan, Ms. Chandra Ramesh as members of the Committee.

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity; and

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Meetings and attendance during the year:

During the year, a meeting of Nomination and Remuneration Committee was held on 30th May 2017.

The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Ms. Chandra Ramesh – Chairman	1	1
Mr. R Sundararajan – Member	1	1
Mr. S Krishnamurthy – Member	1	-
Mr. S R Ramakrishnan - resigned from the Committee on 27.10.2017	1	1

(D) Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay.

Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

(E) Remuneration to Managing Director & CEO and Joint Managing Director

(a) Mr. T Shivaraman is the Managing Director & Chief Executive Officer (MD & CEO) of the Company. The salary, benefits and perquisites paid to Mr. T Shivaraman, MD & CEO during the year 2017-18 was Rs.55.41 Lakhs.

Details of Remuneration to MD & CEO	Amount (Rs / Lakh)
Salary	44.00
Allowances and Perquisites	11.41
Number of Shares held	286685

(b) Mr. M Amjat Shariff, Joint Managing Director (JMD) of the Company. The salary, benefits and perquisites paid to Mr. M Amjat Shariff, JMD during the year 2017-18 was Rs. 56.11 Lakhs.

Details of Remuneration to JMD	Amount (Rs / Lakh)
Salary	44.00
Allowances and Perquisites	12.11
Number of Shares held	282984

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows: -

(a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Non-Executive Directors	Ratio to Median Remuneration
Mr. S.R. Ramakrishnan	0.13
Mr. R Sundararajan	0.35
Mr. S Krishnamurthy	0.31
Mr. S Babu	0.19
Mr. Sunil Kumar Kolangara	0.01
Mr. P D Karandikar	0.34
Ms. Chandra Ramesh	0.34
Mr. Surender Singh	-
Executive Directors	
Mr. T Shivaraman	13.35
Mr. M Amjat Shariff	13.52

(b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

Name of person	% increase to remuneration
Mr. S.R. Ramakrishnan	NIL
Mr. R Sundararajan	NIL
Mr. S Krishnamurthy	NIL
Mr. S Babu	NIL
Mr. Sunil Kumar Kolangara	NIL
Mr. P D Karandikar	NIL
Ms. Chandra Ramesh	NIL
Mr. Surender Singh	NIL
Mr.T Shivaraman, MD & CEO	27.00%
Mr.M. Amjat Shariff, JMD	21.60%
Mr. R Chandrasekharan, CFO	NIL
Mr. K Suresh, VP & Company Secretary	NIL

(c) the percentage increase in the median remuneration of employees in the financial year was 9%(Median remuneration 2016-17 Rs. 380063 compared to Rs.415380 for 2017-18

(d) the number of permanent employees on the rolls of company: 441

(e) the explanation on the relationship between average increase in remuneration and company performance;

The remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	Rs/l ac
Remuneration of Key Managerial Personnel (KMP) during financial year 2017-18 (aggregated)	185.37
Revenue from operations	61,504.33
Remuneration (as % of revenue)	0.003%
Profit before tax (PBT)	2425.90
Remuneration (as % of PBT)	0.076%

Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Particulars	Managing Director & CEO	Joint Managing Director	Chief Financial Officer	Company Secretary
	Rs. in lac	Rs. in lac	Rs. in lac	Rs. in lac
Remuneration	55.41	56.11	40.16	33.69
Revenue	61504.33	61504.33	61504.33	61504.33
Remuneration (as % of revenue)	0.0009%	0.0009%	0.006%	0.005%
Profits before tax (PBT)	2425.90	2425.90	2425.90	2425.90
Remuneration (as % of PBT)	0.022%	0.023%	0.016%	0.014%

(F) Remuneration to Non-Executive Directors

Remuneration by way of Sitting Fees is paid to Directors at Rs.15, 000/- for attending each Meeting of the Board and Rs. 10,000/- for attending each Committee Meetings i.e. for Audit Committee, Stake holder's relationship committee meeting, Nomination & Remuneration Committee, Borrowing Committee and Investment Committee meetings.

Payment of sitting fee to the Non-Executive Directors for the year ended 31 March, 2018 are as under:

Names of Directors	Board meeting (net of TDS) Rs.	Audit Committee meeting (net of TDS) Rs.	Stakeholders relationship committee (net of TDS) Rs.	Nomination & remuneration Committee meeting (net of TDS)-Rs.	Borrowing committee (net of TDS) Rs.
P D Karandikar	67500	36000	36000	---	---
R Sundararajan	54000	36000	36000	9000	---
S Krishnamurthy	67500	36000	---	---	18000
S Babu	40500	27000	---	---	---
Chandra Ramesh	67500	36000	9000	9000	18000
Surender Singh	---	---	---	---	---
Mr. S R Ramakrishnan (resigned from the Board/committee effective from 27.10.2017)	27000	9000	9000	9000	---
Mr. Sunil Kolangara (resigned from the Board with effect from 09 th January 2018.	40500	---	---	---	---



Notes:

- (i) The Non-Executive Directors have disclosed separately the shares held by them in the Company.
- (ii) There has been no pecuniary relationship or transactions other than above of the Non-Executive Directors vis-à-vis the Company during the year under review.

3.3 Stakeholders Relationship Committee

- (A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of Mr. R Sundararajan as Chairman with Mr. P D Karandikar and Ms. Chandra Ramesh as members of the Committee.

The Committee is set up to monitor the process of share transfer, issue of fresh Share Certificates as well as review of redressal of investors/shareholders grievances. The Committee would also recommend measures for overall improvement of the quality of Investor services.

During the year, 4 meetings of the Stakeholders Relationship Committee were held on 30th May 2017, 13th September 2017, 7th December 2017 and 14th February 2018.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

Members	No. of Meetings held	No. of Meetings Attended
Mr. R Sundararajan- Chairman	4	4
Mr. P D Karandikar- Member	4	4
Mr. S R Ramakrishnan- Member* resigned on 27.10.2017	4	1
Ms. Chandra Ramesh- Member *appointed on 07.12.2017	4	1

(B) Name and Designation of the Compliance Officer

Mr K Suresh, Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges and can be contacted at:

Shriram EPC Ltd
4th Floor, Sigappi Achi Building,
Door no.18/3, Rukmini Lakshmi pathisalai
(Marshall's Road)
Egmore, Chennai- 600 008. India
Tel: (91 44) 4901 5678
Fax: (91 44) 4901 5655
Email: suresh@shriramepc.com
Website: www.shriramepc.com

In addition to the above e-mail of the Compliance Officer, the Investors/Shareholders can also lodge their complaints, if any, at info@shriramepc.com. A link has been provided to

the Shareholders to register their grievances to company's website www.shriramepc.com.

(C) Complaints received and redressed during the year 2017-18

Opening Balance	Received during the year 2017-18	Resolved during the year 2017-18	Closing Balance
0	2	2	0

Pursuant to Regulation 40(9 & (10) of the regulations, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

3.4 Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. S Krishnamurthy, Mr. P D Karandikar, and Ms. Chandra Ramesh met on 14th February 2018 without any Senior Management Personnel.

4. Subsidiary Company

(i) The Company does not have any Indian Subsidiary Company.

(ii) The financial statements of the unlisted foreign Subsidiary Company is being placed before the Board.

5. Disclosures

(A) Basis of related party transactions

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

(iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

(B) Disclosure of Accounting Treatment

Your Company has not adopted any alternative accounting treatment prescribed differently from the Ind-AS.

(C) Board Disclosures - Risk Management

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to

the Management Discussion and Analysis report which form part of the Board Report. The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

(D) Proceeds from public issues, right issues, preferential issues etc.

During the year 2017-18, Rs.11 crores (approx.) of WCTL was converted by issuance of equity shares to the bankers.

(E) Secretarial Audit Report

The Company has obtained Secretarial Audit Report on quarterly/Annual basis from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, LODR Regulations, 2015, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Secretarial Audit Report is annexed.

(F) Secretarial Standards

The Company during the year under review has undertaken the audit for compliance of Secretarial Standards and procedures followed by the Company in compliance with Secretarial Standards on Annual General meeting and Board Meeting issued by Institute of Company Secretaries of India. The Secretarial Standards Report is published elsewhere forming a part of this Report.

(G) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

8. General Body Meetings

(A) Location and time of General Meetings held in the last 3 years:

Year	Date	Time	Venue
2014-15	24.09.2015	10.00 AM	SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017
2015-16	15.09.2016	10.20 AM	SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017
2016-17	24.08.2017	3.05 PM	SRI KRISHNA GANA SABHA, DR. NALLI GANA VIHAR, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017

(H) Shareholders

(i) The quarterly results and presentations made by the Company to analysts are put on the Company's website www.shriramepc.com under the Disclosure Requirements Section.

(ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depository Participant.

(iii) As per Section 152 (6) of the Companies Act, 2013, out of the total number of Directors, 2/3rd of the Directors are liable to retire by rotation. Independent Directors are not liable to retire by rotation. Out of the Non-Independent Directors who are liable to retire by rotation, 1/3rd shall retire at every Annual General Meeting. Accordingly, Mr. R Sundararajan, Director (DIN: 00498404) will retire by rotation at the ensuing Annual General Meeting. A brief profile is published elsewhere in the Annual Report.

6. CEO and CFO Certification

The Managing Director & CEO and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations.

7. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Schedule V of the LODR Regulations, 2015, the Practising Company Secretary's Certificate of compliance on conditions of Corporate Governance is annexed to this Report.



(B) Special Resolution passed through postal Ballot- Deemed general meetings:

Year	Date of meeting	Section	Particulars
2015-16	06-06-2015	62,42	Preferential issue to the CDR lenders in lieu of the Funded Interest Term Loan(FITL)
		62,42	Preferential issue to the CDR lenders in lieu of the sacrifice
		42,62(1)(c)	Preferential issue to the promoters for the capital infusion of 389 crs
		61	Reclassification of Authorised Capital
		Section 13 & 14	Amendment to the memorandum & Articles of Association for the capital clause change
		Section 13	Amendment to the memorandum of Association-Object clause amendment
	10-8-2015	Section 13	Amendment to the memorandum of Association-Object clause amendment
		Section 14	Adoption of new set of Articles as per the new Companies act 2013
			Disclosure of the ultimate Beneficial owners- preferential issue-notice of PB notice -5 th May 2015
			Disclosure of the correct post issue shareholding pattern- - preferential issue- notice of PB notice -5 th May 2015
		Section 186	Increase in the limit of loans/investments
	11-2-2016	62,42	Preferential issue to the CDR lenders in lieu of the Working Capital Term Loan(WCTL)
		42,62(1)(c)	Preferential issue to the promoters for the capital infusion upto 100 crs
		Section 13,14 and clause V	Amendment to the memorandum & articles of Association-capital clause
2016-17	26-8-2016	62,42	Preferential issue to the CDR lenders in lieu of the Working Capital Term Loan(WCTL)
		42,62(1)(c)	Preferential issue to the promoters for the capital infusion upto Rs. 265 crs
		Section 61 and clause V	Increase of Authorised Capital and alteration of Memorandum of Association
	24-2-2017	62,42	Preferential issue to the CDR lenders in lieu of the Working Capital Term Loan(WCTL) based on final reconciliation
		62(1)(c)	Preferential issue to KPR Investments P Ltd upto 35 crs
		Section 61	Increase of Authorised Capital
		Section 13 & Clause V	Alteration of Memorandum of Association
2017-18	04-05-2017	Section 62(1)(c)	Preferential Issue of equity shares on in terms of ICDR Regulations on conversion of the Working Capital Term Loan (WCTL) to CDR Lenders based on the final reconciliation
		Section 62	Issue of equity shares on preferential basis to KPR Investments Pvt Ltd.
		Section 13, Section 61	Increase of the Authorised Share Capital of the Company and approval for alteration the Memorandum of Association of the Company
		Section 14	Amendment of Articles of Association by insertion of new Articles

9. Means of Communication

The Company's website is a comprehensive reference on the management, vision, mission, policies, corporate governance, corporatesustainability, investor relations, updates and news. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, to comply with MCA Guidelines. The website covers all major press reports, releases, etc.

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly report sent to each household of Shareholders	The results of the Company are published in the news papers
Quarterly results and in which newspaper normally published in.	Results are published in Financial Express (all editions) and in Maalai Thamizhagam (Tamil - Chennai edition)
Any website where displayed	Yes, the results are displayed on the Company's website www.shriramepc.com
Whether it also displays official news releases	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts	Yes

10. General Shareholder Information

Annual General Meeting:

(i) **Date, time and Venue:** Wednesday, 3rd August, 2017 at 3.00 PM.

SRI KRISHNA GANA SABHA, 20, MAHARAJAPURAM SANTHANAM ROAD, T.NAGAR, CHENNAI – 600 017

(ii) Financial Year: 1st April, 2017 to 31st March, 2018

(iii) Date of Book Closure: Monday, 30th July 2018 to Friday, 3rd August, 2018 (both days inclusive)

(v) Listing

The Stock Exchanges on which the Company's shares are listed:

- BSE Limited
- National Stock Exchange of India Limited

(vi) Stock Code

BSE Limited: 532945

National Stock Exchange of India Limited: SHRIRAMEPC

The ISIN of the Company for its shares: ISIN INE-964H01014

(vii) Market price information

a. The reported high and low closing prices during the year ended 31 March, 2018 on the National Stock Exchange and the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	BSE PRICE		NSE PRICE	
	High	Low	High	Low
Apr-17	29.30	26.90	29.60	26.80
May-17	30.00	24.15	29.45	24.45
Jun-17	28.20	22.70	28.30	23.55



Jul-17	27.30	23.00	27.25	23.55
Aug-17	24.70	19.55	23.90	19.50
Sep-17	22.95	19.70	22.75	19.6
Oct-17	23.45	17.20	23.60	17.20
Nov-17	22.00	19.00	22.00	19.15
Dec-17	33.90	20.00	33.90	20.05
Jan-18	33.80	27.25	33.70	27.05
Feb-18	35.50	24.00	35.55	23.95
Mar-18	32.55	24.95	32.60	24.50

(x) Registrars and Share Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents –Cameo Corporate Services Limited

Subramanian Building, V Floor

No. 1, Club House Road

Chennai 600 002

India

Tel: (91 44) 2846 0390 / 40020700 (Board)

Fax: (91 44) 2846 0129

Email: shriramepc@cameoindia.com

Website: www.cameoindia.com

Contact Person: Mr. R.D. Ramasamy

SEBI Registration Number: INR000003753

(xi) Shareholding as on 31 March, 2018

DISTRIBUTION OF HOLDINGS AS ON 31.3.2018					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	15955	75.75	2520477	25204770	0.26
5001 - 10000	2451	11.64	2146710	21467100	0.22
10001 - 20000	1178	5.59	1889179	18891790	0.19
20001 - 30000	443	2.10	1175412	11754120	0.12
30001 - 40000	187	0.89	678771	6787710	0.07
40001 - 50000	265	1.26	1281399	12813990	0.13
50001 - 100000	309	1.47	2368237	23682370	0.24
100001 - And Above	275	1.31	959468833	9594688330	98.76
Total :	21063	100	971529018	9715290180	100

b) Shareholding pattern as on 31 March, 2018

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% TO EQUITY
Promoter	1	279391356	28.76
Director & Relatives	6	296794	0.03
Resident	20357	18599357	1.91
FI	2	394917	0.04

NRI	177	373517	0.04
Corporate Body	362	17551340	1.81
Clearing Member	69	126919	0.01
Bank	22	653287007	67.24
FPI	13	1292635	0.13
Employees	54	215176	0.02
TOTAL	21063	971529018	100

(c) Capital of the Company

The authorized and paid-up capital of your Company is Rs.1050 crs and Rs.971.53 crores crores respectively.

(d) Top ten Shareholders as on 31 March, 2018

TOP 10 SHAREHOLDERS AS ON 31.3.2018

SL.NO	FOLIO	CLID	NAME OF THE HOLDER(S)	SHARES	%
1	IN300020	11730413	SVL LIMITED	279391356	28.76
2	IN303786	10000279	STATE BANK OF INDIA	125634843	12.93
3	IN300812	10491515	CENTRAL BANK OF INDIA	93570276	9.63
4	IN300020	10060150	ORIENTAL BANK OF COMMERCE	69109490	7.11
5	IN300812	10495586	IDBI BANK LTD.	59631183	6.14
6	IN300812	10501028	PUNJAB NATIONAL BANK	55282938	5.69
7	IN300095	11274987	THE SOUTH INDIAN BANK LTD	39805326	4.10
8	IN300484	10820757	AXIS BANK LIMITED	35664419	3.67
9	IN300749	10000012	BANK OF INDIA	27857738	2.87
10	IN300386	10000287	BANK OF MAHARASHTRA	24398370	2.51
			TOTAL	810345939	83.41

(xii) Dematerialisation of shares and liquidity

SHAREHOLDING SUMMARY AS ON 31-Mar-2018

CATEGORY	NO.OF HOLDERS	TOTAL POSITIONS	% OF HOLDINGS
PHYSICAL	129	1581	0.00
NSDL	11853	943393912	97.10
CDSL	9081	28133525	2.90
TOTAL	21063	971529018	100

The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are traded in BSE and NSE.

(xiii) Plant locations

The Company is not a manufacturing unit and thus not having any manufacturing Plant.

(xiv) Address for correspondence

The Company Secretary

Shriram EPC Ltd
4th Floor, Sigappi Achi Building,
Door no.18/3, Rukmini Lakshmi pathisalai (Marshalls Road)
Egmore, Chennai- 600 008, India
Tel: (91 44) 4901 5678
Fax: (91 44) 4901 5655



Email: suresh@shriramepc.com

Website: www.shriramepc.com

(xv) Electronic Clearing Service (ECS)

The Company is availing of the ECS facility to distribute dividend in main cities to those Members who have opted for it.

11. Reconciliation of Share Capital

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

12. Details of mandatory requirement of SEBI (LODR) Regulations, 2015

I. Disclosure on website in terms of Listing Regulations		
Item	Compliance status (Yes/No/NA)	
Details of business	Yes	
Terms and conditions of appointment of independent directors	Yes	
Composition of various committees of board of directors	Yes	
Code of conduct of board of directors and senior management personnel	Yes	
Details of establishment of vigil mechanism/Whistle Blower policy	Yes	
Criteria of making payments to non-executive directors	Yes	
Policy on dealing with related party transactions	Yes	
Policy for determining 'material' subsidiaries	Yes	
Details of familiarization programmes imparted to independent directors	Yes	
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	
email address for grievance redressal and other relevant details	Yes	
Financial results	Yes	
Share holding pattern	Yes	
Details of agreements entered in to with the media companies and/or their associates	Not Applicable	
New name and the old name of the listed entity	Not Applicable	
II Annual Affirmations		
Particulars	Regulation Number	Compliance status (Yes/No/NA)
<i>Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'</i>	16(1)(b)&25(6)	Yes
<i>Board composition</i>	17(1)	Yes
<i>Meeting of Board of directors</i>	17(2)	Yes
<i>Review of Compliance Reports</i>	17(3)	Yes
<i>Plans for orderly succession for appointments</i>	17(4)	Yes
<i>Code of Conduct</i>	17(5)	Yes
<i>Fees/compensation</i>	17(6)	Yes
<i>Minimum Information</i>	17(7)	Yes
<i>Compliance Certificate</i>	17(8)	Yes
<i>Risk Assessment & Management</i>	17(9)	Yes

<i>Performance Evaluation of Independent-Directors</i>	17(10)	Yes
<i>Composition of Audit Committee</i>	18(1)	Yes
<i>Meeting of Audit Committee</i>	18(2)	Yes
<i>Composition of nomination & remuneration-committee</i>	19(1)&(2)	Yes
<i>Composition of Stakeholder Relationship-Committee</i>	20(1)&(2)	Yes
<i>Composition and role of risk management-committee</i>	21(1),(2),(3),(4)	Yes
<i>Vigil Mechanism</i>	22	Yes
<i>Policy for related party Transaction</i>	23(1),(5),(6),(7)&(8)	Yes
<i>Prior or Omni bus approval of Audit Committee for all related party transactions</i>	23(2),(3)	Yes
<i>Approval for material related party-transactions</i>	23(4)	Yes
<i>Composition of Board of Director of unlisted material Subsidiary</i>	24(1)	Yes
<i>Other Corporate Governance requirements with respect to subsidiary of listed entity</i>	24(2),(3),(4),(5)&(6)	Not Applicable
<i>Maximum Directorship & Tenure</i>	25(1)&(2)	Yes
<i>Meeting of independent directors</i>	25(3)&(4)	Yes
<i>Familiarization of independent directors</i>	25(7)	Yes
<i>Memberships in Committees</i>	26(1)	Yes
<i>Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel</i>	26(3)	Yes
<i>Disclosure of Shareholding by Non-Executive Directors</i>	26(4)	Yes
<i>Policy with respect to Obligation of directors and senior management</i>	26(2)&26(5)	Yes



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identification No : L74210TN2000PLC045167

To,

The Members

SHRIRAM EPC LIMITED

Sigappi Achi Building, 4th Floor,
No.18/3 Rukmini Lakshmi pathi Road, Egmore
Chennai – 600008.

We have examined all relevant records of **Shriram EPC Limited**, having its Registered Office at Sigappi Achi Building, 4th Floor, No.18/3 Rukmini Lakshmi pathi Road, Egmore, Chennai – 600008, for the purpose of certifying compliance of the conditions of Corporate Governance under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2018. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. 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 and the representations made by the Directors and the Management, we certify that the Company has generally complied regarding the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2018.

For R.Sridharan & Associates
Company Secretaries

CS R. Sridharan
CP No. 3239
FCS No. 4775

UIN : S2003TN063400

Chennai
June 7, 2018

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – www.shriramepc.com.

Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2018.

Chennai
June 7, 2018

T SHIVARAMAN
Managing Director & CEO

Secretarial Audit Report for the Financial year ended 31st March, 2018

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
Shriram EPC Limited
Sigapi Achi Building, 4th Floor
18/3 Rukmini Lakshmipathi Road,
Egmore
Chennai – 600 008

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shriram EPC Limited [Corporate Identification Number: L74210TN2000PLC045167] (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956 to the extent applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) The Company has not dealt with the matters relating to Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings under FEMA and hence, the requirement of complying with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder doesn't arise;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d) During the period under review, the Company has not allotted any shares to its employees under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e) During the period under review, the Company has neither issued any debentures nor has any outstanding debentures to be redeemed and hence the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 is not applicable;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) During the year under review, the Company has not delisted its Securities from any of the Stock Exchanges in which it is listed and hence the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 is not applicable; and
- h) The Company has not bought back any shares during the period under review and hence the provisions of compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 is not applicable;
- (vi) As informed by the Management, no specific laws/ acts are applicable to the Company.

With respect to Labour Laws, etc; based on the information & explanations provided by the management and officers of the Company and periodical reports and certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of the above mentioned laws.

We further report that compliance of applicable financial laws including direct and indirect tax laws by the company has not been reviewed in this audit since the same has been



subject to review by statutory auditors and other designated professionals.

We have also examined compliance with the applicable clauses / regulations of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. The Company has not constituted CSR Committee and CSR Policy based on the Net worth of more than 500 crores as per the Audited Balance Sheet as on 31/03/2017, as required under the provisions of Section 135 of the Companies Act, 2013.
2. The Company has not transferred the underlying shares of unpaid or unclaimed dividend required to be transferred to IEPF, apart from the amount of unpaid or unclaimed dividend which, as per MCA vide its Notification dated 13th October, 2017 and section 124(6) of Companies Act, 2013.
3. The Company has not nominated a Nodal Officer for the purpose of co-ordination with IEPF Authority as per Rule 7 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
4. The Company has approved Annual Financial Statements through video conferencing, where the Chairman participated through video conferencing. As per Section 173(2), of the Companies Act, Annual Financial Statements, are matters that cannot be dealt through Video conferencing.
5. The Company has disclosed beyond the prescribed time limit, the Stay order received from NCLAT, which, in the opinion of the board of directors of the listed company, is material, in compliance with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. The Scrutinizer Report received from Practicing Company Secretary has not complied with Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.
7. The company has not disclosed the names of Top 10 employees in terms of remuneration drawn as per Section 197(12) of Companies Act 2013 read with rule 5 of Companies(Appointment and Remuneration of Managerial Personnel) Rules 2014.

We further report that

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. There are certain businesses that can be transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under. The Company has convened & generally recorded in compliance with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014 businesses that have been transacted through Video Conferencing / Audio Visual means.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting including the resolutions passed through Postal Ballot, the number of votes cast against the resolutions has been recorded.

We further report that based on the review of compliance mechanism established by the Company, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has made the following preferential allotments relating to:

S.No	Nature of Allotment	Date of allotment	No. of Shares	Face Value Per share	Premium per Share
1	Conversion of Funded Interest Term Loan to Equity Shares to CDR Lenders in terms of the CDR Scheme	6 th April, 2017	10,193	Rs.10/-	Rs.22.98/-
2	Conversion of Sacrifice on Preferential Basis to CDR Lenders in terms of the CDR Scheme	6 th April, 2017	24,03,425	Rs.10/-	Rs.30.05/-
3	Conversion of the Working Capital Term Loan (WCTL) to CDR Lenders in terms of the CDR Scheme	9 th May, 2017	54,66,375	Rs.10/-	Rs.13.25/-

S.No	Nature of Allotment	Date of allotment	No. of Shares	Face Value Per share	Premium per Share
4	Conversion of the Working Capital Term Loan (WCTL) to CDR Lenders in terms of the CDR Scheme	4 th August, 2017	54,66,375	Rs.10/-	Rs.13.25/-
5	Conversion of the Working Capital Term Loan (WCTL) to CDR Lenders in terms of the CDR Scheme	11 th August, 2017	48,11,134	Rs.10/-	Rs.13.25/-
6	Conversion of the Working Capital Term Loan (WCTL) to Corporation Bank in terms of the CDR Scheme	11 th August, 2017	1,44,16,429	Rs.10/-	Rs.13.25/-
7	Allotment of Equity Shares on preferential basis to KPR Investments P Ltd	27 th September, 2017	1,29,19,896	Rs.10/-	Rs.17.09/-

Note: This Report is to be read with letter of even date by Secretarial Auditor, which is annexed as Annexure A and Forms an integral part of this report.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

PLACE : CHENNAI
DATE:7TH JUNE, 2018

‘Annexure A’

To,

The Members,
Shriram EPC Limited
Sigapi Achi Building, 4th Floor
18/3 Rukmini Lakshmi pathi Road,
Egmore
Chennai – 600008

Our report of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

- We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For R.SRIDHARAN & ASSOCIATES
COMPANY SECRETARIES

CS R.SRIDHARAN
CP No. 3239
FCS No. 4775
UIN : S2003TN063400

PLACE : CHENNAI
DATE:7TH JUNE, 2018



Independent Auditor's Report to the Members of Shriram EPC Limited

1. Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Shriram EPC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

2. Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

4. Basis of Qualified Opinion

Long term Loans and advances include Rs 3,677.28 lakhs (March 31, 2017: Rs. 3,196.96 lakhs) (including interest accrued up to March 31, 2016) and other trade receivables include net amount of Rs 307.21 lakhs (March 31, 2017: Rs. 267.08 lakhs), due from related party. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amounts and as these are outstanding for more than three years, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts. Refer Note 54 of the standalone Ind AS financial statements.

This matter was also qualified in the report of the predecessor auditors on the standalone Indian GAAP financial statements for the year ended March 31, 2017.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

6. Emphasis of Matters

We draw attention to the following matters in the Notes to the standalone Ind AS financial statements:

- i. Note no 55 regarding dues amounting to Rs 7,106.46 lakhs (March 31, 2017: Rs 6,624.57 lakhs) in respect of project which is stalled due to statutory delays faced by the customer. As the

customer has put in efforts to identify alternate options to complete the project, management is of the view that it will be able to realize such dues.

- ii. Note no 56 regarding dues amounting to Rs 28,642.33 lakhs (March 31, 2017: Rs 24,901.11 lakhs) due from an associate and a subsidiary of the associate which has been outstanding for more than three years. Based on the undertaking given by the associate with respect to divestment in its subsidiary and projected operations of mines, cashflows, the above stated dues are considered to be realizable by the management

Our opinion is not qualified in respect of these matters.

7. Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 23, 2016 respectively expressed an qualified opinion on those standalone financial statements and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter.

8. Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on our audit we report, to the extent applicable that:
 - (a) We have sought and, except for the matters described in Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the

Companies (Indian Accounting Standards) Rules, 2015, as amended.

- (e) The matter described in Basis of Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 53 to the standalone Ind AS financial statements.
 - ii. Except for the possible effect of the matters described in the Basis of Qualified opinion above, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
ICAI Firm Registration No.105047W

Place: Chennai
Date: June 07, 2018

Geetha Jeyakumar
Partner
Membership No.: 29409



Annexure “A” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of Shriram EPC Limited

[Referred to in paragraph 8 - 1(h) under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Shriram EPC Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the “Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures

selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified in the operating effectiveness of the Company’s internal financial controls over financial reporting as at March 31, 2018 in respect of provisioning of overdue receivables and provisioning of advances which have been outstanding

for a considerable period of time, which could potentially result in the Company not recognizing a provision for the said receivables and advances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and accordingly to the explanations given to us, based on our audit, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note, and except for the possible effects of the material

weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone Ind AS financial statements of the Company, and these material weaknesses affects our opinion on the standalone Ind AS financial statements of the Company.

**For MSKA & Associates
(Formerly known as MZSK & Associates)**

Chartered Accountants
ICAI Firm Registration No.105047W

Place: Chennai
Date: June 07, 2018

Geetha Jeyakumar
Partner
Membership No.: 29409



Annexure “B” to the Independent Auditors’ Report of even date on the Standalone Financial Statements of Shriram EPC Limited for the year ended March 31, 2018

[Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditors’ Report]

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the management in accordance with a regular program 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) In respect of immovable properties of land and building that have been taken on lease and disclosed as Fixed Assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (d) Immovable properties of land and buildings whose title deeds have been pledged with a bank as security for term loans, are held in the name of the Company based on the Mortgage deed executed between the bank and the Company for which confirmation has been obtained from the bank.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanation given to us, the Company has granted loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of loans granted by the Company are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - (a) The schedule of repayment of principal and payment of interest have not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of repayments or receipts of principal amounts and interest.
 - (c) There are no overdue amounts remaining outstanding as at the Balance Sheet date, except for an amount of Rs. 3,984.49 Lakhs as referred to in Basis of Qualified opinion paragraph above, which have been outstanding for a considerable period of time, and as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees’ state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, goods and service tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income tax, Service tax and Value added tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Period to which the amount relates	Forum where dispute is pending	Amount involved (Rs. In Lakhs)	Amount Unpaid (Rs. In Lakhs)
Income Tax Act, 1961	Income Tax, Interest and Penalty	2012-13	Income Tax Appellate Tribunal	4.56	4.56
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	2006-07 to 2012-13	Customs Excise and Service Tax Appellate Tribunal	694.28	694.28
Service Tax (Chapter V of the Finance Act, 1994)	Service Tax and Penalty	2009-10 to 2011-12	Commissioner of Service Tax (Appeals)	114.53	114.53
Andhra Pradesh Value Added Tax Act	Value Added Tax	2008-09 and 2009-10	Supreme Court	223.33	223.33
Tamil Nadu Value Added Tax Act	Value Added Tax	2008-09 to 2014-15	High Court	1,357.62	1,357.62
West Bengal Value Added Tax Act	Value Added Tax	2007-08	West Bengal Commercial Taxes Appellate & Revisional Board	558.45	558.45
West Bengal Value Added Tax Act	Value Added Tax	2008-09 to 2012-13	Joint Commissioner (Appeals)	871.20	871.20
West Bengal Value Added Tax Act	Value Added Tax	2012-13	Joint Commissioner (Appeals)	263.07	263.07
Maharashtra Value Added Tax Act	Value Added Tax	2010-11	Deputy Commissioner (Appeals)	246.13	246.13
Orissa Value Added Tax Act	Value Added Tax	2011-12 and 2012-13	High Court	6,700.75	6,700.75

- (viii) In our opinion and according to the information and explanations given to us, the Company has been regular in repayment of dues to banks except for default of principal and interest to an extent of Rs. 1,435.99 Lakhs which is outstanding as at March 31, 2018. Also Refer to Note 21.2 and 21.3 of the financial statements. The Company has not defaulted in repayment of loans and borrowings to financial institutions. The Company has not issued any debentures during the current year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013. However, the increase in managerial

remuneration from July 2017 to March 2018 is subject to the shareholders approval.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares during the year to banks and financial institutions. Refer Note 19 to financial statements. These allotments were made against the secured loans from banks and financial institutions, borrowed in the earlier years to meet the working capital requirements of the company and accordingly the compliance of the requirement of section 42 of the



Companies Act, 2013 do not, prima facie, appear to be applicable to the preferential allotment made during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in

paragraph clause 3 (xvi) of the Order are not applicable to the Company.

**For MSKA & Associates
(Formerly known as MZSK & Associates)**

Chartered Accountants
ICAI Firm Registration No.105047W

Place: Chennai
Date: June 07, 2018

Geetha Jeyakumar
Partner
Membership No.: 29409

Standalone Balance Sheet as at March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Notes	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non-current assets				
Property, plant and equipment	6	5,515.95	6,007.57	5,423.97
Capital work-in-progress		14.84	14.84	1,014.39
Intangible assets	7	63.18	79.80	97.34
Financial assets				
Investments	8	130.75	133.45	549.32
Loans	9	40,625.03	37,082.10	33,196.45
Trade Receivables	10	17,879.05	10,843.19	11,314.69
Other Financial Assets	10	4,740.27	5,756.53	5,853.75
Deferred Tax Assets (Net)	40	47,623.70	48,973.51	41,425.79
Income Tax Assets (Net)	12	3,018.29	2,412.66	4,036.43
Other Non-Current Assets	11	9,320.42	8,103.03	7,044.64
Total Non-Current Assets		128,931.48	119,406.68	109,956.77
Current assets				
Inventories	13	3,765.57	3,813.96	4,544.01
Financial assets				
Trade receivables	14	37,978.29	48,235.08	30,640.57
Cash and cash equivalents	15	2,125.64	1,602.50	1,342.07
Other bank balances	16	3,697.92	4,542.48	3,736.36
Other Financial Assets	17	8,024.93	11,117.49	11,332.92
Other current assets	18	81,652.70	65,017.50	65,287.91
Total Current Assets		137,245.05	134,329.01	116,883.84
Total Assets		266,176.53	253,735.69	226,840.61
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	97,152.90	93,696.79	33,062.64
Other equity	20	25,779.23	19,166.57	(40,377.11)
Total Equity		122,932.13	112,863.36	(7,314.47)
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	21	28,164.58	34,415.46	142,408.69
Other financial liabilities	22	5,955.85	5,199.36	3,979.34
Provisions	23	532.27	449.21	283.65
Other non-current liabilities	24	13,117.80	13,635.92	13,236.36
Total Non-Current Liabilities		47,770.50	53,699.95	159,908.04
Current liabilities				
Financial liabilities				
Borrowings	25	51,163.89	49,203.50	45,479.73
Trade payables	26	31,462.42	25,637.00	20,428.06
Other financial liabilities	27	3,532.92	4,045.68	613.42
Other current liabilities	28	8,899.01	7,836.93	7,300.86
Provisions	29	415.66	449.27	424.97
Total Current Liabilities		95,473.90	87,172.38	74,247.04
Total Liabilities		143,244.40	140,872.33	234,155.08
Total Equity and Liabilities		266,176.53	253,735.69	226,840.61
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

T.Shivaraman
Managing Director & CEO

Chandra Ramesh
Director

Place: Chennai
Date: June 7, 2018

K.Suresh
Company Secretary

R.S.Chandrasekharan
Chief Financial Officer



Statement of Profit and Loss for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Notes	Year ended 31-Mar-18	Year ended 31-Mar-17
Income			
Revenue from operations	30	61,504.33	51,968.59
Other income	31	10,533.10	8,783.11
Total income		72,037.43	60,751.70
Expenses			
Cost of materials consumed	32	-	-
Erection, Construction & Operation Expenses	33	47,916.68	39,730.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	48.39	510.05
Employee benefits expense	35	4,577.23	4,109.13
Finance costs	36	10,350.66	29,758.80
Depreciation and amortization expense	37	584.14	607.17
Other expenses	38	6,134.43	8,268.31
Total expenses		69,611.53	82,983.62
Profit/(Loss) before exceptional items and tax		2,425.90	(22,231.92)
Exceptional items	39	-	407.56
Profit/(Loss) before tax		2,425.90	(22,639.48)
Income tax expense			
Current tax	40	-	-
Deferred tax		1,349.81	(7,547.72)
Total income tax expense		1,349.81	(7,547.72)
Profit/(Loss) for the year		1,076.09	(15,091.76)
Other Comprehensive Income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)		59.04	14.42
Fair Value of Equity Instruments through OCI		(2.70)	(8.30)
		56.34	6.12
Other Comprehensive Income for the year		56.34	6.12
Total Comprehensive Income for the year		1,132.43	(15,085.64)
Earnings / (Loss) per share			
Basic earnings /(loss) per share (₹)		0.12	(2.68)
Diluted earnings /(loss) per share (₹)		0.12	(2.68)
Face value per equity share (₹)		10.00	10.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
 Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
 CIN: L74210TN2000PLC045167

Geetha Jeyakumar
 Partner

T.Shivaraman
 Managing Director & CEO

Chandra Ramesh
 Director

Place: Chennai
 Date: June 7, 2018

K.Suresh
 Company Secretary

R.S.Chandrasekharan
 Chief Financial Officer

Statement of changes in equity for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital									
Particulars	As at 31-03-2018			As at 31-03-2017					
	No. of shares	Amount	No. of shares	Amount					
Equity shares of Rs. 10 each issued, subscribed and fully paid									
Outstanding at the Beginning of the year	936,967,941	93,696.79	330,626,422	33,062.64					
Add: Shares issued during the year	34,561,077	3,456.11	606,341,519	60,634.15					
Outstanding at the End of the year	971,529,018	97,152.90	936,967,941	93,696.79					

(B) Other equity									
Particulars	Share Application money pending allotment	Reserve and surplus					Components of Other Comprehensive Income		Total
		Share options outstanding account	Securities premium account	General reserve	Capital reserve	Retained earnings	Re-measurement gains/ (losses) on defined benefit plans (Net of Tax)	Equity instruments through Other Comprehensive Income	
Balance as at 1 April 2016	6,493.00	0.17	104,622.88	561.75	12.92	(152,074.97)	-	7.15	(40,377.11)
Loss for the year	-	-	-	-	-	(15,091.76)	14.42	-	(15,091.76)
Other comprehensive income	-	-	-	-	-	-	14.42	(8.30)	6.12
Total other comprehensive income for the year	6,493.00	0.17	104,622.88	561.75	12.92	(167,166.73)		(1.15)	(55,462.75)
Issue of Equity shares	(6,493.00)	-	81,122.32	-	-	-	14.42	-	74,629.32
Balance as at 31 March 2017	-	0.17	185,745.20	561.75	12.92	(167,166.73)		(1.15)	19,166.57
Profit / (Loss) for the year	-	-	-	-	-	1,076.09	-	-	1,076.09
Other comprehensive income	-	-	-	-	-	-	59.04	(2.70)	56.34
Total other comprehensive income for the year	-	-	-	-	-	1,076.09	59.04	(2.70)	1,132.43
Issue of Equity shares	-	-	5,480.23	-	-	-	-	-	5,480.23
Balance as at 31 March 2018	-	0.17	191,225.43	561.75	12.92	(166,090.65)	73.46	(3.85)	25,779.23

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 7, 2018

T.Shivaraman
Managing Director & CEO

K.Suresh
Company Secretary

Chandra Ramesh
Director

R.S.Chandrasekharan
Chief Financial Officer



Statement of cash flows for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flow from operating activities		
Loss before tax	2,425.90	(22,639.48)
Adjustments for:		
Depreciation and amortization expenses	584.14	607.17
Provision for Gratuity	88.00	127.17
Provision for Compensated Absences	(38.54)	62.69
Fair valuation of Investments	2.70	
Provision for Investments		415.86
Provision for doubtful trade and Other receivables and Loans and Advances	731.73	2,379.54
Finance cost	11,347.84	31,060.58
Interest income	(9,723.81)	(8,195.82)
Liabilities written back	(673.74)	(414.86)
(Gain)/ loss on sale of fixed assets	(2.66)	84.39
Operating profit before working capital changes	4,741.56	3,487.24
Changes in working capital		
Increase/(Decrease) in trade payables	6,499.15	5,623.81
Decrease/ (Increase) in inventories	48.40	730.05
Decrease/ (Increase) in trade receivables	2,489.18	(19,502.55)
Decrease/ (Increase) in loans	(3,542.94)	(3,885.65)
Increase/(Decrease) in other current liabilities	1,062.07	536.07
Increase/(Decrease) in other non current liabilities	(518.12)	399.56
Increase/(Decrease) in Short Term provisions	(33.60)	24.30
Increase/(Decrease) in Long Term provisions	83.06	(24.30)
Increase/(Decrease) in other financial liabilities	1,854.16	(1,091.49)
Decrease/ (Increase) in other financial assets	12,476.16	8,064.35
Decrease/ (Increase) in other current assets	(16,635.20)	270.41
Decrease/ (Increase) in non-current assets	(1,260.60)	(1,111.45)
Cash generated used in operations	7,263.28	(6,479.65)
Income tax paid	(605.63)	1,623.77
Net cash flows used in operating activities (A)	6,657.65	(4,855.88)
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(80.81)	(193.86)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	844.56	(806.12)
Proceeds from sales of investments		
Proceeds from sale/ disposal of fixed assets	7.57	-

Statement of cash flows for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Net proceeds from fixed deposits		
Interest received	1,406.56	439.12
Net cash flow from investing activities (B)	2,177.88	(560.86)
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	3,500.00	26,500.00
Receipt / (Refund) of Share application money	-	(6,493.00)
Proceeds from Short term borrowings(net)	1,960.38	3,723.78
Repayment of Long term borrowings	(814.54)	7,263.24
Movement in current maturities of long term borrowings		
Interest and Finance Charges Paid	(12,958.28)	(25,316.81)
Net cash flow from financing activities (C)	(8,312.44)	5,677.21
Net increase in cash and cash equivalents (A+B+C)	523.09	260.47
Cash and cash equivalents at the beginning of the year	1,602.50	1,342.07
Cash and cash equivalents at the end of the year	2,125.59	1,602.54
Cash and cash equivalents comprise		
Cash and Bank balances as per Balance Sheet	5,823.56	6,144.98
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer note 16)	3,697.92	4,542.48
Total cash and bank balances at end of the year (Refer note 15)	2,125.64	1,602.50
Note:		
Significant Non Cash Items		
Conversion of Funded Interest Term Loan into Equity	3.36	2,419.07
Conversion of Working Capital Term Loan into Equity	4,470.41	112,674.40
Conversion of Interest Sacrifice into Equity	962.57	163.00
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

T.Shivaraman
Managing Director & CEO

Chandra Ramesh
Director

Place: Chennai
Date: June 7, 2018

K.Suresh
Company Secretary

R.S.Chandrasekharan
Chief Financial Officer



Notes forming part of Financial Statements for the year ended March 31, 2018

1 General Information

Shriram EPC Limited (the “Company” or “SEPC”) which is a part of the Shriram EPC Group has diverse interests across Project Engineering & Construction. The company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared using significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to Ind AS as summarised in Note 5.

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The date of transition to Ind AS is April 1, 2016. The financial statements upto the year ended March 31, 2017, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“I-GAAP”) and other relevant provisions of the Act. The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability. These financials statements have been approved for issue by the Board of Directors at their meeting held on June 07, 2018.

These financial statements for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except certain financial assets and liabilities measured at fair value (Refer Accounting Policy No. 2.15 on financial instruments).

The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

All assets and liabilities have been classified as current or non-current as per the Company’s operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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.

(c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (“the Act”). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

(d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the

reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(e) Interests in Joint Operations

When the Company has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Company recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Parent Company and its subsidiaries are combined for consolidation.

2.2 Property, plant and equipment (PPE)

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE are stated at original cost net of taxes/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of

PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	
Leasehold improvement*	Lease period or life of asset whichever is lower
Leasehold land	20 years
Plant & Machinery	2 to 4 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	
- Servers	6 years
- End user devices such as laptops, desktops	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate. Freehold land is not depreciated.



2.3 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, net of tax/duty credits availed, if any less accumulated amortization and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalized as part of cost of the intangible asset.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Technical know how	5 to 10 years
Computer Software	5 years

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and Intangible Assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and Intangible Assets are tested for impairment, so as to determine the impairment loss, if any. Goodwill and Intangible Assets with indefinite life are tested for impairment each year.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between

the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Fair value measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS and certain items of property, plant and equipment that were revalued in earlier years in accordance with the I-GAAP principles. The carrying value of all the items of property, plant and equipment as on date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement.

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- ▶ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date;
- ▶ Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

- ▶ Level 3 inputs are unobservable inputs for the valuation of assets/liabilities

2.6 Revenue Recognition

- A. Revenue is recognised based on the nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances.
- B. Revenue from construction contracts/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable the such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contracts cost.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- (i) The amount of revenue can be measured reliably;
- (ii) It is probable that the economic benefits associated with the contract will flow to the Company;
- (iii) The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- (iv) The costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Balance sheet as a liability towards advance received. Amounts billed

for work performed but yet to be paid by the customer are disclosed in the Balance sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

Revenue from contracts from rendering engineering design services and other services which are directly related to construction of an asset is recognised on the same basis as stated in (B) above.

Other Operational Revenue

Other Operational Revenue represents income earned from activities incidental to the business and is recognized when the right to receive income is established as per the terms of contract.

Other Income

Interest Income is recognised on the basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases



of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.9 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;

- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

2.13 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand, cheques in transit and demand deposits with banks.

For the purposes of the cash flow statement, Cash and 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.

2.14 Cash flow statement

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of :

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates; and
- iii. all other items for which the cash effects are investing or financing cash flows.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

- (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.



(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows."

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

The company has currently exercised the irrevocable option to present in Other comprehensive Income, subsequent changes in the Fair value of Equity Instruments. Such an election has been made on instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected

credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet, ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or

- b) retains the contractual rights to receive the cash flows of the financial asset, but

assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the

recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.16 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is



actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable

to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares."

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at

the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

(c) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc.

(d) Recognition of deferred tax assets
The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4. Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

5. First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue

with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of compound instrument.
- (iii) FVTPL – debt securities
- (iv) FVTOCI – debt securities
- (v) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities



A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(d) Equity instruments at FVTOCI

The Company has designated investment in equity shares other than associate and joint ventures as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

Notes forming part of the Financial Statements for the year ended March 31, 2018

5.3 Reconciliations

(Amount in ₹ lakhs, unless otherwise stated)

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a)(i) Effect of Ind AS adoption on Balance Sheet as at 31st March, 2016

	Notes to first-time adoption	Indian GAAP*	Ind AS Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, plant and equipment		5,423.97	-	5,423.97
Capital work-in-progress		1,014.39	-	1,014.39
Intangible assets		97.34	-	97.34
Financial assets				
Investments	e(i)	542.17	7.15	549.32
Loans	e(ii)	104,766.00	(71,569.55)	33,196.45
Trade Receivables		11,314.69	-	11,314.69
Other Financial Assets	e(ii) & e(iv)	14,503.31	(8,649.56)	5,853.75
Deferred tax asset (net)	e(iii)	-	41,425.79	41,425.79
Income Tax Assets (Net)		4,036.43	-	4,036.43
Other Non-Current Assets	e(ii)	16,752.60	(9,707.96)	7,044.64
Total Non-Current Assets		158,450.90	(48,494.13)	109,956.77
Current assets				
Inventories		4,544.01	-	4,544.01
Financial assets				
Trade receivables	e(ii)	31,794.41	(1,153.84)	30,640.57
Cash and cash equivalents		1,342.07	-	1,342.07
Other Bank Balances		3,736.36	-	3,736.36
Loans		-	-	-
Other Financial Assets		11,332.92	-	11,332.92
Other current assets	e(ii)	77,258.84	(11,970.93)	65,287.91
Total Current Assets		130,008.61	(13,124.77)	116,883.84
Total Assets		288,459.51	(61,618.90)	226,840.61
EQUITY AND LIABILITIES				
Equity				
Equity share capital		33,062.64	-	33,062.64
Other equity		12,625.16	(53,002.27)	(40,377.11)
Total Equity		45,687.80	(53,002.27)	(7,314.47)
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	e(iv)	150,922.69	(8,514.00)	142,408.69
Other financial liabilities	e(vi)	4,081.97	(102.63)	3,979.34
Provisions		283.65	-	283.65
Other non-current liabilities		13,236.36	-	13,236.36
Total Non-Current Liabilities		168,524.67	(8,616.63)	159,908.04
Current liabilities				
Financial liabilities				
Borrowings		45,479.73	-	45,479.73
Trade payables		20,428.06	-	20,428.06



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

	Notes to first-time adoption	Indian GAAP*	Ind AS Adjustments	Ind AS
Other financial liabilities		613.42	-	613.42
Other current liabilities		7,300.86	-	7,300.86
Provisions		424.97	-	424.97
Total Current Liabilities		74,247.04	-	74,247.04
Total Liabilities		242,771.71	(8,616.63)	234,155.08
Total Equity and Liabilities		288,459.51	(61,618.90)	226,840.61

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(a)(ii) Reconciliation of equity as at 31 March 2017

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, plant and equipment		6,007.57	-	6,007.57
Capital work-in-progress		14.84	-	14.84
Intangible assets		79.80	-	79.80
Financial assets		-	-	-
Investments	e(i)	134.61	(1.16)	133.45
Loans	e(ii)	104,674.91	(67,592.81)	37,082.10
Trade Receivables		10,843.19	-	10,843.19
Other Financial Assets	e(ii) & e(iv)	12,917.09	(7,160.56)	5,756.53
Deferred tax asset/(Liabilities) (net)	e(iii)	-	48,973.51	48,973.51
Income Tax Assets (Net)		2,412.66	-	2,412.66
Other Non-Current Assets	e(ii)	16,752.60	(8,649.57)	8,103.03
Total Non-Current Assets		153,837.27	(34,430.59)	119,406.68
Current assets				
Inventories		3,813.96	-	3,813.96
Financial assets		-	-	-
Trade receivables	e(ii)	49,203.77	(968.69)	48,235.08
Cash and cash equivalents		1,602.50	-	1,602.50
Other Bank Balances		4,542.48	-	4,542.48
Loans		-	-	-
Other Financial Assets		11,117.49	-	11,117.49
Other current assets	e(ii)	75,213.51	(10,196.01)	65,017.50
Total Current Assets		145,493.72	(11,164.70)	134,329.01
Total Assets		299,330.98	(45,595.29)	253,735.69
EQUITY AND LIABILITIES				
Equity				
Equity share capital		93,696.79	-	93,696.79
Other equity		64,080.90	(44,914.33)	19,166.57
Total Equity		157,777.69	(44,914.33)	112,863.36
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	e(iv)	35,034.69	(619.23)	34,415.46
Other financial liabilities	e(vi)	5,261.09	(61.73)	5,199.36

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Provisions		449.21	-	449.21
Other non-current liabilities		13,635.92	-	13,635.92
Total Non-Current Liabilities		54,380.91	(680.96)	53,699.95
Current liabilities				
Financial liabilities				
Borrowings		49,203.50	-	49,203.50
Trade payables		25,637.00	-	25,637.00
Other financial liabilities		4,045.68	-	4,045.68
Other current liabilities		7,836.93	-	7,836.93
Provisions		449.27	-	449.27
Total Current Liabilities		87,172.38	-	87,172.38
Total Liabilities		141,553.29	(680.96)	140,872.33
Total Equity and Liabilities		299,330.98	(45,595.29)	253,735.69

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(b) Reconciliation of loss for the year ended March 31, 2017

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Revenue from operations		51,968.59	-	51,968.59
Other income	e(ii)	1,031.41	7,751.70	8,783.11
Total income		53,000.00	7,751.70	60,751.70
Expenses				
Erection, Construction & Operation Expenses		39,730.16	-	39,730.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress		510.05	-	510.05
Employee benefits expense	e(v)	4,094.71	14.42	4,109.13
Finance costs	e(iv)	23,353.03	6,405.77	29,758.80
Depreciation and amortization expense		607.17	-	607.17
Other expenses	e(ii) & e(vi)	7,470.90	797.41	8,268.31
Total expenses		75,766.02	7,217.60	82,983.62
Loss before exceptional items and tax		(22,766.02)	534.10	(22,231.92)
Exceptional items		407.56	-	407.56
Loss before tax		(23,173.58)	534.10	(22,639.48)
Income tax expense				
Current tax		-	-	-
Deferred tax	e(iii)	-	(7,547.72)	(7,547.72)
Total income tax expense		-	(7,547.72)	(7,547.72)
Loss for the year		(23,173.58)	(8,081.82)	(15,091.76)
Other comprehensive income				



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Loss of Investments carried at fair value	e(i)	-	(8.30)	(8.30)
Re-measurement gains on defined benefit plans	e(v)	-	14.42	14.42
Other comprehensive income for the year		-	6.12	6.12
Total other comprehensive loss for the year		(23,173.58)	(8,087.94)	(15,085.64)

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(c) Reconciliation of profit or loss for the year ended 31 March 2017

Particulars	Notes to first-time adoption	As at 31-03-2017	As at 01-04-2016
Other Equity as per Previous GAAP (Indian GAAP)		64,080.90	12,625.16
Adjustment			
1) Impact of provision for expected credit loss	e(ii)	(83,001.78)	(89,996.98)
2) Impact on account of derecognition of loans pursuant to conversion to equity and on application of effective interest rate	e(iv)	(10,957.78)	(4,552.01)
3) Impact of fair valuation of investments	e(i)	(1.15)	7.15
4) Deferred Tax on the above adjustments and on unabsorbed losses	e(iii)	48,973.51	41,425.79
5) Others	e(vi)	72.87	113.78
		(44,914.33)	(53,002.27)
Other Equity as per Ind AS		19,166.57	(40,377.11)

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(d) Impact of Ind AS adoption on cash flow statements for the year ended 31 March 2017

Particulars	Indian GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	(1,883.37)	(2,972.55)	(4,855.92)
Net cash flow from investing activities	(561.19)	0.35	(560.84)
Net cash flow from financing activities	2,704.63	2,972.56	5,677.19
Net increase / (decrease) in cash and cash equivalents	260.07	0.36	260.43
Cash and cash equivalents as at 1 April 2016	1,360.76	(18.69)	13,472.07
Cash and cash equivalents as at 31 March 2017	1,620.83	(18.33)	1,602.50

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(e) Notes to first-time adoption

- (i) The Company has valued Investments (other than Investment in wholly owned subsidiary and associate which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Other Comprehensive Income.
- (ii) The provision is made against trade receivables, unbilled revenue and loans based on “expected credit loss” model as per Ind AS 109. Under I-GAAP the provision was made when the receivable/loan turned doubtful/non performing asset based on the assessment on case to case basis and applicable regulations.
- (iii) Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities on account of opening transition adjustments, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods. Under I-GAAP the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period.
- (iv) Under Ind AS 23 borrowing cost is calculated following effective rate of interest (EIR) method as described under Ind AS 109. Under I-GAAP borrowing cost was computed by applying the coupon rate to the principal amount for the period with consequential impact in the asset items where borrowing cost is capitalised/inventorised. Borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest recognised based on EIR method.
- (v) Both under I-GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under I-GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.
- (vi) Under I-GAAP, operating lease rentals were straight lined over the lease period. Under Ind AS, if the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost, lease reserve should not be booked. Consequent to this change, the amount of retained earnings has been decreased. Also under Ind AS, rent free period is straight-lined over the lease term as the same is considered as incentive.



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

6 Property, plant and equipment - Current Year										
Block of Assets	Gross block				Depreciation			Net block		
	As at 1 April 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2018	As at 1 April 2017	For the year	Deductions/ Adjustments	As at 31st March 2018	As at 31st March 2018	As at 31 March 2017
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	318.15	-	-	318.15	71.98	39.46	-	111.44	206.71	246.17
Buildings	152.15	-	-	152.15	8.50	5.15	-	13.65	138.50	143.65
Plant and Machinery - (Refer to Note 6.1 below)	5,654.85	4.72	-	5,659.57	445.78	463.31	-	909.09	4,750.48	5,209.07
Furniture and Fixtures	60.05	0.11	-	60.16	8.71	8.31	-	17.02	43.14	51.34
Office Equipment	36.97	1.60	-	38.57	14.97	10.42	-	25.39	13.18	22.00
Computers	56.13	55.64	-	111.77	22.43	25.50	-	47.93	63.84	33.70
Vehicles - (Refer to Note 6.1 below)	77.18	18.74	21.76	74.16	17.04	15.37	16.85	15.56	58.60	60.14
Total	6,596.98	80.81	21.76	6,656.03	589.41	567.52	16.85	1,140.08	5,515.95	6,007.57
Property, plant and equipment - Previous Year										
Block of Assets	Gross block				Depreciation			Net block		
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Owned assets										
Freehold land	241.50	-	-	241.50	-	-	-	-	241.50	241.50
Leasehold Improvements	337.55	-	19.40	318.15	-	71.98	-	71.98	246.17	337.55
Buildings	151.55	0.60	-	152.15	-	8.50	-	8.50	143.65	151.55
Plant and Machinery - (Refer to Note 6.1 below)	4,501.22	1,153.63	-	5,654.85	-	445.78	-	445.78	5,209.07	4,501.22
Furniture and Fixtures	53.93	7.13	1.01	60.05	-	8.93	0.22	8.71	51.34	53.93
Office Equipment	28.73	8.24	-	36.97	-	14.97	-	14.97	22.00	28.73
Computers	33.45	22.68	-	56.13	-	22.43	-	22.43	33.70	33.45
Vehicles - (Refer to Note 6.1 below)	76.04	1.14	-	77.18	-	17.04	-	17.04	60.14	76.04
Total	5,423.97	1,193.42	20.41	6,596.98	-	589.63	0.22	589.41	6,007.57	5,423.97

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

6.1 Details of Assets taken under finance lease:

Block of Assets	₹ In Lakhs		
	31-Mar-18	31-Mar-17	1-Apr-16
Plant and Machinery			
Gross Block	131.59	131.59	131.59
Accumulated Depreciation	25.80	12.90	-
Net Book value	105.79	118.69	131.59
Vehicles			
Gross Block	54.14	54.14	54.14
Accumulated Depreciation	20.36	10.18	-
Net Book value	33.78	43.96	54.14

6.2 Cost as at March 31, 2017 and April 01, 2016 of individual assets has been reclassified wherever necessary.

7 Intangible assets - Current Year

Block of Assets	Gross block				Depreciation				Net block	
	As at 1 April 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31st March 2018	As at 1 April 2017	For the year	Deductions/ Adjustments	As at 31st March 2018	As at 31st March 2018	As at 31 March 2017
Computer Software	43.12	-	-	43.12	15.11	-	-	15.11	28.01	28.01
Technical Knowhow	54.22	-	-	54.22	2.43	16.62	-	19.05	35.17	51.79
Total	97.34	-	-	97.34	17.54	16.62	-	34.16	63.18	79.80
Intangible assets - Previous Year										
Block of Assets	Gross block				Depreciation				Net block	
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Computer Software	43.12	-	-	43.12	-	15.11	-	15.11	28.01	43.12
Technical Knowhow	54.22	-	-	54.22	-	2.43	-	2.43	51.79	54.22
Total	97.34	-	-	97.34	-	17.54	-	17.54	79.80	97.34



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

8 Financial Assets- Investments (Non Current)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(A) Investment in wholly owned Subsidiary carried at cost			
1 Equity share (Previous year: 1 Equity share) of 150,000 AED in Shriram EPC (FZE)	24.26	24.26	24.26
(B) Investment in Associate - Non Trade			
Unquoted			
22,239,167 Equity Shares (Previous year: 22,239,167 Equity Shares) of ₹ 10/- each fully paid up in Haldia Coke and Chemicals Private Limited (Refer Note 8.1 below)	4,007.22	4,007.22	4,007.22
Less: Provision for Diminution in value of Investments	(4,007.22)	(4,007.22)	(4,007.22)
	-	-	-
(C) Investments in Others - Trade - Fair value through Other Comprehensive Income			
Quoted			
386,526 Equity Shares (Previous year: 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited	40.36	43.06	51.37
Unquoted			
661,300 Equity shares (Previous year: 661,300 Equity shares) of ₹ 10/- each fully paid in Hexa Wind Farm Private Limited	66.13	66.13	66.13
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited	407.56	407.56	407.56
Less: Provision for Diminution in value of Investments (Refer Note 8.2 below)	(407.56)	(407.56)	-
	-	-	407.56
Total	130.75	133.45	549.32
Aggregate book value of:			
Quoted investments	40.36	43.06	51.37
Unquoted investments	90.39	90.39	497.95
Aggregate amount of impairment in value of Investments	4,414.78	4,414.78	4,007.22

8.1 Of the above, 10,092,344 Equity Shares have been pledged with a lender for monies borrowed by the associate.

8.2 The Company's investment in Leitwind Shriram Manufacturing Private Limited (a related party) is ₹ 407.56 lakhs. Considering the erosion of net worth and continuing losses being incurred by it, the Management is of the opinion that the diminution in carrying value of the investment in that entity is other than temporary in nature. Consequently the company has made a provision for diminution, for the said amount and disclosed the same under exceptional item in the statement of Profit and Loss.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

9 Non-Current Financial assets - Loans	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Considered Good	102,733.34	104,674.91	104,766.00
Considered doubtful	5,108.10	5,108.10	3,855.00
Less: Provision for Expected Credit Loss	(67,216.41)	(72,700.91)	(75,424.55)
Total	40,625.03	37,082.10	33,196.45

9.1 Loans includes due from:			
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Private Companies in which directors are Interested:			
Hamon Shriram Cottrell Private Limited	-	357.36	360.74
Haldia Coke and Chemicals Private Limited	48,833.58	48,833.58	48,833.58
ii) Other Related Parties:			
SVL Limited	-	1,418.45	-
Ennore Coke Limited	29,180.73	29,178.71	29,174.65
Leitwind Shriram Manufacturing Private Limited	13,336.63	13,333.20	12,252.27
Shriram EPC FZE	-	54.00	45.55
Bharath Wind Farm Limited	26.12	122.70	23.02

10 Other Non-Current Financial assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade Receivables - Retention Money			
Considered Good	17,879.05	10,843.19	11,314.69
Considered doubtful	2,235.38	1,594.28	1,594.28
Less: Provision for doubtful receivables	(2,235.38)	(1,594.28)	(1,594.28)
	17,879.05	10,843.19	11,314.69
Trade Receivables - Others			
Considered doubtful	1,562.72	1,562.72	1,562.72
Less: Provision for doubtful receivables	(1,562.72)	(1,562.72)	(1,562.72)
	-	-	-
Other Financial Assets			
Deposits	1,250.43	1,251.32	1,326.09
Other receivables (Refer Note 10.1 below)	3,489.84	4,505.21	4,527.66
	4,740.27	5,756.53	5,853.75
Total	22,619.32	16,599.72	17,168.44

10.1 Other Receivables includes an amount of ₹ 3,489.84 Lakhs (March 31, 2017 ₹ 4,505.21 Lakhs and April 01, 2016 ₹ 4,527.66 Lakhs) the balance consideration receivable from My Home Industries Limited ("MHIL") towards the value of certain receivables due from Sree Jayajothi Cements Limited ("SJCL") taken over by MHIL pursuant to an agreement dated 11 August 2013 entered into with them. This amount has been deposited in a Joint Escrow Account to be received by the Company after completion of certain formalities of Sree Jayajothi Cements Limited.



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

11 Other Non-Current Assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unbilled Revenue	16,752.60	16,752.60	16,752.60
Less: Provision for Expected Credit Loss	(7,432.18)	(8,649.57)	(9,707.96)
Total	9,320.42	8,103.03	7,044.64

12 Income Tax Assets (Net)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance Tax (Net of Provision for Tax ₹ 7,260.29 lakhs (March 31, 2017 and April 01, 2016 - ₹ 7,260.29 lakhs))	3,018.29	2,412.66	4,036.43
Total	3,018.29	2,412.66	4,036.43

13 Inventories	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw material in stock (Valued at lower of cost and net realizable value)	-	-	220.00
Work in progress in stock (Valued at lower of cost and net realizable value)	3,765.57	3,813.96	4,324.01
Total	3,765.57	3,813.96	4,544.01

14 Trade receivables	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured			
-Considered good	38,759.89	49,203.77	31,794.41
-Considered doubtful	4,607.90	4,517.27	4,175.58
Less: Provision for Expected Credit Losses	(5,389.50)	(5,485.96)	(5,329.42)
Total	37,978.29	48,235.08	30,640.57

14.1 Trade Receivables include due from related parties amounting to ₹ 7,286.40 Lakhs (March 31, 2017 - ₹ 2,986.47 Lakhs and April 01, 2016 - ₹ 2,579.23 Lakhs)

14.2 Trade Receivables include ₹ 2,460 Lakhs (March 31, 2017 and April 01, 2016 - ₹ 2,460 Lakhs) being amounts due from a company towards sale of Wind Energy Generators, in earlier years. Considering the future business potential of the Company, and the value of its underlying assets the dues are considered fully realizable.

15 Cash and bank balances	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Balances with banks			
In current accounts	347.79	334.47	143.27
Deposit Account (Original maturity of 3 months or less)	57.92	61.87	809.13
Margin Money (Original maturity of 3 months or less)	1,719.80	1,205.40	388.80
Cash on hand	0.13	0.76	0.87
Total	2,125.64	1,602.50	1,342.07

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

16 Other Bank Balances	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unpaid Dividend Account	18.69	18.69	18.69
Deposit Account (Original maturity of more than 3 months)	913.02	1,729.64	1,020.31
Margin Money (Original maturity of more than 3 months)	2,766.21	2,794.15	2,697.36
Total	3,697.92	4,542.48	3,736.36

17 Other Current Financial assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposits	200.72	482.13	486.85
Interest accrued on fixed deposits	-	50.09	45.09
Dues from CDR Bankers on account of excess recoveries	255.57	488.32	-
Interest recoverable from CDR Bankers	-	-	1,277.73
Trade Receivable - Retention monies	7,568.64	10,096.95	9,523.25
Total	8,024.93	11,117.49	11,332.92

18 Other current assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances to Employees	51.63	70.44	64.74
Balance with Government Authorities	1,473.08	162.22	479.88
Prepaid Expenses	45.24	123.66	270.96
Unbilled Revenue	76,891.54	61,972.58	63,201.93
Less: Provision for Expected Credit Loss	(9,728.82)	(10,207.15)	(11,982.07)
Advances to Suppliers			
- Considered good	12,869.41	12,836.69	13,215.63
- Considered doubtful	1,640.30	1,640.30	1,355.56
Less : Provision for doubtful Advances	(1,640.30)	(1,640.30)	(1,355.56)
	12,869.41	12,836.69	13,215.63
Other Advances	50.62	59.06	36.84
Total	81,652.70	65,017.50	65,287.91



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

19 Equity Share capital			
Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorized			
1,050,000,000 (31 March 2017: 1,000,000,000, 1 April 2016: 410,000,000) Equity Shares of ₹ 10 each	105,000.00	100,000.00	41,000.00
	105,000.00	100,000.00	41,000.00
Issued, subscribed and paid up			
971,529,018 (31 March 2017: 936,967,941, 1 April 2016: 330,626,422) equity shares of ₹ 10 each fully paid	97,152.90	93,696.79	33,062.64
	97,152.90	93,696.79	33,062.64

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	936,967,941	93,696.79	330,626,422	33,062.64	86,358,184	8,635.82
Add: Issued during the year	34,561,077	3,456.11	606,341,519	60,634.15	244,268,238	24,426.82
Outstanding at the end of the year	971,529,018	97,152.90	936,967,941	93,696.79	330,626,422	33,062.64

(b) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
Equity Shares						
SVL Limited (Refer Note Below)	279,391,356	28.76%	279,391,356	29.82%	165,412,862	50.03%
State Bank of India	125,634,843	12.93%				
Central Bank of India	93,570,276	9.63%	91,973,534	9.82%	17,506,860	5.30%
Oriental Bank of Commerce	69,109,490	7.11%	68,993,466	7.36%	32,026,835	9.69%
State Bank of Patiala	-	0.00%	64,466,433	6.88%	-	-
IDBI Bank Limited	59,631,183	6.14%	58,644,408	6.26%	-	-
Punjab National Bank	55,282,938	5.69%	54,190,436	5.78%	-	-

**(c) Details of shares held by Promoter -
Investing Party**

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
SVL Limited (Refer Note below)	279,391,356	28.76%	279,391,356	29.82%	165,412,862	50.03%

Note: SVL ceased to be the Holding Company with effect from July 2016 consequent to issue of shares to CDR lenders on conversion of working capital term loan into Equity Shares.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(d) Preferential issue of Equity during the year ended March 31, 2018				
Particulars	No of Shares	Face value of ₹ 10/-	Premium	Total
KPR Investments Private Limited	12,919,896	1,291.99	2,208.01	3,500.00
Lender Banks - Conversion of Funded Interest Term Loan (FITL)	10,193	1.02	2.34	3.36
Lender Bank - Conversion of Interest Sacrifice	2,403,425	240.34	722.23	962.57
Lender Banks - Conversion of Working Capital Term Loan(WCTL)	19,227,563	1,922.76	2,547.65	4,470.41
Total	34,561,077	3,456.11	5,480.23	8,936.34

(e) Preferential issue of Equity during the year ended March 31, 2017				
Particulars	No of Shares	Face value of ₹ 10/-	Premium	Total
Promoter - SVL Limited	113,978,494	11,397.85	15,102.15	26,500.00
Lender Banks - Conversion of Funded Interest Term Loan (FITL)	7,334,961	733.50	1,685.57	2,419.07
Lender Bank - Conversion of Interest Sacrifice	406,991	40.70	122.30	163.00
Lender Banks - Conversion of Working Capital Term Loan(WCTL)	484,621,073	48,462.11	64,212.30	112,674.41
Total	606,341,519	60,634.16	81,122.32	141,756.48

(f) Terms/rights attached to the 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.

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.

The Company has only one class of share capital, i.e., equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

(g) The Authorised Equity Share Capital has been increased to ₹ 105,000 Lakhs with effect from 4th May 2017.

(h) Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000 for preferential issue proceeds :

Particulars	Proceeds of Issue	Purpose
KPR Investments Private Limited	3,500.00	Business needs and exigencies
Conversion of FITL	3.36	Conversion of interest on WCTL, into Equity, to reduce cash outflow on account of interest
Conversion of Interest sacrifice	962.57	Conversion of monies already borrowed and fully utilised for business purposes
Conversion of WCTL	4,470.41	Re-compense liability converted into Equity by a lender
Total	8,936.34	



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

20 Other equity

(A) The Company has preference share capital having a par value of ₹ 10 per share, referred to herein as preference share capital

Particular	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorized			
30,000,000 (31 March 2017: 30,000,000, 1 April 2016: 30,000,000) Convertible Preference Shares of ₹ 100 each	30,000.00	30,000.00	30,000.00
Total	30,000.00	30,000.00	30,000.00

(B) Other equity

Capital Reserve (Refer Note (iii) below)	12.92	12.92	12.92
Securities premium reserve (Refer Note (i) below)	191,225.43	185,745.20	104,622.88
General reserve (Refer Note (ii) below)	561.75	561.75	561.75
Deficit in the Statement of Profit and Loss (Refer Note (iv) below)	(166,090.65)	(167,166.74)	(152,074.98)
Employee Stock options outstanding account (ESOOA) (Refer Note (v) below)	0.17	0.17	0.17
Share application money pending allotment (Refer Note (vi) below)	-	-	6,493.00
Re-measurement gains/ (losses) on defined benefit plans (Net of Tax) (Refer Note (viii) below)	73.46	14.42	-
Investments FVTOCI Reserve on equity instruments (Refer Note (vii) below)	(3.85)	(1.15)	7.15
Total	25,779.23	19,166.57	(40,377.11)

(i) Securities premium reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	185,745.20	104,622.88
Add : Securities premium credited on issue of shares	5,480.23	81,122.32
Closing balance	191,225.43	185,745.20

(ii) General reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	561.75	561.75
Additions/(Transfers)	-	-
Closing balance	561.75	561.75

(iii) Capital Reserve

	As at 31 March 2018	As at 31 March 2017
Opening balance	12.92	12.92
Additions/(Transfers)	-	-
Closing balance	12.92	12.92

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(iv) Deficit in the Statement of Profit and Loss	As at 31 March 2018	As at 31 March 2017
Opening balance	(167,166.74)	(152,074.98)
Add: Net Profit / (loss) for year	1,076.09	(15,091.76)
Closing balance	(166,090.65)	(167,166.74)

(v) Employee Stock options outstanding account	As at 31 March 2018	As at 31 March 2017
Opening Balance	0.17	0.17
Additions/(Transfers)	-	-
Closing Balance	0.17	0.17

(vi) Share application money pending allotment

During the year ended March 31, 2016, the Company received ₹ 6,493 lakhs from its promoter and erstwhile holding Company, SVL limited towards subscription of Equity on Preferential basis. The approval of shareholders for this proposed preferential issue was obtained by the Company through a postal ballot on 11th February 2016. The shares were allotted during the year 2016-2017 after receipt of regulatory approvals.

(vii) Investments FVTOCI Reserve on equity instruments	As at 31 March 2018	As at 31 March 2017
Opening balance	(1.15)	7.15
-Fair valuation changes for the year (net of tax)##	(2.70)	(8.30)
-Transfer to equity on disposal of investments	-	-
Closing balance	(3.85)	(1.15)

##Includes cumulative fair valuation changes in equity shares (net of tax)

(viii) Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	As at 31 March 2018	As at 31 March 2017
Opening Balance	14.42	-
Additions	59.04	14.42
Closing Balance	73.46	14.42

Nature and Purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital reserve

Capital reserve was created under the previous GAAP out of the profit earned from a specific transaction of capital nature. Capital reserve is not available for the distribution to the shareholders.

Employee Stock options outstanding account

The reserve is used to recognize the grant date fair value of the options issued to employees under Company's Employee Stock Option Plan.



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

21 Non-current borrowings	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Secured - At Amortized Cost			
From Banks			
- Term Loans	14,441.06	15,065.58	15,134.13
- Working Capital Term Loans	9,270.36	13,051.21	117,931.66
- Funded Interest Term Loans	1,921.62	1,914.62	4,573.17
From Others			
- Working Capital Term Loans	891.57	4,237.50	4,358.00
- Funded Interest Term Loans	151.18	143.18	140.61
Unsecured			
Loans from related parties	1,482.57	-	262.30
Others			
Finance Lease Obligations	6.22	3.37	8.82
Total	28,164.58	34,415.46	142,408.69

21.1 Terms of Repayment and Security details

S.No	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	Interest Rate	Terms of Repayment	Secured by
Term Loans from Banks	2,748.11	2,861.75	2,943.72	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	Primary- Exclusive charge on 5 Wind Energy Generator of 1.5 MW from Leitwind Shriram Manufacturing Private Limited.
Term Loans from Banks	12,311.94	12,668.08	12,500.00	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
Working Capital Term Loan from Banks	9,273.04	12,748.90	117,906.76	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Funded Interest Term Loan from Banks	1933.94	2,044.93	4,406.02	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
Finance Lease Obligations from Bank	16.75	8.82	17.01	13.50%	36 to 60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Working Capital Term Loan from Others	668.27	705.83	184.49	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.
Working Capital Term Loan from Others	-	2,500.00	2,500.00	12.00%	Against collection of retention debtors	Secured by specific charge on retention debtors
Working Capital Term Loan from Others	265.53	1,079.50	1,200.00	11.25%	Against collection of retention debtors	Secured by specific charge on retention debtors
Funded Interest Term Loan from Others	138.92	307.35	827.17	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
	27,356.50	34,925.16	142,485.17			



Notes forming part of the Financial Statements for the year ended March 31, 2018

21.2 Corporate Debt Restructuring

- a. Based on the Corporate Debt Restructuring Proposal (CDR Proposal) of the Company approved in an earlier year, the Company was required to repay ₹ 1,331 lakhs each year towards repayment of WCTL. However, the Company on 30th April 2016, submitted a proposal to OBC and all other CDR lenders for conversion of the entire amount of WCTL reflected above into equity effective 01st April 2016 at a price to be determined in accordance with SEBI (Issue of Capital and Disclosure) Regulations, 1999 (the Regulations) the price determined in accordance with the Regulations was ₹ 23.25 (inclusion of premium of ₹ 13.25 per share). The Company obtained approval of CDR lenders on 29th August 2016 wherein 19 CDR lenders agreed to convert their entire WCTL dues aggregating to ₹ 125,829.66 lakhs to Equity. Accordingly during the previous year 18 CDR lenders converted the WCTL dues aggregating to ₹ 112,674.40 lakhs into equity.
Out of the balance amount of ₹ 13,682.44 lakhs, ₹ 4,470.41 Lakhs was converted during the current year at a price to be determined in accordance with SEBI (Issue of Capital and Disclosure) Regulations, 1999 (the Regulations) the price determined in accordance with the Regulations was ₹ 23.25 (inclusion of premium of ₹ 13.25 per share).
- b. As per the Master Restructuring Agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposal. The total amount of recompense payable to CDR lenders at the time of exit of the CDR, as contained in the MRA is ₹ 109,617 lakhs. The present value of such recompense as at 31st March 2015 was ₹ 18,417 lakhs. During the previous year, certain CDR lenders agreed to take equity in the company in lieu of recompense, to the extent of ₹ 14,699 lakhs payable to them and the company has allotted equity shares in full settlement of the said recompense amount. Accordingly the company has no further liability towards recompense.
- c. One of the lender who was not part of the CDR had sold the loans to Asset Care & Reconstruction Enterprise (ACRE). Subsequent to year end ACRE had filed a petition with National Company Law Tribunal ("NCLT") for initiation of Corporate Insolvency Resolution Process against the Company. The National Company Law Appellate Tribunal (NCLAT) vide its order dated May 31, 2018 stayed the operation of Corporate Insolvency Resolution Process (CIRP) ordered by the Hon'ble Company Law Tribunal, Chennai (NCLT) vide its order dated May 17, 2018.
- d. The conversion of loans to equity share capital by certain banks have not yet been recognized by lenders and these are subject to reconciliations.
- e. All amounts due under CDR are covered by Corporate Guarantee of SVL Limited, Promoter.
- f. 14,24,89,592 Equity shares of the Company have been pledged with the CDR lenders by SVL Limited, Promoter

21.3 The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Principal / Interest	Period of Delay	As at March 31, 2018
Term Loans from banks:			
Central Bank of India	Principal	79 days	116.06
	Interest (including overdue penal interest, where charged by the Bank) - Refer Note 27	79 days	143.33
DBS	Interest (including overdue penal interest, where charged by the Bank) - Refer Note 27	Ranging between 74 and 409 days	1,176.60
Total			1,435.99

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

22 Other financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Security Deposit Received	-	9.80	9.80
Sundry Creditors- Retention	5,955.85	5,189.56	3,969.54
Total	5,955.85	5,199.36	3,979.34

23 Long Term Provisions	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for gratuity	532.27	449.21	283.65
Total	532.27	449.21	283.65

24 Other non-current liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance from Customers	13,117.80	13,635.92	13,236.36
Total	13,117.80	13,635.92	13,236.36

25 Short -term borrowings (Secured)	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
From bank			
Cash Credit and Overdraft facilities (Refer Note 25.1)	48,226.59	46,364.46	42,731.70
From others			
Cash Credit and Overdraft facilities (Refer Note 25.1)	444.23	438.94	456.43
Buyers Credit - from Banks (Refer Note 25.1)	2,482.54	2,394.65	2,283.41
Finance lease obligations (Refer Note 21.1)	10.53	5.45	8.19
Total	51,163.89	49,203.50	45,479.73

25.1 First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

26 Trade payables	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises			
Acceptances	9,022.70	11,508.22	5,320.25
Other than Acceptances	22,439.72	14,128.78	15,107.81
Total	31,462.42	25,637.00	20,428.06

26.1 Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

27 Other financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current Maturities of Long Term Debts			
- From banks	619.00	483.25	309.59
- From Others	44.96	21.00	21.00
Interest sacrifice payable (Refer Note 27.1 below)	-	962.57	-
Interest accrued and due on borrowings	2,867.69	2,577.59	281.56
Unclaimed Dividend	1.27	1.27	1.27
Total	3,532.92	4,045.68	613.42

27.1 Pursuant to the resolution passed on April 06, 2017 by the Board of Directors, the Company issues 2,403,425 equity shares to the CDR Bankers towards Interest Sacrifice payable to them in respect of Cash Credit facilities, for the year ended March 31, 2016 at a price of ₹ 40.05 per share, aggregating to ₹ 962.57 Lakhs.

28 Other current liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance from customers	7,027.94	7,699.00	6,912.00
Statutory dues payable	1,055.62	137.93	151.97
Advance Billing	815.45	-	236.89
Total	8,899.01	7,836.93	7,300.86

29 Short Term Provisions	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for gratuity	22.79	17.85	56.24
Provision for Compensated Absences	392.87	431.42	368.73
Total	415.66	449.27	424.97

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

30 Revenue from operations	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Engineering and Construction Contracts	58,292.23	51,968.59
Other Operating Revenue		
Company's share in profit of Integrated Joint Ventures	1.54	-
Management and Technical Fees (Refer Note 30.1 below)	3,210.56	-
Total	61,504.33	51,968.59

30.1 During the year, Company has entered into an Agreement with its Wholly Owned Subsidiary for charge of Management and Technical Fees towards various support services provided by the Company. Accordingly debit notes have been raised during the year for the services rendered during previous year and current year.

31 Other income	Year ended March 31, 2018	Year ended March 31, 2017
Interest income		
- Bank deposits / Margin Money deposits	1,356.47	252.77
- Income Tax Refunds	-	191.35
- Interest income on Financial Assets	8,367.34	7,751.70
Liabilities written back	673.74	414.86
Profit on sale of fixed assets	2.66	-
Miscellaneous income	132.89	172.43
Total	10,533.10	8,783.11

32 Cost of materials consumed	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the beginning of the year	-	220.00
Add: Purchases/Transfers	-	(220.00)
Less: Inventory at the end of the year	-	-
Total	-	-

33 Erection, Construction & Operation Expenses	Year ended March 31, 2018	Year ended March 31, 2017
Cost of Materials and Labour	46,074.10	35,162.75
Other Contract Related Costs	792.75	2,189.50
Commercial Taxes	1,049.83	2,377.91
Total	47,916.68	39,730.16



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

34 Change in Inventories of Contract Work in Progress	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	3,813.96	4,324.01
	3,813.96	4,324.01
Less: Inventories at the end of the year	3,765.57	3,813.96
	3,765.57	3,813.96
Net decrease	48.39	510.05
Total	48.39	510.05

35 Employee benefits expense	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages, bonus and other allowances	3,812.14	3,517.41
Contribution to Provident and Other funds (Refer note 43)	491.98	399.56
Staff welfare expenses	273.11	192.16
Total	4,577.23	4,109.13

36 Finance costs	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Cash Credits	4,885.77	4,896.64
Interest on Term Loans	3,444.97	14,648.88
Interest - Others	2,019.92	10,213.28
Total	10,350.66	29,758.80

37 Depreciation and amortization expense	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation (Refer note 6)	567.52	589.63
Amortization (Refer note 7)	16.62	17.54
Total	584.14	607.17

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

38 Other expenses	Year ended March 31, 2018	Year ended March 31, 2017
Electricity and water	655.28	158.16
Rates and taxes	283.37	107.63
Rent	415.14	296.04
Repairs and Maintenance:	-	-
Building	12.27	27.47
Plant and Machinery, Equipments	35.52	30.41
Others	17.22	38.00
Auditors' Remuneration (Refer Note no 38.1 below)	30.55	42.94
Bank Charges, Letter of Credit / Guarantee charges	997.19	1,301.78
Travel and conveyance	947.50	748.48
Insurance premium	302.48	233.25
Printing & Stationery	53.64	48.30
Communication, broadband and internet expenses	62.26	55.41
Sitting Fees	8.80	10.70
Consultancy charges	694.78	899.01
Legal Expenses	128.92	77.33
Advertisement	27.16	19.25
Donation	2.69	0.43
Loss on sale of fixed assets	-	84.39
Provision for doubtful trade and Other receivables and Loans and Advances	731.73	2,379.54
Miscellaneous Expenses	727.93	1,709.79
Total	6,134.43	8,268.31

38.1 The following is the break-up of Auditors remuneration (exclusive of GST)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor:		
Statutory audit	20.00	25.00
Other matters	10.00	16.52
Reimbursement of expenses	0.55	1.42
Total	30.55	42.94

39 Exceptional items

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for Diminution in the Value of Investments (Refer Note no 39.1 below)	-	407.56
Total	-	407.56

39.1 Considering the erosion of net worth and continuing losses being incurred by Leitwind Shriram Manufacturing Private Limited (a related party), the Management opined that the diminution in carrying value of the investment in that entity was other than temporary in nature and accordingly, the Company made a provision for diminution and disclosed the same under exceptional items in the statement of Profit and Loss for the year ended March 31, 2017.



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

40 Income Tax

(A) Components of Deferred Tax Assets and Liabilities recognised in Balance Sheet:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 01, 2016
Deferred tax assets			
On Provision for employee benefits	317.27	310.95	225.69
On Impairment loss recognised	25,856.76	28,736.50	31,444.95
On Unabsorbed depreciation and carry forward business losses	21,864.19	20,327.19	13,029.00
	48,038.22	49,374.64	44,699.64
Deferred tax liabilities			
On Property, Plant and Equipment	414.52	316.97	327.33
On Others	-	84.16	2,946.52
	414.52	401.13	3,273.85
Deferred tax asset, net	47,623.70	48,973.51	41,425.79

(B) Reconciliation of deferred tax assets (net):

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	48,973.51	41,425.79
Tax asset recognized in Statement of Profit and Loss	(1,349.81)	7,547.72
Closing balance	47,623.70	48,973.51

(C) Tax losses of ₹ 51,736.78 lakhs (31 March 2017: ₹ 51,624.22 lakhs , 1 April 2016: ₹ 51,349.48 lakhs) are available for offsetting for a maximum period of eight years against future taxable profits of the Company. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognized deferred tax assets, the loss would decreased by ₹ 39.33 lakhs (31 March 2017 : ₹ 95.99 lakhs).

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(D) Reconciliation of tax charge

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit/(Loss) before tax		2,425.90	(22,639.48)
(b) Corporate Tax Rate as per Income Tax Act, 1961		34.94%	34.94%
(c) Tax on Accounting Profit	(c) = (a) * (b)	847.61	(7,910.24)
(d) Tax adjustments			
(i) Tax on share of profit in Joint Operations - Tax on Income Exempt from Tax		16.28	-
(ii) Tax effect on impairment losses recognised and on which deferred tax asset is not recognised		599.32	264.15
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised		(105.11)	95.99
(iv) Tax effect of various other items		(8.29)	2.38
Total effect of Tax Adjustments (Sum of (i) to (iv))		502.20	362.52
(e) Tax expenses recognised during the year	(e) = (c) + (d)	1,349.81	(7,547.72)
(f) Effective Tax Rate	(f) = (e)/(a)	55.64%	33.34%

41 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

Particulars		March 31, 2018	March 31, 2017
Basic EPS			
Profit/(Loss) after Tax as per Accounts (₹ lakhs)	A	1,132.43	(15,085.64)
Weighted Average Number of Equity Shares Outstanding	B	9,582.06	5,625.55
Basic EPS (₹)	A/B	0.12	(2.68)
Diluted EPS			
Profit/(Loss) after Tax as per Accounts (₹ lakhs)	A	1,132.43	(15,085.64)
Weighted Average Number of Equity Shares Outstanding	B	9,582.06	5,625.55
Diluted EPS (₹)	A/B	0.12	(2.68)



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

42 Disclosures pursuant to Ind AS 11 "Construction Contracts":

S. No	Particulars	2017-18	2016-17	1-Apr-16
1	Contract revenue recognised for the financial year	58,292.23	51,968.59	Not Applicable
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	47,965.07	40,240.21	39,640.83
3	Advances received for contracts in progress	20,145.74	21,334.92	20,148.36
4	Retention amount by customers for contracts in progress	27,683.07	22,534.41	22,432.21
5	Gross amount due from customers for contract work (Asset)	76,483.14	59,868.46	58,264.50
6	Gross amount due to customers for contract work (Liability)	815.45	-	236.89

43 Disclosure pursuant to Ind AS 19 "Employee Benefits"

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –	March 31, 2018	March 31, 2017
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 35)	491.98	399.56

(B) Defined benefit plans (Unfunded)

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows:

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2018 by Mr. S. Krishnan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

i) Actuarial assumptions	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.71%	7.26%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	Ind. (2006-8) table	Ind. (2006-8) table
Attrition rate	3.00%	3.00%

ii) Changes in the present value of defined benefit obligation

	Gratuity		Long Term Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present value of obligation at the beginning of the year	467.06	339.89	431.42	218.74
Interest cost	33.71	24.80	24.50	15.88
Past service cost	-	-	-	-
Current service cost	118.79	160.72	257.48	231.73
Curtailments	-	-	-	-
Settlements	-	-	-	-
Benefits paid	(5.46)	(43.93)	(93.96)	(30.22)
Actuarial gain on obligations	(59.04)	(14.42)	(226.56)	(4.71)
Present value of obligation at the end of the year*	555.06	467.06	392.88	431.42

*Included in provision for employee benefits
(Refer notes 23 and 29)

iii) Expense recognized in the Statement of Profit and Loss	Gratuity		Long Term Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Current service cost	118.79	160.72	257.48	231.73
Past service cost	-	-	-	-
Interest cost	33.71	24.80	24.50	15.88
Expected return on plan assets	-	-	-	-
Actuarial gain on obligations	(59.04)	(14.42)	(226.56)	(4.71)
Settlements	-	-	-	-
Curtailments	-	-	-	-
Total expenses recognized in the Statement Profit and Loss	93.47	171.09	55.42	242.90

iv) Assets and liabilities recognized in the Balance Sheet:	Gratuity		Long Term Compensated Absences	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Present value of unfunded obligation as at the end of the year	(555.06)	(467.06)	(392.88)	(431.42)
Unrecognized actuarial (gains)/losses	-	-	-	-
Unfunded net liability recognized in Balance Sheet*	(555.06)	(467.06)	(392.88)	(431.42)

*Included in provision for employee benefits
(Refer notes 23 and 29)



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Impact on defined benefit obligation	31-Mar-18
Discount rate	
0.5% increase	-3.14%
0.5% decrease	3.35%
Rate of increase in salary	
0.5% increase	3.35%
0.5% decrease	-3.14%

vi) **Maturity profile of defined benefit obligation**

Period	31-Mar-18
By the end of the First Year	161.54
Between Year 1 and Year 2	41.11
Between Year 2 and Year 3	30.53
Between Year 3 and Year 4	32.81
Between Year 4 and Year 5	30.34
Between Year 5 and Year 10	442.08

44 Disclosure in respect of leases pursuant to Indian Accounting Standard (Ind AS) 17, "Leases"

Operating leases where Company is a lessee:

The company has operating lease arrangements primarily for office premises, the lease period of which is about 6 to 8 years. The operating lease payments recognized in the Statement of Profit and Loss amount to ₹ 415.04 lakhs (31 March 2017: ₹ 269.04 lakhs) included in Note 38. The future expected minimum lease payments under operating leases are given below. The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation.

Future minimum rentals payable under non-cancellable operating leases are, as follows:

	31-Mar-18	31-Mar-17
Within one year	112.59	112.59
After one year but not more than five years	478.50	478.50
More than five years	-	-
Total	591.09	591.09

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Yearwise future minimum lease rental payments on contracts: Particulars	As at March 31, 2018		As at March 31, 2017	
	Total Minimum Lease Payments	Present Value of Minimum Lease Payments	Total Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one year	3.54	3.38	5.45	4.83
After one year but not more than five years	20.96	18.24	3.37	3.39
More than five years	-	-	-	-
Total	24.50	21.62	8.82	8.22
Less: Future Finance Charges	2.88	-	0.60	-
Present Value of Minimum lease payments	21.62	21.62	8.22	8.22

45 Disclosure of Related Parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

(A) List of related parties and description of relationship as identified and certified by the Company:

Investing Party

SVL Limited

Subsidiary

Shriram EPC FZE, Sharjah

Step Down Subsidiary

Shriram EPC Arkan LLC

Subsidiary of Investing Party

Shriram SEPL Composites Private Limited
Bharat Coal Chemicals Limited (BCCL)

Enterprises under the joint control of the investing party:

Leitwind Shriram Manufacturing Private Limited
Hamon Shriram Cottrell Private Limited

Associates

Haldia Coke and Chemicals Private Limited
Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Private Limited)
Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals Private Limited)

Key management personnel

T.Shivaraman - Managing Director
M.Amjad Shariff - Joint Managing Director

Other enterprises under the control of the key management personnel

Orient Green Power Company Limited
Bharath Wind Farm Limited
Clarion Windfarms Private Limited
Beta Wind Farm Private Limited
Orient Eco Energy Private Limited

Joint Operations

Larsen & Toubro Limited Shriram EPC JV
Shriram EPC Eurotech Environmental Pvt Ltd - JV
SEPC DRS ITPL JV



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(B) Details of transactions with related party in the ordinary course of business for the year ended:		
	31-Mar-18	31-Mar-17
(i) Investing Party		
Expenses incurred and recoverable	-	3.34
Interest Expense	-	12.31
Transfer of Advances / Receivables	45.35	1,262.00
Investments in Equity Shares (including premium)	-	26,500.00
Loan Received (Net)	2,946.33	-
(ii) Subsidiary		
Progressive billings/Revenue	3,245.39	-
Management Fees	2,300.01	-
Expenses incurred by the party	57.06	-
(iii) Step Down Subsidiary		
Management Fees	910.55	-
Expenses incurred by the party	10.57	-
(iv) Subsidiary of Investing Party		
Shriram SEPL Composites Private Limited		
Progressive billings/Revenue	-	71.25
Purchases of Goods and Services	512.21	189.97
Expenses incurred and recoverable	5.76	80.39
(v) Enterprises under the joint control of the investing party:		
a) Leitwind Shriram Manufacturing Private Limited		
Transfer of Current Assets and Current Liabilities (Net)	-	267.08
Expenses incurred and recoverable	37.31	59.56
a) Hamon Shriram Cottrell Private Limited		
Purchases of Goods and Services	300.39	407.84
Expenses incurred	-	6.59
(vi) Associates		
(a) Ennore Coke Limited		
Expenses incurred	11.58	9.30
(vii) Key Management Personnel (KMP)		
Compensation of key management personnel*		
T.Shivaraman	60.41	42.15
M.Amjad Shariff	61.12	45.99
* Subject to shareholders approval in the ensuing Annual general meeting		

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(viii) Other enterprises under the control of the key management personnel		
(a) Orient Green Power Company Limited		
Expenses incurred and recoverable	14.76	27.68
(b) Bharath Wind Farm Limited		
Provision for Doubtful advances	-	22.70
(ix) Joint Operations		
(a) Larsen & Toubro Limited Shriram EPC JV		
Company's share in profit of Integrated Joint Ventures	1.54	-
Progressive billings / Revenue	103.59	-
(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV		
Progressive billings / Revenue	566.95	-
(c) SEPC DRS ITPL JV		
Progressive billings / Revenue	5,696.21	-

(C) Amount due (to)/from related party as on:

(i) Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Advances / (Borrowings):			
SVL Limited	(1,482.57)	1,418.45	(262.30)
Leitwind Shriram Manufacturing Private Limited (Net of Provision for Expected Credit Loss of ₹ 9,291.35 Lakhs (March 31, 2017: ₹ 9,811.81 Lakhs & March 31, 2016 ₹ 9,472.89 Lakhs)	3,984.49	3,464.04	2,779.38
Haldia Cokes & Chemicals Private Limited (Net of Provision for Expected Credit Loss of ₹ 30,925.88 Lakhs (March 31, 2017: ₹ 33,265.46 Lakhs & March 31, 2016 : ₹ 35,298.94 Lakhs)	17,907.12	15,568.12	13,534.64
Ennore Coke Limited (Net of Provision for Expected Credit Loss of ₹ 18,439.44 Lakhs (March 31, 2017: ₹ 19,841.66 Lakhs & March 31, 2016 ₹ 21,060.72 Lakhs)	10,735.21	9,332.99	8,113.93
Bharat Wind Farm Limited	26.12	22.70	23.02
Orient Green Power Company Limited	20.42	15.66	51.97
Receivables /(Payables):			
Leitwind Shriram Manufacturing Private Limited	408.42	374.52	374.52
Shriram EPC FZE, Sharjah	1,386.55	54.00	45.54
Shriram EPC Arkan LLC	899.98	-	-
Orient Green Power Company Limited	53.08	53.08	53.08



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Shriram EPC Eurotech Environmental Pvt Ltd - JV	(412.53)	(299.08)	-
SEPC DRS ITPL JV	397.17	-	-
Larsen & Toubro Limited Shriram EPC JV	16.26	-	-
Haldia Coke and Chemicals Private Limited	16.92	16.92	16.92
Ennore Coke Limited	33.10	23.55	23.55
Beta Wind Farm Private Limited	1,403.40	1,403.40	1,403.40
Wellman Coke India Limited	78.90	78.90	78.90
Hamon Shriram Cottrell Private Limited	499.12	444.25	877.80
Shriram SEPL Composites Private Limited	604.32	478.86	133.10

(ii) Corporate Guarantees given by the Company

Orient Green Power Company Limited	1,600.00	1,600.00	1,600.00
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(D) The Company accounts for costs incurred by Related parties based on the actual invoice/debit notes raised and accruals as confirmed by such parties. The related parties have confirmed to the Management that as at March 31, 2018, March 31, 2017 and April 01, 2016 there are no further amounts payable to/receivable from them, other than disclosed above.

46 Dues from Subsidiaries and Associates - Disclosure under clause 32 of the listing agreement

46.1 Maximum amount outstanding at any time during the year:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Subsidiary			
Shriram EPC FZE, Sharjah	3,150.72	54.00	-
Step Down Subsidiary			
Shriram EPC Arkan LLC	910.55	-	-
Associates			
Haldia Coke and Chemicals Private Limited	48,850.50	48,850.50	48,850.50
Ennore Coke Limited	29,180.73	29,178.71	29,174.75
Wellman Coke India Limited	78.90	78.90	78.90

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

46.2 Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013 :

Investments Made:			
Haldia Coke and Chemicals Private Limited	4,007.22	Related Party	To carry on the business of manufacture of Low Ash Metallurgical Coke
Hexa Windfram Private Limited	66.13	Part of the Shriram Group	To carry on the business of Generation of Power
Leitwind Shriram Manufacturing Private Limited	407.56	Related Party	To carry on the manufacture of Wind Energy Generators
Orient Green Power Company Limited	40.36	Related Party	To carry on the business of Generation of Power
Shriram EPC FZE, Sharjah	24.26	Related Party	To carry on Engineering, procurement and construction business.
Loans Given:			
Haldia Coke and Chemicals Private Limited	48,833.00	Related Party	Business needs and contingencies
Hexa Windfram Private Limited	4,171.37	Part of the Shriram Group	Business needs and contingencies
Leitwind Shriram Manufacturing Private Limited	13,336.63	Related Party	Business needs and contingencies
Orient Green Power Company Limited	20.42	Related Party	Business needs and contingencies
Ennore Coke Limited	29,180.73	Related Party	Business needs and contingencies
Shriram EPC FZE, Sharjah	1,386.55	Related Party	Business needs and contingencies
Guarantees Given:			
Orient Green Power Company Limited	1,600.00	Related Party	For monies borrowed by the related party

47 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2018 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". However, Geographical Segments being secondary segments are disclosed below :

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Rest of the World			
Revenue	10,879.67	-	Not Applicable
Assets	5,235.94	5,269.09	5,354.07
Capital Expenditure	-	-	Not Applicable
India			
Revenue	50,624.66	51,968.59	Not Applicable
Assets	260,940.59	248,466.60	221,486.54
Capital Expenditure	80.81	182.71	Not Applicable



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

48 Expenditure in Foreign Currency

Particulars	2017-18	2016-17
Professional & Consultancy Fees	45.57	41.24
Material Consumed in Execution of Engineering Contracts	325.21	2,653.09
Erection ,Construction & Operation Exp	14.35	157.84
Travelling & Conveyance	68.45	70.15
Others	34.39	21.70
Total	487.98	2,944.02

49 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

31-Mar-18									
Particulars	Note	Financial Assets at amortised cost	Carrying Amount			Fair Value			Total
			Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	
Assets									
Financial Assets Measured at Fair Value									
Investments	8	-	-	-	-	40.36	-	-	40.36
Financial Assets not Measured at Fair Value*									
Investments	8	-	-	-	-	-	-	90.39	90.39
Loans	9	40,625.03	-	-	40,625.03	-	-	-	-
Trade Receivables	10 & 14	55,857.34	-	-	55,857.34	-	-	-	-
Cash and Cash Equivalents	15	2,125.64	-	-	2,125.64	-	-	-	-
Other Bank balances	16	3,697.92	-	-	3,697.92	-	-	-	-
Other financial assets	10 & 17	12,765.19	-	-	12,765.19	-	-	-	-
Total		115,071.13	-	-	115,071.13	40.36	-	90.39	130.75
Liabilities									
Financial Liabilities not Measured at Fair Value*									
Non Current Borrowings	21	-	-	28,164.58	28,164.58	-	-	-	-
Current Borrowings	25	-	-	51,163.89	51,163.89	-	-	-	-
Trade payables	26	-	-	31,462.42	31,462.42	-	-	-	-
Other financial liabilities	22 & 27	-	-	9,488.77	9,488.77	-	-	-	-
Total		-	-	120,279.66	120,279.66	-	-	-	-

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

31-Mar-17									
Particulars	Note	Carrying Amount				Fair Value			Total
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	
Assets									
Financial Assets Measured at Fair Value									
Investments	8	-	-	-	-	43.06	-	-	43.06
Financial Assets not Measured at Fair Value*									
Investments	8	-	-	-	-	-	-	90.39	90.39
Loans	9	37,082.10			37,082.10				
Trade Receivables	10 & 14	59,078.26	-	-	59,078.26	-	-	-	-
Cash and Cash Equivalents	15	1,602.50	-	-	1,602.50	-	-	-	-
Other Bank balances	16	4,542.48	-	-	4,542.48	-	-	-	-
Other financial assets	16 & 17	15,659.97	-	-	15,659.97	-	-	-	-
Total		117,965.31	-	-	117,965.31	-	-	90.39	90.39
Liabilities									
Financial Liabilities not measured at fair value*									
Non Current Borrowings	21	-	-	34,415.46	34,415.46	-	-	-	-
Current Borrowings	25	-	-	49,203.50	49,203.50	-	-	-	-
Trade payables	26	-	-	25,637.00	25,637.00	-	-	-	-
Other financial liabilities	22 & 27	-	-	9,245.04	9,245.04	-	-	-	-
Total		-	-	118,501.01	118,501.01	-	-	-	-



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

1-Apr-16									
Particulars	Note	Carrying Amount				Fair Value			Total
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	
Assets									
Financial Assets Measured at Fair Value									
Investments	8	-	-	-	-	51.37	-	-	51.37
Financial Assets not Measured at Fair Value*									
Investments	8	-	-	-	-	-	-	497.95	497.95
Loans	9	33,196.45			33,196.45				
Trade Receivables	10 & 14	41,955.26	-	-	41,955.26	-	-	-	-
Cash and Cash Equivalents	15	1,342.07	-	-	1,342.07	-	-	-	-
Other Bank balances	16	3,736.36	-	-	3,736.36	-	-	-	-
Other financial assets	10 & 17	17,186.67	-	-	17,186.67	-	-	-	-
Total		97,416.80	-	-	97,416.80	-	-	497.95	497.95
Liabilities									
Financial Liabilities not measured at fair value *									
Non Current Borrowings	21	-	-	142,408.69	142,408.69	-	-	-	-
Current Borrowings	25	-	-	45,479.73	45,479.73	-	-	-	-
Trade payables	26	-	-	20,428.06	20,428.06	-	-	-	-
Other financial liabilities	22 & 27	-	-	4,592.76	4,592.76	-	-	-	-
Total		-	-	212,909.24	212,909.24	-	-	-	-

* The Company has not disclosed the fair value for Financial instruments mentioned above because their carrying amounts are a reasonable approximation of fair value.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

50 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The net exposure to foreign currency in respect of recognized financial assets, recognized financial liabilities and derivatives is as follows:

a) Forward exchange contracts entered into by the Company and outstanding as on March 31, 2018 - Nil (March 31, 2017 - EURO 1,000,000 and April 01, 2016 - USD 979,943)

b) Foreign Currency exposure

Particulars	31-Mar-18		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	2.69	0.13
	USD	0.16	10.93
Buyers Credit	EURO	30.84	2,482.54
Trade Payables (including Payables on purchase of fixed assets)	USD	22.73	1,481.07
	AUD	0.36	17.88
	EUR	14.02	1,128.69
	SGD	0.01	0.74
	GBP	0.03	2.71
	AED	0.00	0.06
	IQD	226.41	12.44
	KWD	0.0012	0.26
Trade and Other Receivables	USD	69.92	4,556.49
	EUR	5.84	469.86
	AUD	9.33	600.11



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	31-Mar-17		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	3.18	0.17
Buyers Credit	EURO	30.84	2,394.65
Trade Payables (including Payables on purchase of fixed assets)	USD	42.46	2,754.25
	AUD	0.36	17.72
	EUR	21.76	1,504.04
	SGD	0.01	0.69
	GBP	0.03	2.40
	OMR	0.02	3.46
Trade and Other Receivables	USD	69.92	4,527.97
	EURO	5.84	403.53
	AUD	9.33	600.11

Particulars	1-Apr-16		
	Currency	Amount in Foreign Currency (In Lakhs)	In ₹ lakhs
Bank Balances	IQD	3.18	0.17
Buyers Credit	EURO	30.84	2,283.41
Trade Payables (including Payables on purchase of fixed assets)	USD	34.76	1,817.94
	AUD	0.36	19.92
	EUR	25.21	1,808.06
	SGD	0.03	0.33
	GBP	0.03	3.03
	Trade and Other Receivables	USD	70.00
EURO		10.00	600.10
AUD		9.33	600.11

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(B) Credit risk

The Company's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Company provides for doubtful receivables/advances and expected credit loss based on 12 months and lifetime expected credit loss basis for following financial assets:

31-Mar-18

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	43,367.79	(5,389.50)	37,978.29
Unbilled Revenue	76,891.54	(9,728.82)	67,162.72
Advances to Suppliers	14,509.71	(1,640.30)	12,869.41

31-Mar-17

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	53,721.04	(5,485.96)	48,235.08
Unbilled Revenue	61,972.58	(10,207.15)	51,765.43
Advances to Suppliers	14,476.99	(1,640.30)	12,836.69

1-Apr-16

Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	35,969.99	(5,329.42)	30,640.57
Unbilled Revenue	63,201.93	(11,982.07)	51,219.86
Advances to Suppliers	14,571.19	(1,355.56)	13,215.63

Reconciliation of Provision and Expected Credit Loss - Other financial assets

Particulars	Trade receivables	Unbilled Revenue	Advances to Suppliers
Provision and Expected Credit Loss on April 01, 2016	5,329.42	11,982.07	1,355.56
Allowance for Doubtful Debts	341.69	-	284.74
Interest income on Financial Assets	(185.15)	(1,774.92)	-
Provision and Expected Credit Loss on March 31, 2017	5,485.96	10,207.15	1,640.30
Allowance for Doubtful Debts	90.63	-	-
Interest income on Financial Assets	(187.10)	(478.33)	-
Provision and Expected Credit Loss on March 31, 2018	5,389.50	9,728.82	1,640.30

(C) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse projects, and to meet the debt servicing obligations of the Company, the Company maintains flexibility in funding through committed credit lines, short term borrowings and trade receivables. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections, assessment of maturity profiles of financial assets and financial liabilities including debt financing plans.



Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31-Mar-18					
Short term borrowings	-	51,163.89	-	-	51,163.89
Long-term borrowings	548.56	1,645.68	23,882.30	2,088.04	28,164.58
Trade payables	-	31,462.42	-	-	31,462.42
Other financial liability	-	3,532.92	-	-	3,532.92
	548.56	87,804.91	23,882.30	2,088.04	114,323.81
31-Mar-17					
Short term borrowings	-	49,203.50	-	-	49,203.50
Long-term borrowings	232.14	5,118.32	16,449.23	12,615.77	34,415.46
Trade payables	-	25,637.00	-	-	25,637.00
Other financial liability	-	4,045.68	-	-	4,045.68
	232.14	84,004.50	16,449.23	12,615.77	113,301.64
1-Apr-16					
Short term borrowings	-	45,479.73	-	-	45,479.73
Long-term borrowings	783.62	3,031.20	78,499.16	60,094.71	142,408.69
Trade payables	-	20,428.06	-	-	20,428.06
Other financial liability	-	613.42	-	-	613.42
	783.62	69,552.41	78,499.16	60,094.71	208,929.90

51 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors Net Debt to Capital ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of term loans and cash credits. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31-Mar-18	31-Mar-17	1-Apr-16
Total equity	(i)	122,932.13	112,863.36	(7,314.47)
Total debt	(ii)	79,992.43	84,123.22	188,219.01
Cash and Cash Equivalents	(iii)	2,125.64	1,602.50	1,342.07
Net Debt	(iv) = (ii) - (iii)	77,866.79	82,520.71	186,876.94
Total Capital	(v) = (i) + (iv)	200,798.92	195,384.08	179,562.47
Net Debt to Capital ratio	(iv)/ (v)	0.39	0.42	1.04

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.

Notes forming part of the Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

52 Disclosures pursuant to Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”

Movement in Provisions:

Particulars	Provision for Expected Credit Losses		Provision for Doubtful Receivables	Provision for Advances
	Current	Non-Current	Non-Current	Current
Opening Balance as on April 01, 2016	17,311.50	85,132.51	3,157.00	1,355.56
Add: Additional Provision during the year	341.69	1,253.10	-	284.74
Less: Interest income on Financial Assets	1,960.07	5,035.13	-	-
Closing Balance as on March 31, 2017	15,693.12	81,350.48	3,157.00	1,640.30
Add: Additional Provision during the year	1,000.00	-	641.11	-
Less: Interest income on Financial Assets	1,574.79	6,701.89	-	-
Closing Balance as on March 31, 2018	15,118.33	74,648.59	3,798.11	1,640.30

53 Contingent Liabilities and Commitments

(a) Contingent Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a) Corporate Guarantees issued to a related party	1,600.00	1,600.00	1,640.11
b) Claims against the Company not acknowledged as debts	18,394.83	15,652.68	15,177.79
c) Central Excise, Service Tax and customs Duties demands contested in Appeals, not provided for	808.81	808.81	428.82
d) Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for	9,395.96	10,220.55	10,179.02
e) Income tax demands contested in Appeals, not provided for	4.56	211.56	1,039.99

Management is of the opinion that the Appeals preferred by the Company will be decided in its favour. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

(b) Commitments

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	26.00	340.63	309.52



Notes forming part of the Financial Statements for the year ended March 31, 2018

- 54 Financial Assets Loans (Non Current) include ₹ 3,677.28 Lakhs (March 31, 2017 - ₹ 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under “Other Non Current Financial Assets” include net amount of ₹ 307.21 Lakhs (March 31, 2017 - ₹ 267.08 Lakhs), due from Leitwind Shriram Manufacturing Private Limited (LSML) (a related party). As part of the Corporate Debt Restructuring (CDR) package entered into by LSML with its bankers, the dues to SEPC is subordinated to the dues to Bankers and hence expected to be recovered before March 2030. Considering the extended repayment period and future business potential for Wind Energy Business, the management is confident of realizing the dues. The auditors have qualified this matter in their report for the year ended March 31, 2018. The same have also been qualified in the previous year.
- 55 The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL) (related party). The project is stalled due to delays in statutory approvals. The total exposure in this project recorded under Unbilled Revenue and Contract Work In Progress is ₹ 7,106.46 Lakhs (March 31, 2017 - ₹ 6,624.57 Lakhs). Considering the positive development in BCCL’s efforts in identifying alternate options to complete the project, the management is of the view that BCCL will be in a position to complete the Ammonia Plant project and thereby the Company will be able to realize these amounts in full.
- 56 Financial Assets Loans (Non Current) include ₹ 28,642.33 lakhs (March 31, 2017 - ₹ 24,901.11 Lakhs) due from an associate company and its subsidiary. In order to secure these dues, the company has entered into an arrangement with the said associate and another wholly owned subsidiary of the associate (engaged in coal mining operations in USA). As per the arrangement, the company has acquired absolute and unconditional mining operation rights to exploit the coking coal reserves of the said subsidiary, and the right to surplus cash flows, (after meeting subsidiary’s lenders and other commitments), to the extent of the above mentioned dues. Also, the associate company has given an undertaking that it will not divest its holdings in the said subsidiary company, without the prior consent of the company till the dues to the company are settled. During October 2017, the wholly owned subsidiary of the associate decided to identify buyers for the coal mining operations. Based on the projected operations of the mines and consequential projected cash flows, realisable price on sale of the coal mines, outstanding dues as at March 31, 2018 is expected to be fully recoverable.
- 57 The Company was in the course of executing project for Governorate of Basra, Government of Iraq (‘the customer’). There were some delays in commencement of the project due to regulatory compliances. However the said contract has been cancelled by the Customer during February 2014. Subsequent to year end, The Governorate of Basra, Government of Iraq has revoked the work withdrawal and permitted sub contracting of balance works to a local contractor at Iraq. The construction activities have been resumed by the said contractor and Company is in the process of withdrawing all legal cases and recovery of dues. The total amounts due to Company recorded under Trade Receivables, Unbilled revenue (after excluding the margin which has been written off) and Other Financial Assets (Non current), aggregate to ₹ 9,175.09 Lakhs (March 31, 2017 - ₹ 8,004.70 Lakhs). Considering the steps taken by the Company, the management is confident of realizing the monies and do not expect any shortfall in realization of the dues. For the above reasons, the management is confident of realizing the monies and do not expect any shortfall in realization.
- 58 The Board, duly taking into account all the relevant disclosures made has approved these financial statements in its meeting held on June 07, 2018.
- 59 The previous year IGAAP figures have been reclassified/regrouped to make them comparable with Ind AS presentation.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 7, 2018

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

T.Shivaraman
Managing Director & CEO

K.Suresh
Company Secretary

Chandra Ramesh
Director

R.S.Chandrasekharan
Chief Financial Officer



Independent Auditors' Report to the Members of Shriram EPC Limited

1. Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Shriram EPC Limited (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiary together referred to as "the Group") and its associate which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

2. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the Company included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the

provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in other matter paragraph below is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

4. Basis of Qualified Opinion

Long term Loans and advances include Rs 3,677.28 lakhs (March 31, 2017: Rs. 3,196.96 lakhs) (including interest accrued up to March 31, 2016) and other trade receivables include net amount of Rs. 307.21 lakhs (March 31, 2017: Rs. 267.08 lakhs), due from related party. Due to unavailability of sufficient appropriate audit evidence to corroborate management's assessment of recoverability of the above said amounts and as these are outstanding for more than three years, we are unable to comment on the recoverability of the same. No provision with respect to the same is made in the books of accounts. Refer Note 53 of the Consolidated Ind AS financial statements.

This matter was also qualified in the report of the predecessor auditors' on the Consolidated Indian GAAP financial statements for the year ended March 31, 2017.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary referred to in the Other Matters paragraph below, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated state of affairs of the Group as at March 31, 2018, and its Consolidated loss, consolidated total comprehensive loss, their Consolidated cash flows and Consolidated statement of changes in equity for the year ended on that date.

6. Emphasis of Matters

We draw attention to the following matters in the Notes to the Consolidated Ind AS financial statements:

- (i) Note no 54 regarding erosion of Net worth and continuing losses being incurred by the associate, based on the unaudited financial statements as prepared by the Management of that associate for the year ended March 31, 2018 and March 31, 2017. Accordingly, the Group's share of losses in the associate for the current year has not been recognized in the Consolidated Ind AS financial statements.
- (ii) Note no 55 regarding dues amounting to Rs 7,106.46 lakhs (March 31, 2017: Rs 6,624.57 lakhs) in respect of project which is stalled due to statutory delays faced by the customer. As the customer has put in efforts to identify alternate options to complete the project, management is of the view that it will be able to realize such dues.
- (iii) Note no 56 regarding dues amounting to Rs 28,642.33 lakhs (March 31, 2017: Rs 24,901.11 lakhs) due from an associate and a subsidiary of the associate which has been outstanding for more than three years. Based on the undertaking given by the associate with respect to divestment in its subsidiary and projected operations of mines, cashflows, the above stated dues are considered to be realizable by the management.

Our opinion is not qualified in respect of these matters.

7. Other Matters

- (i) We did not audit the Financial statements of one subsidiary company (including step down subsidiary) whose financial statements reflects total assets of Rs 52,537.36 Lakhs as at March 31, 2018, total revenues of Rs. 27,840.99 Lakhs and net Cash outflow of Rs.3,501.10 Lakhs for the year ended on that date, as considered in the

consolidated Ind AS financial statements. The financial statement of the subsidiary have been audited by the other auditors whose reports have been furnished to us by the management, and our opinion on this statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

- (ii) The comparative financial information of the Group for the year ended March 31, 2017 and the related transition date opening balance sheet as at April 01, 2016 included in these Consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended March 31, 2017 and March 31, 2016 dated May 30, 2017 and May 23, 2016 respectively expressed a qualified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us.

Our opinion on the Consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and on the comparative financial information.

8. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements of the subsidiary, referred to in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and, except for the matters described in the Basis for Qualified opinion paragraph above, obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph above the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) The matters described in Basis of Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis of Qualified Opinion Paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the Holding Company, our report expresses an qualified opinion on the operating effectiveness of the Holding Company’s internal financial controls over financial reporting.
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer Note 52 to the consolidated Ind AS financial statements.
- (ii) Except for the possible effects of the matters described in the Basis of Qualified Opinion above, the Group has made provisions, as required under the applicable Law or the Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
(Firm’s Registration No. 105047W)

Geetha Jeyakumar
Partner
Membership No. 29409

Place: Chennai
Date: June 7, 2018

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph (h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Shriram EPC Limited (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing

the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Holding Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

With respect to the Holding Company, according to the information and explanation given to us and based on our audit material weaknesses have been identified in the operating effectiveness of the Holding Company’s internal



financial controls over financial reporting as at March 31, 2018 in respect of provisioning of overdue receivables and provisioning for advances which have been outstanding for a considerable period of time which could potentially result in the Holding Company not recognising a provision for the said receivables and advances.

A 'material weakness' is deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Holding Company's internal financial controls over financial reporting were operating effectively as of March 31, 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing and extent of Audit test applied in our audit of Consolidated Ind AS Financial statements of the Holding Company for the year ended March 31, 2018 and the material weaknesses affects our opinion on the said Consolidated Ind AS financial statements of the Holding Company.

For MSKA & Associates
(Formerly known as MZSK & Associates)
Chartered Accountants
(Firm's Registration No. 105047W)

Geetha Jeyakumar
Partner
Membership No. 29409

Place: Chennai
Date: June 7, 2018

Consolidated Balance Sheet as at March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
ASSETS				
Non-Current Assets				
Property, plant and equipment	6	5,561.24	6,009.63	5,423.97
Capital work-in-progress		14.84	14.84	1,014.39
Intangible assets	7	63.18	79.80	97.34
Financial Assets				
Investments	8	106.49	109.19	525.06
Loans	9	40,635.69	37,082.10	33,196.45
Trade Receivables	10	17,879.05	10,843.19	11,314.69
Other financial assets	10	4,740.27	5,756.53	5,853.75
Deferred Tax Assets (Net)	40	47,623.70	48,973.51	41,425.79
Income Tax Assets (Net)	12	3,018.29	2,412.66	4,036.43
Other Non-Current Assets	11	46,175.41	8,103.03	7,044.64
Total Non-Current Assets		165,818.16	119,384.48	109,932.51
Current Assets				
Inventories	13	3,765.58	3,813.96	4,544.01
Financial Assets				
Trade receivables	14	36,353.46	48,235.08	30,640.57
Cash and cash equivalents	15	2,373.38	5,543.27	1,349.57
Other Bank Balances	16	3,697.92	4,542.84	3,736.36
Other Financial assets	17	21,426.55	11,117.49	11,332.92
Other current assets	18	81,669.42	93,896.96	65,238.79
Total Current Assets		149,286.31	167,149.60	116,842.22
Total Assets		315,104.47	286,534.08	226,774.73
EQUITY AND LIABILITIES				
Equity				
Equity share capital	19	97,152.90	93,696.79	33,062.64
Other equity	20	25,812.11	20,373.46	(40,473.75)
Total Equity		122,965.01	114,070.25	(7,411.11)
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	21	28,164.58	34,415.46	142,408.69
Other financial liabilities	22	7,762.17	5,199.36	3,979.34
Provisions	23	532.27	449.21	283.65
Other non-current liabilities	24	13,117.79	13,635.93	13,236.36
Total Non-Current Liabilities		49,576.81	53,699.96	159,908.04
Current Liabilities				
Financial Liabilities				
Borrowings	25	51,163.89	49,203.50	45,479.73
Trade payables	26	44,444.77	25,637.00	20,458.78
Other financial liabilities	27	3,532.92	4,045.68	613.42
Other current liabilities	28	43,005.41	39,428.41	7,300.86
Provisions	29	415.66	449.28	425.01
Total Current Liabilities		142,562.65	118,763.87	74,277.80
Total Liabilities		192,139.46	172,463.83	234,185.84
Total Equity and Liabilities		315,104.47	286,534.08	226,774.73
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors

Shriram EPC Limited

CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 7, 2018

T.Shivaraman
Managing Director & CEO

K.Suresh
Company Secretary

Chandra Ramesh
Director

R.S.Chandrasekharan
Chief Financial Officer



Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31 March 18	Year ended 31 March 17
Income			
Revenue from operations	30	82,886.63	74,422.27
Other income	31	10,535.86	8,783.11
Total income		93,422.49	83,205.38
Expenses			
Cost of materials consumed	32	-	-
Erection, Construction & Operation Expenses	33	66,641.97	60,783.61
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	48.39	510.05
Employee benefits expense	35	4,838.49	4,126.78
Finance costs	36	10,373.24	29,761.93
Depreciation and amortization expense	37	585.76	608.24
Other expenses	38	9,793.43	8,299.46
Total expenses		92,281.28	104,090.07
Profit /(Loss) before exceptional items and tax		1,141.21	(20,884.69)
Exceptional items	39	-	407.56
Profit /(Loss) before tax		1,141.21	(21,292.25)
Income tax expense			
Current tax	40	-	-
Deferred tax		1,350.71	(7,547.72)
Total income tax expense		1,350.71	(7,547.72)
Loss for the year		(209.50)	(13,744.53)
Other comprehensive income			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Re-measurement gains on defined benefit plans		59.04	14.42
Fair Value of Equity Instruments through OCI		(2.70)	(8.30)
Other comprehensive income for the year		56.34	6.12
Total other comprehensive loss for the year		(153.16)	(13,738.41)
Earnings / (Loss) per share			
Basic earnings /(loss) per share (₹)		(0.02)	(2.44)
Diluted earnings /(loss) per share (₹)		(0.02)	(2.44)
Face value per equity share (₹)		10.00	10.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors

Shriram EPC Limited

CIN: L74210TN2000PLC045167

Geetha Jeyakumar

Partner

Place: Chennai

Date: June 7, 2018

T.Shivaraman

Managing Director & CEO

K.Suresh

Company Secretary

Chandra Ramesh

Director

R.S.Chandrasekharan

Chief Financial Officer

Consolidated Statement of changes in equity for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(A) Equity share capital

Outstanding at the beginning of the year (Equity shares of ₹ 10 each issued, subscribed and fully paid)

Add: Shares issued during the year

Outstanding at the end of the year

	31-Mar-18		31-Mar-17	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	936,967,941	93,696.79	330,626,422	33,062.64
Add: Shares issued during the year	34,561,077	3,456.11	606,341,519	60,634.15
Outstanding at the end of the year	971,529,018	97,152.90	936,967,941	93,696.79

(B) Other equity

Particulars	Share Application money pending allotment	Reserve and surplus								Components of Other Comprehensive Income		Total
		Share options outstanding account	Securities premium reserve	General reserve	Capital reserve	Foreign currency monetary items translation difference account	Share of reserves from an Associate	Non-Controlling Interest	Retained earnings	Re-measurement gains/(losses) on defined benefit plans (Net of Tax)	Equity instruments through Other Comprehensive Income	
Balance as at 1 April 2016	6,493.00	0.17	104,622.88	561.75	12.92	(5.57)	4,700.99	-	(156,867.04)	-	7.15	(40,473.75)
Loss for the year	-	-	-	-	-	(43.69)	-	-	(13,744.53)	-	-	(13,788.22)
Other comprehensive income	-	-	-	-	-	-	-	-	-	14.42	(8.30)	6.12
Total other comprehensive income/(loss) for the year	6,493.00	0.17	104,622.88	561.75	12.92	(49.26)	4,700.99	0.00	(170,611.57)	14.42	(1.15)	(54,255.85)
Issue of Equity shares	(6,493.00)	-	81,122.32	-	-	-	-	-	-	-	-	74,629.31
Balance as at 31 March 2017	-	0.17	185,745.20	561.75	12.92	(49.26)	4,700.99	-	(170,611.57)	14.42	(1.15)	20,373.46
Loss for the year	-	-	-	-	-	(15.31)	-	126.89	(209.50)	-	-	(97.92)
Other comprehensive income	-	-	-	-	-	-	-	-	-	59.04	(2.70)	56.34
Total other comprehensive income/(loss) for the year	-	-	-	-	-	(15.31)	-	126.89	(209.50)	59.04	(2.70)	(41.58)
Issue of equity shares	-	-	5,480.23	-	-	-	-	-	-	-	-	5,480.23
Balance as at 31 March 2018	-	0.17	191,225.43	561.75	12.92	(64.57)	4,700.99	126.89	(170,821.07)	73.46	(3.85)	25,812.11

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 7, 2018

T.Shivaraman
Managing Director & CEO

K.Suresh
Company Secretary

Chandra Ramesh
Director

R.S.Chandrasekharan
Chief Financial Officer



Consolidated Statement of Cash flows for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Cash flow from operating activities		
Profit/(Loss) before tax	1,141.21	(21,292.25)
Adjustments for:		
Depreciation and amortization expenses	585.76	608.24
Provision for Gratuity	88.00	127.17
Provision for Compensated Absences	(38.55)	62.66
Fair valuation of Investments	2.70	-
Provision for Investments	-	415.86
Provision for doubtful trade and Other receivables and Loans and Advances	731.73	2,379.54
Finance cost	11,370.42	31,063.72
Interest income	(9,723.81)	(8,195.82)
Deferred rent		
Liabilities written back	(673.74)	(414.86)
(Gain)/ loss on sale of fixed assets	(2.66)	84.39
Operating profit before working capital changes	3,481.07	4,838.65
Changes in working capital		
Decrease/ (Increase) in inventories	48.39	730.05
Decrease/ (Increase) in trade receivables	4,114.02	(19,502.55)
Decrease/ (Increase) in loans	(3,553.59)	(3,885.65)
Decrease/ (Increase) in other financial assets	(1,025.64)	8,074.34
Decrease/ (Increase) in other current assets	12,227.53	(28,658.17)
Decrease/ (Increase) in non-current assets	(37,906.34)	(1,166.22)
Increase/(Decrease) in trade payables	19,481.51	5,593.08
Increase/(Decrease) in other current liabilities	3,577.00	32,127.55
Increase/(Decrease) in other non current liabilities	(518.14)	399.57
Increase/(Decrease) in Short Term provisions	(33.61)	24.27
Increase/(Decrease) in Long Term provisions	83.06	(24.27)
Increase/(Decrease) in other financial liabilities	3,388.64	1,073.98
Cash generated used in operations	3,363.90	(375.39)
Income tax paid	(605.63)	1,623.77
Net cash flows used in operating activities (A)	2,758.27	1,248.38
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(124.04)	(195.92)
Movement in Bank balances not considered as Cash and cash equivalents (Net)	844.92	(806.48)
Proceeds from sales of investments	-	-
Proceeds from sale/ disposal of fixed assets	7.57	-
Net proceeds from fixed deposits	-	-
Interest received	1,406.56	439.12
Net cash flow from investing activities (B)	2,135.01	(563.27)
Cash flow from Financing activities		
Proceeds from issuance of equity share capital	3,500.00	26,500.00

Receipt / (Refund) of Share application money	-	(6,493.00)
Proceeds from Short term borrowings(net)	1,960.39	3,723.77
Repayment of Long term borrowings	(814.54)	7,263.24
Redemption of Preference shares		
Movement in current maturities of long term borrowings		
Interest and Finance Charges Paid	(12,709.01)	(27,485.42)
Net cash flow from financing activities (C)	(8,063.17)	3,508.59
Net increase in cash and cash equivalents (A+B+C)	(3,169.89)	4,193.70
Cash and cash equivalents at the beginning of the year	5,543.27	1,349.57
Cash and cash equivalents at the end of the year	2,373.38	5,543.27
Cash and cash equivalents comprise		
Cash and cash equivalents as per Balance Sheet	6,071.30	10,086.11
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer Note 16)	3,697.92	4,542.84
Total cash and bank balances at end of the year (Refer Note 15)	2,373.38	5,543.27
Note:		
Significant Non Cash Items		
Conversion of Funded Interest Term Loan into Equity	3.36	2,419.07
Conversion of Working Capital Term Loan into Equity	4,470.41	112,674.40
Conversion of Interest Sacrifice into Equity	962.57	163.00
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 7, 2018

T.Shivaraman
Managing Director & CEO

K.Suresh
Company Secretary

Chandra Ramesh
Director

R.S.Chandrasekharan
Chief Financial Officer



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

1A General Information

Shriram EPC Limited (the “Company” or “SEPC”) which is a part of the Shriram EPC Group has diverse interests across Project Engineering & Construction. The company provides end-to-end solutions to engineering challenges, offering multi disciplinary design, engineering, procurement, construction and project management services. SEPC is focused on providing turnkey solutions for ferrous & non ferrous, cement, aluminum, copper and thermal power plants, water treatment & transmission, renewable energy, cooling towers & material handling.

1B Principles of Consolidation

The Consolidated Financial statements relate to Shriram EPC Limited (the ‘Company’) and its subsidiary Company. The Consolidated financial statements have been prepared on the following basis:

- (i) The Financial statements of the subsidiary company in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2018.
- (ii) The Financial statements of the Company and its subsidiary company have been combined on a line by -line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The consolidated financial statements include the share of profit/loss of the associate company which have been accounted for using equity method. Accordingly, the share of profit/loss of the associate companies (the loss being restricted to the cost of Investment) has been added to/ deducted from the cost of Investment. For the reasons stated in Note No. 53, the group’s share of losses in its Associate for the year have not been in these consolidated financial statements.
- (iv) The difference between the cost of Investments in the Associate and the share of net assets at the time of acquisition of the shares in the Associate is identified in the Consolidated financial statements as Goodwill/capital reserve as the case may be.
- (v) The following subsidiary and Associate have been considered in the preparation of the Consolidated Financial statements.

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power	
			March 31, 2018	March 31, 2017
Shriram EPC (FZE)	Subsidiary	United Arab Emirates	100%	100%
Haldia Coke and Chemicals Private Limited (Refer Note (iii) above)	Associate	India	48.48%	48.48%

Name of the entity	Relationship	Country of Incorporation	% of holding and voting power	
			March 31, 2018	March 31, 2017
Shriram EPC Arkan LLC	Subsidiary of subsidiary	Muscat, Oman	70.00%	-
Ennore Coke Limited	Subsidiary of Associate	India	48.48%	48.48%
Wellman Coke India Limited	Subsidiary of Associate	India	48.48%	48.48%

- (vi) The results and financial position of foreign operations with functional currency different from the presentation currency, are translated into the presentation currency as follows:
 - (a) Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
 - (b) Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
 - (c) All resulting exchange differences are recognised in other comprehensive income.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

The abridged consolidated financial statements have been prepared, in accordance with the requirements

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

of Rule 10 of the Companies (Accounts) Rules, 2014 as referred to in first proviso to sub-section (1) of section 136 of the Companies Act, 2013 and on the basis of the complete set of audited consolidated financial statements for the year ended 31 March 2018, (prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016). The Consolidated financial statements of the Group have been prepared using significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to Ind AS as summarised in Note 5.

(a) Statement of Compliance with Ind AS

These Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The date of transition to Ind AS is April 1, 2016. The Consolidated financial statements upto the year ended March 31, 2017, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("I-GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability. These Consolidated financial statements have been approved for issue by the Board of Directors at their meeting held on June 7, 2018 Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The Consolidated financial statements of the Group have been prepared on a historical cost convention on accrual basis, except Certain financial assets and liabilities measured at fair value (Refer Note 2.15 for Financial Instruments).

The carrying value of all the items of property, plant and equipment as on date of

transition is considered as the deemed cost.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. 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.

(c) Presentation of financial statements

The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The Consolidated statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the Consolidated financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees to two decimal places.

(d) Use of estimates

The preparation of Consolidated financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying Consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

(e) Interests in Joint Operations

When the Group has joint control of the arrangement based on contractually determined right to the assets and obligations for liabilities, it recognises such interests as joint operations. Joint control exists when the decisions about the relevant activities require unanimous consent of the parties sharing the control. In respect of its interests in joint operations, the Group recognises its share in assets, liabilities, income and expenses line-by-line in the standalone financial statements of the entity which is party to such joint arrangement which then becomes part of the consolidated financial statements of the Group when the financial statements of the Holding Company and its subsidiaries are combined for consolidation.

2.2 Property, plant and equipment (PPE)

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. PPE are stated at original cost net of taxes/duty credits availed, if any less accumulated depreciation and cumulative impairment, if any. PPE acquired on hire purchase basis are recognised at their cash values. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Consolidated Statement of Profit and Loss during the year in which they are incurred.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per I-GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2016. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation

and cumulative impairment is taken as cost on transition date.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Group depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment

Leasehold improvement*	Lease period or life of asset whichever is lower
Plant & Machinery	2 to 4 years
Furniture and fixtures	10 years
Office equipment	5 years
Computers	
- Servers	6 years
- End user devices such as laptops, desktops	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated. Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate. Freehold land is not depreciated.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

2.3 Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost, net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment. Administration and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of its all intangible assets recognised as at 1 April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Technical know how	5 to 10 years
Computer Software	5 years

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised

in the Consolidated Statement of Profit and Loss. All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2.5 Fair value measurement

The Group maintains its accounts on accrual basis following historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS and certain items of property, plant and equipment that were revalued in earlier year in accordance with the I-GAAP principles. The carrying value of all the items of property, plant and equipment as on the date of transition is considered as the deemed cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement .

Fair value measurements under Ind AS are categorised as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- ▶ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date
- ▶ Level 2 inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- ▶ Level 3 inputs are unobservable inputs for the valuation of assets or liabilities



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

2.6 Revenue Recognition

- A. Revenue is recognised based on the nature of activity when consideration can be reasonably measured and recovered with reasonable certainty. Revenue is measured at the fair value of the consideration received or receivable and is reduced for estimated rebates and other similar allowances.
- B. Revenue from construction contracts/project related activity and contracts for supply/commissioning of complex plant and equipment is recognised as follows:
1. Fixed price contracts: Contract revenue is recognised only to the extent of cost incurred till such time the outcome of the job cannot be ascertained reliably subject to condition that it is probable the such cost will be recoverable. When the outcome of the contract is ascertained reliably, contract revenue is recognised at cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to date, to the total estimated contracts cost.

The estimated outcome of a contract is considered reliable when all the following conditions are satisfied:

- (i) The amount of revenue can be measure reliably;
- (ii) It is probable that the economic benefits associated with the contract will flow to the Group;
- (iii) The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- (iv) The costs incurred or to be incurred in respect of the contract can be measured reliably.

Expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

For contracts where progress billing exceeds the aggregate of contract costs incurred to-date and recognised profits (or recognised losses, as the case may be), the surplus is shown as the amount due to customers. Amounts received before the related work is performed are disclosed in the Consolidated Balance sheet, as a liability towards advance received. Amounts billed for work performed but yet to be paid by the customer are disclosed in the Consolidated Balance sheet as trade receivables. The amount of retention money held by the customers is disclosed as part of other current assets and is reclassified as trade receivables when it becomes due for payment.

Revenue from contracts from rendering engineering design services and other services which are directly

related to construction of an asset is recognised on the same basis as stated in (B) above.

Other operational revenue

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Other Income

Interest Income is recognised on the basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend income is accounted in the period in which the right to receive the same is established.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in Group's financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.8 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Consolidated Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.9 Exceptional items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve

an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.12 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- a) estimated amount of contracts remaining to be executed on capital account and not provided for;
- b) uncalled liability on shares and other investments partly paid;
- c) funding related commitment to subsidiary, associate and joint venture companies; and
- d) other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.13 Cash and cash equivalents

Cash and cash equivalent in the Consolidated balance sheet comprise cash at banks, cash on hand, cheques in transit and demand deposits with banks.

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

2.14 Statement of Cash Flows:

Consolidated Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- i. changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency

gains and losses, and undistributed profits of associates; and

- iii. all other items for which the cash effects are investing or financing cash flows.

2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

- (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Consolidated statement of profit and loss.

- (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Consolidated Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Consolidated Statement of Profit and Loss and recognized in other gains/ (losses). Interest income

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

The company has currently exercised the irrevocable option to present in Other comprehensive Income, subsequent changes in the Fair value of Equity Instruments. Such an election has been made on instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Consolidated statement of profit and loss. In balance sheet ECL for financial assets measured at

amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Consolidated balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Consolidated Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Consolidated Statement of Profit and Loss when the liabilities are derecognized as well



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Consolidated Statement of Profit and Loss.

(iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Consolidated Statement of Profit and Loss as finance costs.

(d) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Consolidated balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.16 Employee Benefits

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Consolidated Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Consolidated Statement of Profit and Loss.

(ii) **Defined benefit plans**

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

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee."

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Consolidated Balance Sheet date.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

3. Significant accounting judgments, estimates and assumptions

The preparation of Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that

can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

(c) Construction Contracts

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work, provision for rectification costs, variation claims etc

(d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

4. Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a. Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

b. Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- (i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- (ii) Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

5. First-time adoption of Ind-AS

These Consolidated financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these Consolidated financial statements, the Group’s opening

balance sheet was prepared as at 1 April 2016, being the date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the Consolidated balance sheet as at 1 April 2016 and Consolidated financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Impairment of Financial Assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity’s estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
 - (ii) Fair valuation of compound instrument.
 - (iii) FVTPL – debt securities
 - (iv) FVTOCI – debt securities
 - (v) Effective interest rate used in calculation of security deposit.
- (b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or

event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

- (c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

- (d) Equity instruments at FVTOCI

The Company has designated investment in equity shares other than associate and joint ventures as at FVTOCI on the basis of facts and circumstances that existed at the transition date.



Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

5.3 Reconciliations

(Amount in ₹ lakhs, unless otherwise stated)

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a)(i) Effect of Ind AS adoption on Balance Sheet as at 31st March, 2016

	Notes to first-time adoption	Indian GAAP*	Ind AS Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, plant and equipment		5,423.97	-	5,423.97
Capital work-in-progress		1,014.39	-	1,014.39
Intangible assets		97.34	-	97.34
Financial assets				
Investments	e(i)	517.91	7.15	525.06
Loans	e(ii)	104,766.00	(71,569.55)	33,196.45
Trade Receivables		11,314.69	-	11,314.69
Other Financial Assets	e(ii) & e(iv)	14,503.31	(8,649.56)	5,853.75
Deferred tax asset (net)	e(iii)	-	41,425.79	41,425.79
Income Tax Assets (Net)		4,036.43	-	4,036.43
Other Non-Current Assets	e(ii)	16,752.60	(9,707.96)	7,044.64
Total Non-Current Assets		158,426.64	(48,494.13)	109,932.51
Current assets				
Inventories		4,544.01	-	4,544.01
Financial assets				
Trade receivables	e(ii)	31,794.41	(1,153.84)	30,640.57
Cash and cash equivalents		1,349.57	-	1,349.57
Other Bank Balances		3,736.36	-	3,736.36
Loans		-	-	-
Other Financial Assets		11,332.92	-	11,332.92
Other current assets	e(ii)	77,209.72	(11,970.93)	65,238.79
Total Current Assets		129,966.99	(13,124.77)	116,842.22
Total Assets		288,393.63	(61,618.90)	226,774.73
EQUITY AND LIABILITIES				
Equity				
Equity share capital		33,062.64	-	33,062.64
Other equity		12,528.52	(53,002.27)	(40,473.75)
Total Equity		45,591.16	(53,002.27)	(7,411.11)
Liabilities				
Non-Current Liabilities				
Financial liabilities				
Borrowings	e(iv)	150,922.69	(8,514.00)	142,408.69
Other financial liabilities	e(vi)	4,081.97	(102.63)	3,979.34
Provisions		283.65	-	283.65
Other non-current liabilities		13,236.36	-	13,236.36
Total Non-Current Liabilities		168,524.67	(8,616.63)	159,908.04
Current liabilities				
Financial liabilities				
Borrowings		45,479.73	-	45,479.73
Trade payables		20,458.78	-	20,458.78
Other financial liabilities		613.42	-	613.42
Other current liabilities		7,300.86	-	7,300.86
Provisions		425.01	-	425.01
Total Current Liabilities		74,277.80	-	74,277.80
Total Liabilities		242,802.47	(8,616.63)	234,185.84
Total Equity and Liabilities		288,393.63	(61,618.90)	226,774.73

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(a)(ii) Reconciliation of equity as at 31 March 2017

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, plant and equipment		6,009.63	-	6,009.63
Capital work-in-progress		14.84	-	14.84
Intangible assets		79.80	-	79.80
Financial assets				
Investments	e(i)	110.35	(1.16)	109.19
Loans	e(ii)	104,674.91	(67,592.81)	37,082.10
Trade Receivables		10,843.19	-	10,843.19
Other Financial Assets	e(ii) & e(iv)	12,917.09	(7,160.56)	5,756.53
Deferred tax asset/(Liabilities) (net)	e(iii)	-	48,973.51	48,973.51
Income Tax Assets (Net)		2,412.66	-	2,412.66
Other Non-Current Assets	e(ii)	16,752.60	(8,649.57)	8,103.03
Total Non-Current Assets		153,815.07	(34,430.59)	119,384.48
Current assets				
Inventories		3,813.96	-	3,813.96
Financial assets				
Trade receivables	e(ii)	49,203.77	(968.69)	48,235.08
Cash and cash equivalents		5,543.27	-	5,543.27
Other Bank Balances		4,542.84	-	4,542.84
Loans		-	-	-
Other Financial Assets		11,117.49	-	11,117.49
Other current assets	e(ii)	104,092.97	(10,196.01)	93,896.96
Total Current Assets		178,314.30	(11,164.70)	167,149.60
Total Assets		332,129.37	(45,595.29)	286,534.08
EQUITY AND LIABILITIES				
Equity				
Equity share capital		93,696.79	-	93,696.79
Other equity		65,287.79	(44,914.33)	20,373.46
Total Equity		158,984.58	(44,914.33)	114,070.25
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	e(iv)	35,034.69	(619.23)	34,415.46
Other financial liabilities	e(vi)	5,261.09	(61.73)	5,199.36
Provisions		449.21	-	449.21
Other non-current liabilities		13,635.93	-	13,635.93
Total Non-Current Liabilities		54,380.91	(680.96)	53,699.96
Current liabilities				
Financial liabilities				
Borrowings		49,203.50	-	49,203.50
Trade payables		25,637.00	-	25,637.00
Other financial liabilities		4,045.68	-	4,045.68
Other current liabilities		39,428.41	-	39,428.41
Provisions		449.28	-	449.28
Total Current Liabilities		118,763.87	0.00	118,763.87
Total Liabilities		173,144.77	(680.96)	172,463.83
Total Equity and Liabilities		332,129.37	(45,595.29)	286,534.08

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(b) Reconciliation of loss for the year ended March 31, 2017

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Revenue from operations		74,422.27	-	74,422.27
Other income	e(ii)	1,031.41	7,751.70	8,783.11
Total income		75,453.68	7,751.70	83,205.38
Expenses				
Erection, Construction & Operation Expenses		60,783.61	-	60,783.61
Changes in inventories of finished goods, stock-in-trade and work-in-progress		510.05	-	510.05
Employee benefits expense	e(v)	4,112.35	14.43	4,126.78
Finance costs	e(iv)	24,657.92	5,104.01	29,761.93
Depreciation and amortization expense		608.24	-	608.24
Other expenses	e(ii) & e(vi)	6,200.30	2,099.16	8,299.46
Total expenses		96,872.47	7,217.60	104,090.07
Loss before exceptional items and tax		(21,418.79)	534.10	(20,884.69)
Exceptional items		407.56	-	407.56
Loss before tax		(21,826.35)	534.10	(21,292.25)
Income tax expense				
Current tax		-	-	-
Deferred tax	e(iii)	-	(7,547.72)	(7,547.72)
Total income tax expense		-	(7,547.72)	(7,547.72)
Loss for the year		(21,826.31)	8,081.78	(13,744.53)
Other comprehensive income				
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Loss of Investments carried at fair value	e(i)	-	(8.30)	(8.30)
Re-measurement gains on defined benefit plans	e(v)	-	14.42	14.42
Other comprehensive income for the year		-	6.12	6.12
Total other comprehensive loss for the year		(21,826.31)	8,087.90	(13,738.42)

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(c) Reconciliation of Other equity as at 31 March 2017 and 1 April 2016

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Notes to first-time adoption	As at 31-03-2017	As at 01-04-2016
Other Equity as per Previous GAAP (Indian GAAP)		65,288.79	12,528.52
Adjustment			
1) Impact of provision for expected credit loss	e(ii)	(83,001.78)	(89,996.98)
2) Impact on account of derecognition of loans pursuant to conversion to equity and on application of effective interest rate	e(iv)	(10,957.78)	(4,552.01)
3) Impact of fair valuation of investments	e(i)	(1.15)	7.15
4) Deferred Tax on the above adjustments and on unabsorbed losses	e(iii)	48,973.51	41,425.79
5) Others	e(vi)	72.87	113.78
Total adjustment		(44,914.33)	(53,002.27)
Other equity as per Ind AS		20,373.46	(40,473.75)

(d) Impact of Ind AS adoption on cash flow statements for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Net cash flow from operating activities		2,096.64	(848.27)	1,248.37
Net cash flow from investing activities		(560.19)	(3.08)	(563.27)
Net cash flow from financing activities		2,706.74	801.85	3,508.59
Net increase / (decrease) in cash and cash equivalents		4,243.19	(49.50)	4,193.69
Cash and cash equivalents as at 1 April 2016		1,368.26	(18.69)	1,349.57
Cash and cash equivalents as at 31 March 2017		5,611.45	(68.20)	5,543.25

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(e) Notes to first-time adoption

(i) The Company has valued Investments (other than Investment in wholly owned subsidiary and associate which are accounted at cost), at fair value. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognised in Other Comprehensive Income.

(ii) The provision is made against various loans, trade receivables including unbilled revenue based on "expected credit loss" model as per Ind AS 109. Under I-GAAP (Previous GAAP) the provision was made when the receivable turned doubtful based on the assessment on case to case basis.

(iii) Deferred tax under Ind AS has been recognised for temporary differences between tax base and the book base of the relevant assets and liabilities on account of opening transition adjustments, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods. Under I-GAAP the deferred tax was accounted based on timing differences impacting the Statement of Profit and Loss for the period.

(iv) Under Ind AS 23 borrowing cost is calculated following

effective rate of interest (EIR) method as described under Ind AS 109. Under I-GAAP borrowing cost was computed by applying the coupon rate to the principal amount for the period with consequential impact in the asset items where borrowing cost is capitalised/inventorised. Borrowings are recognised at fair value at the inception and subsequently at amortised cost with interest recognised based on EIR method.

(v) Both under I-GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under I-GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

(vi) Under I-GAAP, operating lease rentals were straight lined over the lease period. Under Ind AS, if the payments by the lessee are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost, lease reserve should not be booked. Consequent to this change, the amount of retained earnings has been decreased. Also under Ind AS, rent free period is straight-lined over the lease term as the same is considered as incentive.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018



(Amount in ₹ lakhs, unless otherwise stated)

6 Property, plant and equipment

Current Year	Gross block				Depreciation			Net block	
	As at 1 April 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2017
Owned assets									
Freehold land	241.50	-	-	241.50	-	-	-	241.50	241.50
Leasehold Improvements	318.15	-	-	318.15	71.98	39.46	-	206.71	246.17
Buildings	152.15	-	-	152.15	8.50	5.15	-	138.50	143.65
Plant and Machinery (Refer to Note 6.1 below)	5,656.91	47.95	-	5,704.86	445.78	463.31	-	4,795.77	5,211.13
Furniture and Fixtures	60.05	0.11	-	60.16	8.71	8.31	-	43.14	51.34
Office Equipment	36.97	1.60	-	38.57	14.97	10.42	-	13.18	22.00
Computers	56.13	55.64	-	111.77	22.43	25.50	-	63.84	33.70
Vehicles (Refer to Note 6.1 below)	77.18	18.74	21.76	74.16	17.04	15.37	16.85	58.60	60.14
Total	6,599.04	124.04	21.76	6,701.32	589.41	567.52	16.85	1,140.08	6,009.63

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Previous Year	Gross block				Depreciation			Net block	
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	As at 31 March 2017	As at 31 March 2017	As at 1 April 2016
Owned assets									
Freehold land	241.50	-	-	241.50	-	-	-	241.50	241.50
Leasehold Improvements	337.55	-	19.40	318.15	-	71.98	71.98	246.17	337.55
Buildings	151.55	0.60	-	152.15	-	8.50	8.50	143.65	151.55
Plant and Machinery (Refer to Note 6.1 below)	4,501.22	1,155.69	-	5,656.91	-	445.78	445.78	5,211.13	4,501.22
Furniture and Fixtures	53.93	7.13	1.01	60.05	-	8.93	8.71	51.34	53.93
Office Equipment	28.73	8.24	-	36.97	-	14.97	14.97	22.00	28.73
Computers	33.45	22.68	-	56.13	-	22.43	22.43	33.70	33.45
Vehicles (Refer to Note 6.1 below)	76.04	1.14	-	77.18	-	17.04	17.04	60.14	76.04
Total	5,423.97	1,195.48	20.41	6,599.04	-	589.63	589.41	6,009.63	5,423.97

6.1 Details of Assets taken under finance lease:

Block of Assets	31 March 18	31 March 17	1 April 16
Plant and Machinery			
Gross Block	131.59	131.59	131.59
Accumulated Depreciation	25.80	12.90	-
Net Book value	105.79	118.69	131.59
Vehicles			
Gross Block	54.14	54.14	54.14
Accumulated Depreciation	20.36	10.18	-
Net Book value	33.78	43.96	54.14

6.2 Cost as at March 31, 2017 and April 1, 2016 of individual assets has been reclassified wherever necessary.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

7 Intangible assets

Current Year	Gross block			Depreciation			Net block		
	As at 1 April 2017	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2018	As at 1 April 2017	For the year	Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2017
Computer Software	43.12	-	-	43.12	15.11	-	-	15.11	28.01
Technical Knowhow	54.22	-	-	54.22	2.43	16.62	-	19.05	51.79
Total	97.34	-	-	97.34	17.54	16.62	-	34.16	79.80
Previous Year	Gross block			Depreciation			Net block		
	As at 1 April 2016	Additions/ Adjustments	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016	For the year	Deductions/ Adjustments	As at 31 March 2017	As at 1 April 2016
Computer Software	43.12	-	-	43.12	-	15.11	-	15.11	43.12
Technical Knowhow	54.22	-	-	54.22	-	2.43	-	2.43	54.22
Total	97.34	-	-	97.34	-	17.54	-	17.54	97.34

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

8 Financial Assets- Investments (Non Current)

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(A) Investment in Associate - Non Trade			
Unquoted			
22,239,167 Equity Shares (Previous year: 22,239,167 Equity Shares) of ₹10/- each fully paid up in Haldia Coke and Chemicals Private Limited	4,007.22	4,007.22	4,007.22
Share of Loss	(9942.35)	(9942.35)	(9942.35)
Share of Reserves	5,935.13	5,935.13	5,935.13
Total Share of Net Worth	(4007.22)	(4007.22)	(4007.22)
Net Investment in Associate	-	-	-
(B) Investments in Others - Trade - Fair Value Through Other Comprehensive Income			
Quoted			
386,526 Equity Shares (Previous year : 386,526 Equity Shares) of ₹ 10/- each fully paid up in Orient Green Power Company Limited	40.36	43.06	51.37
Unquoted			
661,300 Equity shares (Previous year: 661,300 Equity shares) of ₹ 10/- each fully paid up Hexa Wind Farm Private Limited	66.13	66.13	66.13
4,076,474 Equity shares (Previous year: 4,076,474 Equity Shares) of ₹ 10/- each fully paid up in Leitwind Shriram Manufacturing Private Limited	407.56	407.56	407.56
Less: Provision for Diminution in value of Investments	(407.56)	(407.56)	-
	-	-	407.56
Total	106.49	109.19	525.06
Aggregate book value of:			
Quoted investments	40.36	43.06	51.37
Unquoted investments	66.13	66.13	473.69
Aggregate amount of impairment in value of Investments	(407.56)	(407.56)	-



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

9 Non-Current Financial assets - Loans

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good			
Loans and advances to related party			
Considered Good	102,743.99	104,674.91	104,766.00
Considered doubtful	5,108.10	5,108.10	3,855.00
Less : Provision for Expected Credit Loss	(67,216.40)	(72,700.91)	(75,424.55)
Total	40,635.69	37,082.10	33,196.45

9.1 Loans include dues from:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Private Companies in which directors are interested			
Hamon Shriram Cottrell Private Limited	-	357.36	360.74
Haldia Coke and Chemicals Private Limited	48,833.58	48,833.58	48,833.58
(ii) Other Related Parties:			
SVL Limited	-	1,418.45	-
Ennore Coke Limited	29,180.73	29,178.71	29,174.64
Leitwind Shriram Manufacturing Private Limited	13,336.63	13,333.20	12,252.27
Bharath Wind Farm Limited	26.12	122.70	23.02

10 Other Non-Current Financial assets

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade Receivables - Retention Money			
Considered Good	17,879.05	10,843.19	11,314.69
Considered doubtful	2,235.38	1,594.28	1,594.28
Less: Provision for doubtful receivables	(2,235.38)	(1,594.28)	(1,594.28)
	17,879.05	10,843.19	11,314.69
Trade Receivables - Others			
Considered Good	-	-	-
Considered doubtful	1,562.72	1,562.72	1,562.72
Less: Provision for doubtful receivables	(1,562.72)	(1,562.72)	(1,562.72)
	-	-	-
Other Financial Assets			
Deposits	1,250.43	1,251.32	1,326.09
Other receivables (Refer Note 10.1 Below)	3,489.84	4,505.21	4,527.66
	4,740.27	5,756.53	5,853.75
Total	22,619.32	16,599.72	17,168.44

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

10.1 Other Receivables includes an amount of Rs. 3,489.84 lakhs (March 31, 2017 Rs. 4,505.21 lakhs and April 01, 2016 Rs. 4,527.66 lakhs) the balance consideration receivable from My Home Industries Limited (“MHIL”) towards the value of certain receivables due from Sree Jayajothi Cements Limited (“SJCL”) taken over by MHIL pursuant to an agreement dated 11 August 2013 entered into with them. This amount has been deposited in a Joint Escrow Account to be received by the Company after completion of certain formalities of Sree Jayajothi Cements Limited.

(Amount in ₹ lakhs, unless otherwise stated)

11 Other Non-Current Assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unbilled Revenue	53,607.59	16,752.60	16,752.60
Less : Provision for Expected Credit Loss	(7,432.18)	(8,649.57)	(9707.96)
Total	46,175.41	8,103.03	7,044.64

12 Income Tax Assets (Net)	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance Tax (Net of Provision for Tax Rs. 7,260.29 lakhs (March 31, 2017 and April 01, 2016 - Rs. 7,260.29 lakhs))	3,018.29	2,412.66	4,036.43
Total	3,018.29	2,412.66	4,036.43

13 Inventories	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Raw material in stock (Valued at lower of cost and net realizable value)	-	-	220.00
Work in progress in stock (Valued at lower of cost and net realizable value)	3,765.58	3,813.96	4,324.01
Total	3,765.58	3,813.96	4,544.01

14 Trade receivable	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured			
-Considered good	37,135.05	49,203.77	31,794.41
-Considered doubtful	4,607.90	4,517.27	4,175.58
Less : Provision for Expected Credit Loss	(5,389.49)	(5,485.96)	(5,329.42)
Total	36,353.46	48,235.08	30,640.57

14.1 Trade Receivables include due from related parties amounting to ₹ 4,086.42 Lakhs (March 31, 2017 - ₹ 2,986.47 Lakhs and April 01, 2016 - ₹ 2,579.23 Lakhs)

14.2 Trade Receivables includes Rs. 2,460 Lakhs (March 31, 2017 and April 01, 2016 - Rs. 2,460 lakhs) being amounts due from a company towards sale of Wind Energy Generators in earlier years. Considering the future business potential of the company and the value of its underlying assets, the dues are considered fully realizable.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

15 Cash and bank balances	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Balances with banks			
In current accounts	595.53	4,275.60	150.77
Deposit Account (Original maturity of 3 months or less)	57.92	61.87	809.13
Margin Money (Original maturity of 3 months or less)	1,719.80	1,205.04	388.80
Cash on hand	0.13	0.76	0.87
Total	2,373.38	5,543.27	1,349.57
16 Other Bank Balances	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unpaid Dividend Account	18.69	18.69	18.69
Deposit Account (Original maturity of more than 3 months)	913.02	1,729.64	1,020.31
Margin Money (Original maturity of more than 3 months)	2,766.21	2,794.51	2,697.36
Total	3,697.92	4,542.84	3,736.36
17 Other Current Financial assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Security deposit	200.72	482.13	486.85
Interest accrued on fixed deposits	-	50.09	45.09
Dues from CDR Bankers on account of excess recoveries	255.57	488.32	-
Interest recoverable from CDR Bankers	-	-	1,277.73
Trade Receivable - Retention monies	20,970.26	10,096.95	9,523.25
Total	21,426.55	11,117.49	11,332.92
18 Other current assets	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advances to Employees	51.63	70.44	64.74
Balance with Government Authorities	1,473.08	162.22	479.88
Prepaid Expenses	45.24	123.66	270.96
Unbilled Revenue	76,891.54	83,673.27	63,201.93
Less: Provision for Expected Credit Loss	(9,728.82)	(10,207.15)	(11,982.07)
Advances to Suppliers			
-Considered good	12,886.13	20,015.46	13,166.51
-Considered doubtful	1,640.30	1,640.30	1,355.56
Less : Provision for doubtful Advances	(1,640.30)	(1,640.30)	(1,355.56)
	12,886.13	20,015.46	13,166.51
Other Advances	50.62	59.06	36.84
Total	81,669.42	93,896.96	65,238.79

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

19 Equity share capital

The Company has only one class of equity share capital having a par value of ₹ 10 per share, referred to herein as equity shares.
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorized			
1,050,000,000 (31 March 2017: 1,000,000,000, 1 April 2016: 410,000,000) Equity Shares of ₹ 10 each	105,000.00	100,000.00	41,000.00
	105,000.00	100,000.00	41,000.00
Issued, subscribed and paid up			
971,529,018 (31 March 2017: 936,967,941, 1 April 2016: 330,626,422) equity shares of ₹ 10 each fully paid	97,152.90	93,696.79	33,062.64
	97,152.90	93,696.79	33,062.64

(a) Reconciliation of Equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	936,967,941	93,696.79	330,626,422	33,062.64	86,358,184	8,635.82
Add: Issued during the year	34,561,077	3,456.11	606,341,519	60,634.15	244,268,238	24,426.82
Outstanding at the end of the year	971,529,018	97,152.90	936,967,941	93,696.79	330,626,422	33,062.64

(b) Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
Equity Shares						
SVL Limited (Refer Note Below)	279,391,356	28.76%	279,391,356	29.82%	165,412,862	50.03%
State Bank of India	125,634,843	12.93%	-	-	-	-
Central Bank of India	93,570,276	9.63%	91,973,534	9.82%	17,506,860	5.30%
Oriental Bank of Commerce	69,109,490	7.11%	68,993,466	7.36%	32,026,835	9.69%
State Bank of Patiala	-	-	64,466,433	6.88%	-	-
IDBI Bank Limited	59,631,183	6.14%	58,644,408	6.26%	-	-
Punjab National Bank	55,282,938	5.69%	54,190,436	5.78%	-	-

(c) Details of shares held by Promoter - Investing Party

Name of Shareholder	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	No of Shares	% holding	No of Shares	% holding	No of Shares	% holding
SVL Limited(Refer Note below)	279,391,356	28.76%	279,391,356	29.82%	165,412,862	50.03%

Note: SVL ceased to be the Holding Company with effect from July 2016 consequent to issue of shares to CDR lenders on conversion of working capital term loan into Equity Share Capital



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(d) **Preferential issue of Equity during the year ended March 31, 2018** (Amount in ₹ lakhs, unless otherwise stated)

Particulars	No of Shares	Face value of ₹ 10/-	Premium	Total
KPR Investments Private Limited	12,919,896	1,291.99	2,208.01	3,500.00
Lender Banks - Conversion of Funded Interest Term Loan (FITL)	10,193	1.02	2.34	3.36
Lender Banks - Conversion of Interest Sacrifice	2,403,425	240.34	722.23	962.57
Lender Banks - Conversion of Working Capital Term Loan(WCTL)	19,227,563	1,922.76	2,547.65	4,470.41
Total	34,561,077	3,456.11	5,480.23	8,936.34

(e) **Preferential issue of Equity during the year ended March 31, 2017**

Particulars	No of Shares	Face value of ₹ 10/-	Premium	Total
Promoter - SVL Limited	113,978,494	11,397.85	15,102.15	26,500.00
Lender Banks - Conversion of Funded Interest Term Loan (FITL)	7,334,961	733.50	1,685.57	2,419.07
Lender Banks - Conversion of Interest Sacrifice	406,991	40.70	122.30	163.00
Lender Banks - Conversion of Working Capital Term Loan(WCTL)	484,621,073	48,462.10	64,212.30	112,674.40
Total	606,341,519	60,634.15	81,122.32	141,756.47

(f) **Terms/rights attached to the 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.

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.

The company has only one class of share capital (i.e) Equity shares having face value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

(g) The Authorised Equity Share Capital has been increased to ₹ 105,000 Lakhs with effect from 4th May 2017.

(h) Disclosure required in terms of Clause 13.5A of Chapter XIII on Guidelines for preferential issues, SEBI (Disclosure and Investor Protection) Guidelines, 2000 for preferential issue proceeds :

Particulars	Proceeds of Issue	Purpose
KPR Investments Private Limited	3,500.00	Business needs and exigencies
Conversion of FITL	3.36	Conversion of interest on WCTL, into Equity, to reduce cash outflow on account of interest
Conversion of Interest sacrifice	962.57	Conversion of monies already borrowed and fully utilised for business purposes
Conversion of WCTL	4,470.41	Re-compense liability converted into Equity by a lender
Total	8,936.34	

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

20 Other equity

(A) The Company has preference share capital having a par value of ₹ 10 per share, referred to herein as preference share capital
(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Authorized			
30,000,000 (31 March 2017: 30,000,000, 1 April 2016: 30,000,000) Convertible Preference Shares of ₹ 100 each	30,000.00	30,000.00	30,000.00
Total	30,000.00	30,000.00	30,000.00

(B) Other equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Securities premium reserve (Refer Note (i) below)	191,225.43	185,745.20	104,622.88
General reserve (Refer Note (ii) below)	561.75	561.75	561.75
Capital Reserve (Refer Note (iii) below)	12.92	12.92	12.92
Deficit in the Statement of Profit and Loss (Refer Note (iv) below)	(170,821.07)	(170,611.57)	(156,867.04)
Employee Stock options outstanding account (Refer Note (v) below)	0.17	0.17	0.17
Share application money pending allotment (Refer Note (vi) below)	-	-	6,493.00
Remeasurement gains on defined benefit plans (Net of Tax) (Refer Note (viii) below)	73.46	14.42	-
Investments FVTOCI Reserve on equity instruments (Refer Note (vii) below)	(3.85)	(1.15)	7.15
Foreign currency monetary items translation difference account (Refer Note (ix) below)	(64.57)	(49.26)	(5.57)
Share of reserves from an Associate	4,700.99	4,700.99	4,700.99
Non - Controlling Interest	126.89	-	-
Total Other Equity	25,812.11	20,373.46	(40,473.75)

(i) Securities premium reserve	As at 31 March 2018	As at 31 March 2017
Opening balance	185,745.20	104,622.88
Add : Securities premium credited on issue of shares	5,480.23	81,122.32
Closing balance	191,225.43	185,745.20

(ii) General reserve	As at 31 March 2018	As at 31 March 2017
Opening balance	561.75	561.75
Additions/(Transfers)	-	-
Closing balance	561.75	561.75

(iii) Capital Reserve	As at 31 March 2018	As at 31 March 2017
Opening balance	12.92	12.92
Additions/(Transfers)	-	-
Closing balance	12.92	12.92



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(iv) Deficit in the Statement of Profit and Loss	As at	As at
	31 March 2018	31 March 2017
Opening balance	(170,611.57)	(156,867.04)
Add: Net loss for the year	(209.50)	(13,744.53)
Closing balance	(170,821.07)	(170,611.57)
(v) Employee Stock options outstanding account	As at	As at
	31 March 2018	31 March 2017
Opening Balance	0.17	0.17
Additions/(Transfers)	-	-
Closing Balance	0.17	0.17
(vi) Share application money pending allotment		
During the year ended March 31, 2016, the Company received ₹ 6,493 lakhs from its promoter and erstwhile holding Company, SVL limited towards subscription of Equity on Preferential basis. The approval of shareholders for this proposed preferential issue was obtained by the Company through a postal ballot on 11th February 2016. The shares were allotted during the year 2016-17 after receipt of regulatory approvals.		
(vii) Investments FVTOCI Reserve on equity instruments	As at	As at
	31 March 2018	31 March 2017
Opening balance	(1.15)	7.15
-Fair valuation changes for the year (net of tax)##	(2.70)	(8.30)
-Transfer to equity on disposal of investments	-	-
Closing balance	(3.85)	(1.15)
##Includes cumulative fair valuation changes in equity shares (net of tax)		
(viii) Remeasurement gains on defined benefit plans (Net of Tax)	As at	As at
	31 March 2018	31 March 2017
Opening balance	14.42	-
Additions	59.04	14.42
Closing balance	73.46	14.42
(ix) Foreign currency monetary items translation difference account	As at	As at
	31 March 2018	31 March 2017
Opening balance	(49.26)	(5.58)
Additions	(15.31)	(43.68)
Closing balance	(64.57)	(49.26)

Nature and Purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

General Reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital reserve

The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividends. As per the Companies Act 2013, the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Employee Stock options outstanding account

The reserve is used to recognize the grant date fair value of the options issued to employees under Company's Employee Stock Option Plan.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

21 Non-current borrowings

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Secured- At amortized cost			
From Banks			
- Term Loans	14,441.06	15,065.58	15,134.13
- Working Capital Term Loans	9,270.36	13,043.21	117,931.66
- Funded Interest Term Loans	1,921.62	1,922.62	4,573.17
From Others			
- Working Capital Term Loans	891.57	4,237.50	4,358.00
- Funded Interest Term Loans	151.18	143.18	140.61
Unsecured			
Loans from related parties	1,482.57	-	262.30
Others			
Finance Lease Obligations	6.22	3.37	8.82
Total	28,164.58	34,415.46	142,408.69

21.1 Terms of Repayment and Security details

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	Interest Rate	Terms of Repayment	Secured by
Term Loans from Banks	2,748.11	2,861.75	2,943.72	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	Primary- Exclusive charge on 5 Wind Energy Generator of 1.5 MW from Leitwind Shriram Manufacturing Private Limited.
Term Loans from Banks	12,311.94	12,668.08	12,500.00	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assetsie, all moveable (both fixed ,current and non current assets) and immovable assets of the Company.
Working Capital Term Loan from Banks	9,273.04	12,748.90	117,906.76	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.
Funded Interest Term Loan from Banks	1,933.94	2,044.93	4,406.02	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.
Finance Lease Obligations from Bank	16.75	8.82	17.01	13.50%	36 to 60 Months	Secured by Vehicles purchased under Hire Purchase Scheme
Working Capital Term Loan from Others	668.27	705.83	184.49	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016	Interest Rate	Terms of Repayment	Secured by
Working Capital Term Loan from Others	-	2,500.00	2,500.00	12.00%	Against collection of retention debtors	Secured by specific charge on retention debtors
Working Capital Term Loan from Others	265.53	1,079.50	1,200.00	11.25%	Against collection of retention debtors	Secured by specific charge on retention debtors
Funded Interest Term Loan from Others	138.92	307.35	827.17	11.25%	32 structured quarterly instalments, commencing from June 2016 and ending with March 2024.	First Pari Passu Charge over the pooled assets i.e, all moveable (both fixed, current and non current assets) and immovable assets of the Company.
Total	27,356.50	34,925.16	1,42,485.17			

21.2 Corporate Debt Restructuring

- a. Based on the Corporate Debt Restructuring Proposal (CDR Proposal) of the Company approved in an earlier year, the Company was required to repay ₹ 1,331 lakhs each year towards repayment of WCTL. However, the Company on 30th April 2016, submitted a proposal to OBC and all other CDR lenders for conversion of the entire amount of WCTL reflected above into equity effective 01st April 2016 at a price to be determined in accordance with SEBI (Issue of Capital and Disclosure) Regulations, 1999 (the Regulations) the price determined in accordance with the Regulations was ₹ 23.25 (inclusion of premium of ₹ 13.25 per share). The Company obtained approval of CDR lenders on 29th August 2016 wherein 19 CDR lenders agreed to convert their entire WCTL dues aggregating to ₹ 125,829.66 lakhs to Equity. Accordingly during the previous year 18 CDR lenders converted the WCTL dues aggregating to ₹ 112,674.40 lakhs into equity.
Out of the balance amount of ₹ 13,682.44 lakhs, ₹ 4,470.41 Lakhs was converted during the current year at a price to be determined in accordance with SEBI (Issue of Capital and Disclosure) Regulations, 1999 (the Regulations) the price determined in accordance with the Regulations was ₹ 23.25 (inclusion of premium of ₹ 13.25 per share).
- b. As per the Master Restructuring Agreement (MRA) as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposal. The total amount of recompense payable to CDR lenders at the time of exit of the CDR, as contained in the MRA is ₹ 109,617 lakhs. The present value of such recompense as at 31st March 2015 was ₹ 18,417 lakhs. During the previous year, certain CDR lenders agreed to take equity in the company in lieu of recompense, to the extent of ₹ 14,699 lakhs payable to them and the company has allotted equity shares in full settlement of the said recompense amount. Accordingly the company has no further liability towards recompense.
- c. One of the lender who was not part of the CDR had sold the loans to Asset Care & Reconstruction Enterprise (ACRE). Subsequent to year end ACRE had filed a petition with National Company Law Tribunal ("NCLT") for initiation of Corporate Insolvency Resolution Process against the Company. The National Company Law Appellate Tribunal (NCLAT) vide its order dated May 31, 2018 stayed the operation of Corporate Insolvency Resolution Process (CIRP) ordered by the Hon'ble Company Law Tribunal, Chennai (NCLT) vide its order dated May 17, 2018.
- d. The conversion of loans to equity share capital by certain banks have not yet been recognized by lenders and these are subject to reconciliations.
- e. All amounts due under CDR are covered by Corporate Guarantee of SVL Limited, Promoter.
- f. 14,24,89,592 Equity shares of the Company have been pledged with the CDR lenders by SVL Limited, Promoter.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

21.3 The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	Principal / Interest	Period of Delay	As at March 31, 2018
Term Loans from banks:			
Central Bank of India	Principal	79 days	116.06
	Interest (including overdue penal interest, where charged by the Bank) - Refer Note 27	79 days	143.33
DBS	Interest (including overdue penal interest, where charged by the Bank) - Refer Note 27	Ranging between 74 and 409 days	1,176.60
Total			1,435.99

22 Other financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Security Deposit Received	-	9.80	9.80
Sundry Creditors- Retention	7,762.17	5,189.56	3,969.54
Total	7,762.17	5,199.36	3,979.34

23 Long Term Provisions	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for gratuity	532.27	449.21	283.65
Total	532.27	449.21	283.65

24 Other non-current liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance from Customers	13,117.79	13,635.93	13,236.36
Total	13,117.79	13,635.93	13,236.36

25 Short - term borrowings (Secured)	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
From bank			
Cash Credit and Overdraft facilities (Refer Note 25.1)	48,226.59	46,364.46	42,731.70
From others			
Cash Credit and Overdraft facilities (Refer Note 25.1)	444.23	438.94	456.43
Buyers Credit - from Banks (Refer Note 25.1)	2,482.54	2,394.65	2,283.41
Finance lease obligations (Refer Note 21.1)	10.53	5.45	8.19
Total	51,163.89	49,203.50	45,479.73

25.1 First Pari Passu Charge over the pooled assets i.e., all moveable (both fixed, current and non current assets) and immovable assets of the Company.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

26 Trade payables	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Acceptances	9,022.70	11,508.22	5,320.25
Other than Acceptances	35,422.07	14,128.78	15,138.53
Total	44,444.77	25,637.00	20,458.78

26.1 Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

27 Other financial liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Current Maturities of Long Term Debts			
- From banks	619.00	483.25	309.59
- From Others	44.96	21.00	21.00
Interest sacrifice payable (Refer Note 27.1 below)	-	962.57	-
Interest accrued but not due on borrowings	2,867.69	2,577.59	281.56
Unclaimed Dividend	1.27	1.27	1.27
Total	3,532.92	4,045.68	613.42

27.1 Pursuant to the resolution passed on April 06, 2017 by the Board of Directors, the Company issues 2,403,425 equity shares to the CDR Bankers towards Interest Sacrifice payable to them in respect of Cash Credit facilities, for the year ended March 31, 2016 at a price of ₹ 40.05 per share, aggregating to ₹ 962.57 Lakhs.

28 Other current liabilities	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Advance from customers	41,134.34	39,290.48	6,912.00
Statutory dues payable	1,055.62	137.93	151.97
Advance Billing	815.45	-	236.89
Total	43,005.41	39,428.41	7,300.86

29 Short Term Provisions	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Provision for gratuity	22.79	17.85	56.24
Provision for Compensated Absences	392.87	431.43	368.77
Total	415.66	449.28	425.01

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

30 Revenue from operations	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from Engineering and Construction Contracts	82,885.09	74,422.27
Other Operating Revenue		
Company's share in profit of Integrated Joint Ventures	1.54	-
Total	82,886.63	74,422.27
31 Other income	Year ended March 31, 2018	Year ended March 31, 2017
Interest income		
- Bank deposits/ Margin Money deposits	1,356.47	252.77
- Income Tax Refunds	-	191.35
- Interest income on Financial Assets	8,367.34	7,751.70
Liabilities written back	673.74	414.86
Profit on sale of fixed assets	2.66	
Miscellaneous income	135.65	172.43
Total	10,535.86	8,783.11
32 Cost of materials consumed	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the beginning of the year	-	220.00
Add: Purchases/Transfers	-	(220.00)
Less: Inventory at the end of the year		
Total	-	-
33 Erection, Construction & Operation Expenses	Year ended March 31, 2018	Year ended March 31, 2017
Cost of Materials and Labour	64,799.40	56,216.21
Other Contract Related Costs	792.75	2,189.50
Commercial Taxes	1,049.82	2,377.90
Total	66,641.97	60,783.61
34 Change in Inventories of Contract Work in Progress	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	3,813.96	4,324.01
	3,813.96	4,324.01
Less: Inventories at the end of the year	3,765.57	3,813.96
	3,765.57	3,813.96
Net decrease	48.39	510.05
Total	48.39	510.05



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

35 Employee benefits expense	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages, bonus and other allowances	4,073.40	3,535.05
Contribution to Provident and other funds (Refer note 43)	491.98	399.57
Staff welfare expenses	273.11	192.16
Total	4,838.49	4,126.78

36 Finance costs	Year ended March 31, 2018	Year ended March 31, 2017
Interest on Cash Credits	4,885.77	4,896.64
Interest on Term Loans	3,467.55	14,652.02
Interest - Others	2,019.92	10,213.27
Total	10,373.24	29,761.93

37 Depreciation and amortization expense	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation (Refer note 6)	569.14	590.70
Amortization (Refer note 7)	16.62	17.54
Total	585.76	608.24

38 Other expenses	Year ended March 31, 2018	Year ended March 31, 2017
Electricity and water	655.28	158.16
Rates and taxes	283.37	107.63
Rent	415.14	296.04
Repairs and Maintenance:	-	-
Building	12.27	27.47
Plant and Machinery, Equipments	35.52	30.41
Others	17.22	38.00
Auditors' Remuneration (Refer Note 38.1 below)	30.55	42.94
Bank Charges, Letter of Credit/Guarantee charges	997.19	1,301.78
Travel and conveyance	1,045.07	748.48
Postage and courier	-	-
Insurance premium	302.48	233.25
Printing & Stationery	53.64	48.30
Communication, broadband and internet expenses	62.26	55.41
Sitting Fees	8.80	10.70
Legal and professional charges	4,032.89	899.01
Legal Expenses	128.92	77.33
Advertisement	27.16	19.25
Donation	2.69	0.43
Loss on sale of fixed assets	-	84.39

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

38 Other expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for doubtful trade and Other receivables and Loans and Advances	731.73	2,379.54
Miscellaneous Expenses	951.25	1,740.94
Total	9,793.43	8,299.46

38.1 The following is the break-up of Auditors remuneration (exclusive of GST)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor:		
Statutory audit	20.00	25.00
Other matters	10.00	16.52
Reimbursement of expenses	0.55	1.42
Total	30.55	42.94

39 Exceptional items

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Provision for Diminution in the Value of Investments (Refer Note 39.1 below)	-	407.56
Total	-	407.56

39.1 Considering the erosion of net worth and continuing losses being incurred by Leitwind Shriram Manufacturing Private Limited (a related party), the Management opined that the diminution in carrying value of the investment in that entity was other than temporary in nature and accordingly, the Company made a provision for diminution and disclosed the same under exceptional items in the statement of Profit and Loss for the year ended March 31, 2017.

40 Income Tax

(A) Deferred tax relates to the following:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017	Year ended April 01, 2016
Deferred tax assets			
On Provision for employee benefits	317.27	310.95	225.69
On Impairment loss recognised	25,856.76	28,736.50	31,444.95
On Unabsorbed depreciation and carry forward business losses	21,864.19	20,327.19	13,029.00
	48,038.22	49,374.64	44,699.64
Deferred tax liabilities			
On Property, Plant and Equipment	414.52	316.97	327.33
On Others	-	84.16	2946.52
	414.52	401.13	3,273.85
Deferred tax asset, net	47,623.70	48,973.51	41,425.79



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

(B) Reconciliation of deferred tax assets (net):	Year ended March 31, 2018	Year ended March 31, 2017
Opening balance	48,973.51	41,425.79
Tax asset recognized in Statement of Profit and Loss	(1,349.81)	7,547.72
Closing balance	47,623.70	48,973.51

(C) Tax losses of ₹ 51,736.78 lakhs (31 March 2017: ₹ 51,624.22 lakhs , 1 April 2016: ₹ 51,349.48 lakhs) are available for offsetting for a maximum period of eight years against future taxable profits of the Company. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognized deferred tax assets, the loss would decreased by ₹ 39.33 lakhs (31 March 2017 : ₹ 95.99 lakhs).

(D) Reconciliation of tax charge	Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit/(Loss) before tax	1,141.21	(21,292.25)
(b) Corporate Tax Rate as per Income Tax Act, 1961	34.94%	34.94%
(c) Tax on Accounting Profit (c) = (a) * (b)	398.74	(7,439.51)
(d) Tax adjustments		
(i) Tax on share of profit in Joint Operations - Tax on Income Exempt from Tax	16.28	-
(ii) Tax effect on impairment losses recognised and on which deferred tax asset is not recognised	599.32	264.15
(iii) Tax effect of losses of current year on which no deferred tax benefit is recognised	(105.11)	95.99
(iv) Tax effect of various other items	(8.29)	2.38
(iv) Effect of difference in tax rates of subsidiaries operating in other jurisdiction	449.77	(470.71)
Total effect of Tax Adjustments (Sum of (i) to (iv))	951.97	(108.21)
(e) Tax expenses recognised during the year (e) = (c) + (d)	1,350.71	(7,547.72)
(f) Effective Tax Rate (f) = (e)/(a)	118.36%	35.45%

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

41 Basic and Diluted Earnings Per Share (EPS) computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings Per Share":

(Amount in ₹ lakhs, unless otherwise stated)

Particulars		31 March 18	31 March 17
Basic EPS			
Loss after Tax as per Accounts (₹Lakhs)	A	(153.16)	(13,738.41)
Weighted average number of Equity Shares outstanding	B	9,582.06	5,625.55
Basic EPS (₹)	A/B	(0.02)	(2.44)
Diluted EPS			
Loss after Tax as per Accounts (₹Lakhs)	A	(153.16)	(13,738.41)
Weighted average number of Equity Shares outstanding	B	9,582.06	5,625.55
Diluted EPS (₹)	A/B	(0.02)	(2.44)

42 Disclosures pursuant to Ind AS 11 "Construction Contracts":

S. No	Particulars	2017-18	2016-17	1-Apr-16
1	Contract revenue recognised for the financial year	82,885.09	74,422.27	Not Applicable
2	Aggregate amount of Contract costs incurred and recognized profits (less recognized losses) upto the reporting date	66,690.36	61,293.63	45,899.81
3	Advances received for contracts in progress	54,252.13	52,926.40	20,148.36
4	Retention amount by customers for contracts in progress	41,084.70	22,534.41	22,432.21
5	Gross amount due from customers for contract work (Asset)	113,338.13	81,569.15	58,264.50
6	Gross amount due to customers for contract work (Liability)	815.45	-	236.89

43 Disclosure pursuant to Ind AS 19 "Employee Benefits"

(A) Defined Contribution Plans

	31-Mar-18	31-Mar-17
During the year, the Group has recognized the following amounts in the Statement of Profit and Loss –		
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 34)	491.98	399.57

(B) Defined benefit plans (Unfunded)

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Group is exposed to various risks as follows:

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2018 by Mr. S. Krishnan, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

No other post-retirement benefits are provided to these employees.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

i) Actuarial assumptions	31-Mar-18	31-Mar-17
Discount rate (per annum)	7.71%	7.26%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	Ind. (2006-8) table	Ind. (2006-8) table
Attrition rate	3.00%	3.00%

ii) Changes in the present value of defined benefit obligation	Gratuity		Compensated Absences	
	31 March 18	31 March 17	31 March 18	31 March 17
Present value of obligation at the beginning of the year	467.06	339.89	431.42	218.74
Interest cost	33.71	24.80	24.50	15.88
Past service cost	-	-	-	-
Current service cost	118.79	160.72	257.48	231.73
Curtailements	-	-	-	-
Settlements	-	-	-	-
Benefits paid	(5.46)	(43.93)	(93.96)	(30.22)
Actuarial gain on obligations	(59.04)	(14.42)	(226.56)	(4.71)
Present value of obligation at the end of the year*	555.06	467.06	392.88	431.42

*Included in provision for employee benefits (Refer note 23 and 29)

iii) Expense recognized in the Statement of Profit and Loss	Gratuity		Compensated Absences	
	31 March 18	31 March 17	31 March 18	31 March 17
Current service cost	118.79	160.72	257.48	231.73
Past service cost	-	-	-	-
Interest cost	33.71	24.80	24.50	15.88
Expected return on plan assets	-	-	-	-
Actuarial gain on obligations	(59.04)	(14.42)	(226.56)	(4.71)
Settlements	-	-	-	-
Curtailements	-	-	-	-
Total expenses recognized in the Statement Profit and Loss	93.47	171.09	55.42	242.90

iv) Assets and liabilities recognized in the Balance Sheet:	Gratuity		Compensated Absences	
	31 March 18	31 March 17	31 March 18	31 March 17
Present value of unfunded obligation as at the end of the year	555.06	467.06	392.88	431.42
Unrecognized actuarial (gains)/losses	-	-	-	-
Unfunded net asset / (liability) recognized in Balance Sheet*	555.06	467.06	392.88	431.42

*Included in provision for employee benefits (Refer note 23 and 29)

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

v) A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Impact on defined benefit obligation	31 March 18
Discount rate	
0.5% increase	-3.14%
0.5% decrease	3.35%
Rate of increase in salary	
0.5% increase	3.35%
0.5% decrease	-3.14%

vi) Maturity profile of defined benefit obligation

Year	31 March 18
By the end of first year	161.54
Between Year 1 and Year 2	41.11
Between Year 2 and Year 3	30.53
Between Year 3 and Year 4	32.81
Between Year 4 and Year 5	30.34
Between Year 5 and Year 10	442.08

44 Disclosure in respect of leases pursuant to Indian Accounting Standard (Ind AS) 17 "Leases"

Operating leases where Company is a lessee:

The company has operating lease arrangements primarily for office premises, the lease period of which is about 6 to 8 years. The operating lease payments recognized in the Statement of Profit and Loss amount to ₹ 415.04 Lakhs (31 March 2017: ₹ 296.04 Lakhs) included in Note 38. The future expected minimum lease payments under operating leases are given below.

The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation.

Future minimum rentals payable under non-cancellable operating leases are, as follows:

Particulars	31-Mar-18	31-Mar-17
Within one year	112.59	112.59
After one year but not more than five years	478.50	478.50
More than five years	-	-
Total (in ₹)	591.09	591.09

Year wise future minimum lease rental payments on contracts:	As at March 31, 2018		As at March 31, 2017	
	Total Minimum Lease Payments	Present Value of Minimum Lease Payments	Total Minimum Lease Payments	Present Value of Minimum Lease Payments
Within one year	3.54	3.38	5.45	4.83
After one year but not more than five years	20.96	18.24	3.37	3.39
More than five years	-	-	-	-
Total	24.50	21.62	8.82	8.22
Less: Future Finance Charges	2.88		0.60	-
Present Value of Minimum lease payments	21.62	21.62	8.22	8.22



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

45 Disclosure of related parties/related party transactions pursuant to Ind AS 24 "Related Party Disclosures"

(A) List of related parties and description of relationship as identified and certified by the Company:

Investing Party

SVL Limited

Subsidiary of Investing Party

Shriram SEPL Composites Private Limited

Bharat Coal Chemicals Limited (BCCL)

Enterprises under the joint control of the investing party:

Leitwind Shriram Manufacturing Private Limited

Hamon Shriram Cottrell Private Limited

Associates

Haldia Coke and Chemicals Private Limited

Ennore Coke Limited (Subsidiary of Haldia Coke and Chemicals Private Limited)

Wellman Coke India Limited (Subsidiary of Haldia Coke and Chemicals Private Limited)

Key management personnel

T.Shivaraman - Managing Director

M.Amjad Shariff - Joint Managing Director

Other enterprises under the control of the key management personnel

Orient Green Power Company Limited

Bharath Wind Farm Limited

Clarion Windfarms Private Limited

Beta Wind Farm Private Limited

Orient Eco Energy Private Limited

Joint Operations

Larsen & Toubro Limited Shriram EPC JV

Shriram EPC Eurotech Environmental Pvt Ltd - JV

SEPC DRS ITPL JV

(B) Details of transactions with related party in the ordinary course of business for the year ended:

Particulars	31-Mar-18	31-Mar-17
(i) Investing Party		
Expenses incurred and recoverable	-	3.34
Interest Expense	-	12.31
Transfer of Advances / Receivables	45.35	1,262.00
Investments in Equity Shares (including premium)	-	26,500.00
Loan Received (Net)	2,946.33	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

Particulars	31-Mar-18	31-Mar-17
(ii) Subsidiary of Investing Party		
Shriram SEPL Composites Private Limited		
Progressive billings/Revenue	-	71.25
Purchases of Goods and Services	512.21	189.97
Expenses incurred and recoverable	5.76	80.39
(iii) Enterprises under the joint control of the investing party:		
a) Leitwind Shriram Manufacturing Private Limited		
Transfer of Current Assets and Current Liabilities (Net)	-	267.08
Expenses incurred and recoverable	37.31	59.56
a) Hamon Shriram Cottrell Private Limited		
Purchases of Goods and Services	300.39	407.84
Expenses incurred	-	6.59
(iv) Associates		
(a) Ennore Coke Limited		
Expenses incurred	11.58	9.30
(v) Key Management Personnel (KMP)		
Compensation of key management personnel*		
T.Shivaraman	60.41	42.15
M.Amjad Shariff	61.12	45.99
* Subject to shareholders approval in the ensuing Annual general meeting		
(vi) Other enterprises under the control of the key management personnel		
(a) Orient Green Power Company Limited		
Expenses incurred and recoverable	14.76	27.68
(b) Bharath Wind Farm Limited		
Provision for Doubtful advances	-	22.70
(vii) Joint Operations		
(a) Larsen & Toubro Limited Shriram EPC JV		
Company's share in profit of Integrated Joint Ventures	1.54	-
Progressive billings / Revenue	103.59	-
(b) Shriram EPC Eurotech Environmental Pvt Ltd - JV		
Progressive billings / Revenue	566.95	-
(c) SEPC DRS ITPL JV		
Progressive billings / Revenue	5,696.21	-



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(C) Amount due (to)/from related party as on:

(Amount in ₹ lakhs, unless otherwise stated)

(i) Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Advances / (Borrowings):			
SVL Limited	(1,482.57)	1,418.45	(262.30)
Leitwind Shriram Manufacturing Private Limited (Net of Provision for Expected Credit Loss of ₹ 9,291.35 Lakhs (March 31, 2017: ₹ 9,811.81 Lakhs & March 31, 2016 ₹ 9,472.89 Lakhs)	3,984.49	3,464.04	2,779.38
Haldia Cokes & Chemicals Private Limited (Net of Provision for Expected Credit Loss of ₹ 30,925.88 Lakhs (March 31, 2017: ₹ 33,265.46 Lakhs & March 31, 2016 : ₹ 35,298.94 Lakhs)	17,907.12	15,568.12	13,534.64
Ennore Coke Limited (Net of Provision for Expected Credit Loss of ₹ 18,439.44 Lakhs (March 31, 2017: ₹ 19,841.66 Lakhs & March 31, 2016 ₹ 21,060.72 Lakhs)	10,735.21	9,332.99	8,113.93
Bharat Wind Farm Limited	26.12	22.70	23.02
Orient Green Power Company Limited	20.42	15.66	51.97
Receivables /(Payables):			
Leitwind Shriram Manufacturing Private Limited	408.42	374.52	374.52
Orient Green Power Company Limited	53.08	53.08	53.08
Shriram EPC Eurotech Environmental Pvt Ltd - JV	(412.53)	(299.08)	-
SEPC DRS ITPL JV	397.17	-	-
Larsen & Toubro Limited Shriram EPC JV	16.26	-	-
Haldia Coke and Chemicals Private Limited	16.92	16.92	16.92
Ennore Coke Limited	33.10	23.55	23.55
Beta Wind Farm Private Limited	1,403.40	1,403.40	1,403.40
Wellman Coke India Limited	78.90	78.90	78.90
Hamon Shriram Cottrell Private Limited	499.12	444.25	877.80
Shriram SEPL Composites Private Limited	604.32	478.86	133.10
(ii) Corporate Guarantees given by the Company			
Orient Green Power Company Limited	1,600.00	1,600.00	1,600.00

(D) The Company accounts for costs incurred by Related parties based on the actual invoice/debit notes raised and accruals as confirmed by such parties. The related parties have confirmed to the Management that as at March 31, 2018, March 31, 2017 and April 01, 2016 there are no further amounts payable to/receivable from them, other than disclosed above.

46 Dues from Associates - Disclosure under clause 32 of the listing agreement

46.1 Maximum amount outstanding at any time during the year:

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Haldia Coke and Chemicals Private Limited	48,850.50	48,850.50	48,850.50
Ennore Coke Limited	29,180.73	29,178.71	29,174.75
Wellman Coke India Limited	78.90	78.90	78.90

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

46.2 Full particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013 :

Investments Made:				
Haldia Coke and Chemicals Private Limited	4,007.22	Related Party		To carry on the business of manufacture of Low Ash Metallurgical Coke
Hexa Windfram Private Limited	66.13	Part of the Shriram Group		To carry on the business of Generation of Power
Leitwind Shriram Manufacturing Private Limited	407.56	Related Party		To carry on the manufacture of Wind Energy Generators
Orient Green Power Company Limited	40.36	Related Party		To carry on the business of Generation of Power
Loans Given:				
Haldia Coke and Chemicals Private Limited	48,833.00	Related Party		Business needs and contingencies
Hexa Windfram Private Limited	4,171.37	Part of the Shriram Group		Business needs and contingencies
Leitwind Shriram Manufacturing Private Limited	13,336.63	Related Party		Business needs and contingencies
Orient Green Power Company Limited	20.42	Related Party		Business needs and contingencies
Ennore Coke Limited	29,180.73	Related Party		Business needs and contingencies
Guarantees Given:				
Orient Green Power Company Limited	1,600.00	Related Party		For monies borrowed by the related party

47 Segment reporting

The Chief Operating Decision Maker (CODM) reviews the operations of the Company for the year ended March 31, 2018 as one operating segment being Construction Contracts. Hence no separate primary segment information has been furnished herewith as required by Ind AS 108, "Operating segment". However, Geographical Segments being secondary segments are disclosed below :

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Rest of the World			
Revenue	21,382.30	22,453.64	Not Applicable
Assets	57,773.30	41,330.27	5,361.57
Capital Expenditure	-	-	Not Applicable
India			
Revenue	61,504.33	51,968.63	Not Applicable
Assets	257,331.17	245,203.81	221,413.16
Capital Expenditure	80.81	182.69	Not Applicable



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

48 Fair Value Measurement

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

31 March 18									
Particulars	Note	Carrying Amount				Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets Measured at Fair Value									
Investments	8	-	-	-	-	40.36	-	-	40.36
Financial Assets not Measured at Fair Value									
Investments	8	-	-	-	-	-	-	66.13	66.13
Loans	9	40,635.69	-	-	40,635.69	-	-	-	-
Trade Receivables	10 & 14	54,232.51	-	-	54,232.51	-	-	-	-
Cash and Cash Equivalents	15	2,373.38	-	-	2,373.38	-	-	-	-
Other Bank balances	16	3,697.92	-	-	3,697.92	-	-	-	-
Other financial assets	10 & 17	26,166.82	-	-	26,166.82	-	-	-	-
Total		127,106.32	-	-	127,106.32	-	-	66.13	66.13
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	21	-	-	28,164.58	28,164.58	-	-	-	-
Current Borrowings	25	-	-	51,163.89	51,163.89	-	-	-	-
Trade payables	26	-	-	44,444.77	44,444.77	-	-	-	-
Other financial liabilities	22 & 27	-	-	11,295.09	11,295.09	-	-	-	-
Total		-	-	135,068.33	135,068.33	-	-	-	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

31 March 17									
Particulars	Note	Carrying Amount				Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets Measured at Fair Value									
Investments	8	-	-	-	-	43.06	-	-	43.06
Financial Assets not measured at fair value									
Investments	8	-	-	-	-	-	-	66.13	66.13
Loans	9	37,082.10	-	-	37,082.10	-	-	-	-
Trade Receivables	10 & 14	59,078.26	-	-	59,078.26	-	-	-	-
Cash and Cash Equivalents	15	5,543.27	-	-	5,543.27	-	-	-	-
Other Bank balances	16	4,542.84	-	-	4,542.84	-	-	-	-
Other financial assets	10 & 17	16,874.02	-	-	16,874.02	-	-	-	-
Total		123,120.49	-	-	123,120.49	-	-	66.13	66.13
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	21	-	-	34,415.46	34,415.46	-	-	-	-
Current Borrowings	25	-	-	49,203.50	49,203.50	-	-	-	-
Trade payables	26	-	-	25,637.00	25,637.00	-	-	-	-
Other financial liabilities	22 & 27	-	-	9,245.04	9,245.04	-	-	-	-
Total		-	-	118,501.00	118,501.00	-	-	-	-



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

1 April 16									
Particulars	Note	Carrying Amount				Fair Value			
		Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets Measured at Fair Value									
Investments	8	-	-	-	-	51.37	-	-	51.37
Financial Assets not measured at fair value									
Investments	8	-	-	-	-	-	-	473.69	473.69
Loans	9	33,196.45	-	-	33,196.45	-	-	-	-
Trade Receivables	10 & 14	41,955.25	-	-	41,955.25	-	-	-	-
Cash and Cash Equivalents	15	1,349.57	-	-	1,349.57	-	-	-	-
Other Bank balances	16	3,736.36	-	-	3,736.36	-	-	-	-
Other financial assets	10 & 17	17,186.67	-	-	17,186.67	-	-	-	-
Total		97,424.30	-	-	97,424.30	-	-	473.69	473.69
Liabilities									
Financial Liabilities not measured at fair value									
Non Current Borrowings	21	-	-	142,408.69	142,408.69	-	-	-	-
Current Borrowings	25	-	-	45,479.73	45,479.73	-	-	-	-
Trade payables	26	-	-	20,458.78	20,458.78	-	-	-	-
Other financial liabilities	22 & 27	-	-	4,592.76	4,592.76	-	-	-	-
Total		-	-	212,939.96	212,939.96	-	-	-	-

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

49 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency).

The net exposure to foreign currency in respect of derivatives is as follows:

Forward exchange contracts entered into by the Group and outstanding as on March 31, 2018 - Nil
(March 31, 2017 - EURO 1,000,000 and April 01, 2016 - USD 979,943)

(B) Credit risk

The Company's customer profile include public sector enterprises, state owned companies and large private corporates. Accordingly, the Company's customer credit risk is low. The Company's average project execution cycle is around 24 to 36 months. General payment terms include mobilisation advance, monthly progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Company provides for doubtful receivables/advances and expected credit loss based on 12 months and lifetime expected credit loss basis for following financial assets:



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

31 March 18			
Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	41,742.95	(5,389.49)	36,353.46
Unbilled Revenue	76,891.54	(9,728.82)	67,162.72
Advances to Suppliers	14,526.43	(1,640.30)	12,886.13

31 March 17			
Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	53,721.04	(5,485.96)	48,235.08
Unbilled Revenue	83,673.27	(10,207.15)	73,466.12
Advances to Suppliers	21,655.76	(1,640.30)	20,015.46

1 April 16			
Particulars	Estimated Gross Carrying Amount at default	Provision/ Expected Credit Loss	Carrying amount net of impairment provision
Trade receivables	35,969.99	(5,329.42)	30,640.57
Unbilled Revenue	63,201.93	(11,982.07)	51,219.86
Advances to Suppliers	14,522.07	(1,355.56)	13,166.51

Reconciliation of Provision and Expected Credit Loss - Other financial assets

Particulars	Trade receivables	Unbilled Revenue	Advances to Suppliers
Provision and Expected Credit Loss on April 01, 2016	5,329.42	11,982.07	1,355.56
Allowance for Doubtful Debts	341.69	-	284.74
Interest income on Financial Assets	(185.15)	(1,774.92)	-
Provision and Expected Credit Loss on March 31, 2017	5,485.96	10,207.15	1,640.30
Allowance for Doubtful Debts	90.63	-	-
Interest income on Financial Assets	(187.10)	(478.33)	-
Provision and Expected Credit Loss on March 31, 2018	5,389.49	9,728.82	1,640.30

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(C) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse projects, and to meet the debt servicing obligations of the Company, the Company maintains flexibility in funding through committed credit lines, short term borrowings and trade receivables. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections, assessment of maturity profiles of financial assets and financial liabilities including debt financing plans.

The table below summarizes the maturity profile of the Company's financial liabilities:

(Amount in ₹ lakhs, unless otherwise stated)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31-Mar-18					
Short term borrowings	-	51,163.89	-	-	51,163.89
Long-term borrowings	548.56	1,645.68	23,882.30	2,088.04	28,164.58
Trade payables	-	31,462.42	-	-	31,462.42
Other financial liability	-	3,532.92	-	-	3,532.92
	548.56	87,804.91	23,882.30	2,088.04	114,323.80
31-Mar-17					
Short term borrowings	-	49,203.50	-	-	49,203.50
Long-term borrowings	232.14	5,118.32	16,449.23	12,615.77	34,415.46
Trade payables	-	25,637.00	-	-	25,637.00
Other financial liability	-	4,045.68	-	-	4,045.68
	232.14	84,004.51	16,449.23	12,615.77	113,301.65
1-Apr-16					
Short term borrowings	-	45,479.73	-	-	45,479.73
Long-term borrowings	783.62	3,031.20	78,499.16	60,094.71	142,408.69
Trade payables	-	20,428.06	-	-	20,428.06
Other financial liability	-	613.42	-	-	613.42
	783.62	69,552.40	78,499.16	60,094.71	208,929.90

50 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors Net Debt to Capital ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of term loans and cash credits. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars		31-Mar-18	31-Mar-17	1-Apr-16
Total equity	(i)	122,965.01	114,070.25	(7,411.11)
Total debt	(ii)	79,992.43	84,123.22	188,219.01
Cash and Cash Equivalents	(iii)	2,373.38	5,543.27	1,349.57
Net Debt	(iv) = (ii) - (iii)	77,619.05	78,579.95	186,869.45
Total Capital	(v) = (i) + (iv)	200,584.05	192,650.20	179,458.34
Net Debt to Capital ratio	(iv)/ (v)	0.39	0.41	1.04

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

51 Disclosures pursuant to Ind AS 37 “Provisions, Contingent Liabilities and Contingent Assets”

Movement in Provisions:

Particulars	Provision for Expected Credit Losses		Provision for Doubtful Receivables	Provision for Advances
	Current	Non-Current	Non-Current	Current
Opening Balance as on April 01, 2016	17,311.50	85,132.51	3,157.00	1,355.56
Add: Additional Provision during the year	341.69	1,253.10	-	284.74
Less: Interest income on Financial Assets	1,960.07	5,035.13	-	-
Closing Balance as on March 31, 2017	15,693.11	81,350.48	3,157.00	1,640.30
Add: Additional Provision during the year	1,000.00	-	641.11	-
Less: Interest income on Financial Assets	1,574.79	6,701.89	-	-
Closing Balance as on March 31, 2018	15,118.33	74,648.59	3,798.11	1,640.30

52 Contingent Liabilities And Commitments

(a) Contingent Liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Corporate Guarantees issued to a related party	1,600.00	1,600.00	1,640.11
Claims against the Company not acknowledged as debts	18,394.83	15,652.68	15,177.79
Central Excise, Service Tax and customs Duties demands contested in Appeals, not provided for	808.81	808.81	428.82
Disputed VAT/ Central Sales tax demands contested in Appeals, not provided for	9,395.96	10,220.55	10,179.02
Income tax demands contested in Appeals, not provided for	4.56	211.56	1,039.99

Management is of the opinion that the Appeals preferred by the Company will be decided in its favour. Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.

(b) Commitments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining unexecuted on capital account (net of advances paid) and not provided for	26.00	340.63	309.52

53 Financial Assets Loans (Non Current) include ₹. 3,677.28 Lakhs (March 31, 2017 - ₹ 3,196.96 Lakhs) (including interest accrued up to March 31, 2016), and Other Trade Receivables under "Other Non Current Financial Assets" include net amount of ₹ 307.21 Lakhs (March 31, 2017 - ₹ 267.08 Lakhs), due from Leitwind Shriram Manufacturing Private Limited (LSML) (a related party). As part of the Corporate Debt Restructuring (CDR) package entered into by LSML with its bankers, the dues to SEPC is subordinated to the dues to Bank ₹ and hence expected to be recovered before March 2030. Considering the extended repayment period and future business potential for Wind Energy Business, the management is confident of realizing the dues. The auditors have qualified this matter in their report for the year ended March 31, 2018. The same have also been qualified in the previous year.

54 In respect of the associate, Haldia Coke and Chemicals Private Limited, as the group's share of losses in the associate has exceeded the cost of Investment in an earlier year, Group's share of loss for the year has not been considered in these Consolidated Financial statements.

Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

- 55** The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL) (related party). The project is stalled due to delays in statutory approvals. The total exposure in this project recorded under Unbilled Revenue and Contract Work In Progress is ₹ 7,106.46 Lakhs (March 31, 2017 - ₹ 6,624.57 Lakhs). Considering the positive development in BCCL's efforts in identifying alternate options to complete the project, the management is of the view that BCCL will be in a position to complete the Ammonia Plant project and thereby the Company will be able to realize these amounts in full.
- 56** Financial Assets Loans (Non Current) include ₹ 28,642.33 lakhs (March 31, 2017 - ₹ 24,901.11 Lakhs) due from an associate company and its subsidiary. In order to secure these dues, the company has entered into an arrangement with the said associate and another wholly owned subsidiary of the associate (engaged in coal mining operations in USA). As per the arrangement, the company has acquired absolute and unconditional mining operation rights to exploit the coking coal reserves of the said subsidiary, and the right to surplus cash flows, (after meeting subsidiary's lenders and other commitments), to the extent of the above mentioned dues. Also, the associate company has given an undertaking that it will not divest its holdings in the said subsidiary company, without the prior consent of the company till the dues to the company are settled. During October 2017, the wholly owned subsidiary of the associate decided to identify buyers for the coal mining operations. Based on the projected operations of the mines and consequential projected cash flows, realisable price on sale of the coal mines, outstanding dues as at March 31, 2018 is expected to be fully recoverable.
- 57** The Company was in the course of executing project for Governorate of Basra, Government of Iraq ('the customer'). There were some delays in commencement of the project due to regulatory compliances. However the said contract has been cancelled by the Customer during February 2014. Subsequent to year end, The Governorate of Basra, Government of Iraq has revoked the work withdrawal and permitted sub contracting of balance works to a local contractor at Iraq. The construction activities have been resumed by the said contractor and Company is in the process of withdrawing all legal cases and recovery of dues. The total amounts due to Company recorded under Trade Receivables, Unbilled revenue (after excluding the margin which has been written off) and Other Financial Assets (Non current), aggregate to ₹ 9,175.09 Lakhs (March 31, 2017 - ₹ 8,004.70 Lakhs). Considering the steps taken by the Company, the management is confident of realizing the monies and do not expect any shortfall in realization of the dues. For the above reasons, the management is confident of realizing the monies and do not expect any shortfall in realization.
- 58** Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:



Notes forming part of Consolidated Financial Statements for the year ended March 31, 2018

(Amount in ₹ lakhs, unless otherwise stated)

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share of Profit and (Loss)	
	As % of Consolidated net assets	Amount (₹ in Lakhs)	As % of Consolidated profit and loss	Amount (₹ in Lakhs)
Shriram EPC Limited	99.97%	122,932.12	-739%	1,132.43
Foreign Subsidiary (Consolidated):				
Shriram EPC FZE, Sharjah	0.03%	32.89	839%	(1,285.58)

59 The Board, duly taking into account all the relevant disclosures made has approved these Consolidated Financial Statements in its meeting held on June 7, 2018.

60 The previous year IGAAP figures have been reclassified /regrouped to make them comparable with Ind AS presentation.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors
Shriram EPC Limited
CIN: L74210TN2000PLC045167

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 7, 2018

T.Shivaraman
Managing Director & CEO

K.Suresh
Company Secretary

Chandra Ramesh
Director

R.S.Chandrasekharan
Chief Financial Officer

Shriram EPC Limited

Registered Office: Sigapi Achi Building, 4th Floor,
18/3, Rukmini Lakshmi pathi Road, Egmore, Chennai-600008.
Corporate Identity Number : L74210TN2000PLC045167
Ph: 044-49015678, Website:www.shriramepc.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint shareholders may obtain additional Slip at the venue of the meeting.

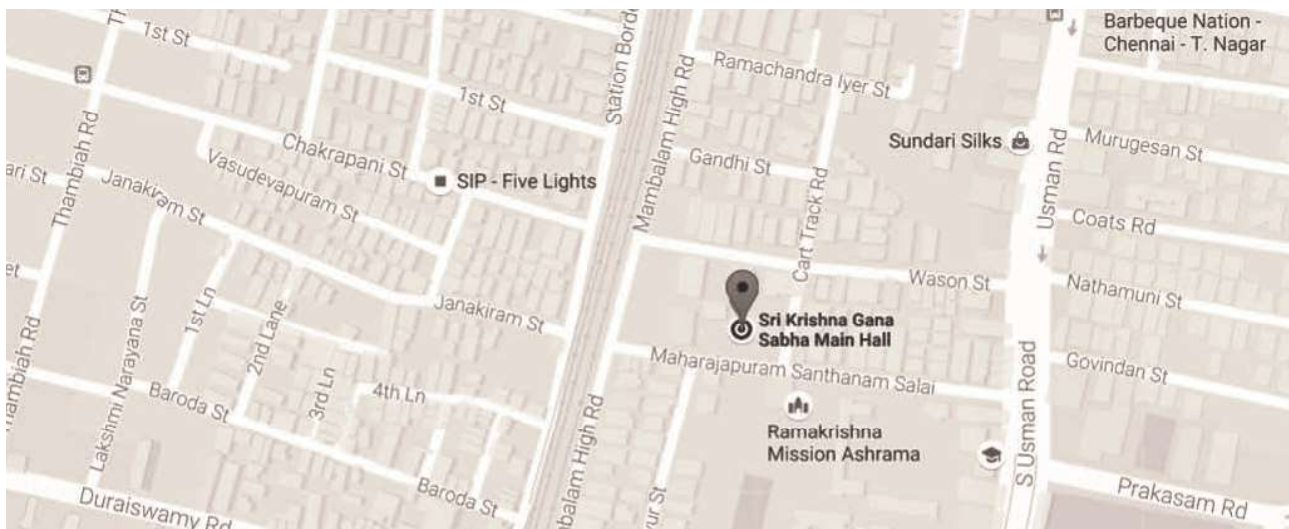
Full Name of the Member attending (in Block Letters)	
Full Name of the first joint-holder	
Name of the Proxy	

I/ We hereby record my/ our presence at the 18th ANNUAL GENERAL MEETING of the Company to be held on Friday, 3rd August, 2018 at 03.00 P.M. at Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T.Nagar, Chennai - 600 017.

No. of Shares held	
Registered Folio No.	
DP ID	
Client ID	

Member's/Proxy's Signature

Route Map to the Venue



Shriram**epc**
Engineering the future

Shriram**epc**
Engineering the future

Regd. Office: Sigapi Achi Building, 4th Floor,
18/3, Rukmini Lakshmi pathi Road, Egmore, Chennai-600008

Tel:+91(44)49015678, Fax: 91(44)4901 5655

E-mail:suresh@shriramepc.com

Website:www.shriramepc.com

CIN:L74210TN2000PLC045167

Shriram EPC Limited

Registered Office: Sigapi Achi Building, 4th Floor,
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Corporate Identity Number : L74210TN2000PLC045167
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FORM NO. MGT-11

PROXY FORM

Corporate Identity Number	L74210TN2000PLC045167
Name of the company	Shriram EPC Limited
Registered office	Sigapi Achi Building, 4 th Floor, 18/3, Rukmini Lakshmipathi Road, Egmore, Chennai-600008, Ph: 044-49015678, Website:www.shriramepc.com

Full Name of the Member attending (in Block Letters)	
Full Name of the first joint-holder	
Registered Address	
E-Mail	
Folio no./ Client ID	
DP ID	
Name of the Proxy	

I/We, being the member (s) of shares of the above named company, hereby appoint

Name:	Name:	Name:
Address:	Address:	Address:
E-mail Id:	E-mail Id:	E-mail Id:
Signature: or failing him	Signature: or failing him	Signature: or failing him

P.T.O.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company to be held at 03.00 P.M. on Friday, the 3rd August, 2018 at Sri Krishna Gana Sabha, 20, Maharajapuram Santhanam Road, T.Nagar, Chennai - 600 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions :
Ordinary Business:	
1	To receive, consider and adopt the Directors' Report and Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31 st March, 2018 and the reports of the Auditors thereon.
2	Re- Appointment of Mr R Sundararajan (DIN 00498404) as a Director
Special Business:	
3	Appointment of Cost Auditor - Ordinary Resolution
4	Re-appointment of Shri .T Shivaraman, DIN: 01312018, as Managing Director & CEO of the Company for a period of 3 years with effect from 20.9.2018 to 19.9.2021 - Special Resolution
5	Re-appointment of Shri .M Amjat Shariff, (DIN: 00009562), as Joint Managing Director of the Company for a period of 3 years with effect from 20.9.2018 to 19.9.2021 - Special Resolution

Signed this day of2018.

Affix Revenue Stamp

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Signature of Shareholder

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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.

Shriram EPC Limited

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Egmore, Chennai-600008. Ph: 044-49015678, Fax: 044-49015655
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