

## INDEPENDENT AUDITORS' REVIEW REPORT

### TO THE BOARD OF DIRECTORS OF SHRIRAM EPC LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SHRIRAM EPC LIMITED** ("the Company") for the Quarter and Six Months Ended 30<sup>th</sup> September 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Attention is invited to Note No.3 forming part of the Statement regarding the dues of Rs.32,225.52 Lakhs in respect of projects which are under dispute. These dues are considered fully realisable by the management at this stage in view of the steps taken by the Company for their recovery. Our report is not qualified in respect of this matter.



# Deloitte Haskins & Sells

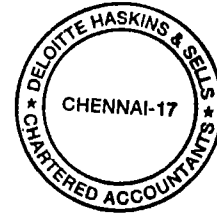
5. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter and Six Months Ended 30<sup>th</sup> September 2014 of the Statement, from the details furnished by the Registrar.

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

*M.K. Ananthanarayanan*

**M.K. Ananthanarayanan**  
Partner  
(Membership No. 19521)

Chennai, 11<sup>th</sup> November 2014

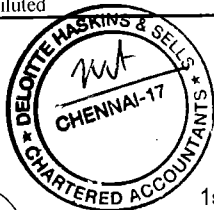


Shriram EPC Limited  
Registered Office: 4th Floor, Sigappi Achi Building,  
Door No. 18 / 3, Rukmani Lakshmipathi Salai (Marshalls Road), Egmore, Chennai - 600008.  
www.shriramepc.com

**Statement of Unaudited Financial Results for the Quarter and Six Months Ended 30 September 2014**

**PART I - FINANCIAL INFORMATION**

Particulars	Rs. Lakhs					
	Quarter Ended			Six Months Ended		Nine Months Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	(Refer Note 4)					
	Unaudited			Unaudited		Audited
<b>1 Income from Operations</b>						
a) Net Sales / Income from Operations	11,920.19	13,875.24	16,329.47	25,795.43	37,562.39	49,255.14
b) Other Operating Income	-	-	252.83	-	470.32	253.99
<b>Total Income from Operations (Net) ( a + b )</b>	<b>11,920.19</b>	<b>13,875.24</b>	<b>16,582.30</b>	<b>25,795.43</b>	<b>38,032.71</b>	<b>49,509.13</b>
<b>2 Expenses</b>						
a) Erection, Construction & Operation Expenses	7,633.68	9,084.70	11,165.67	16,718.38	22,524.08	39,370.33
b) Purchase of Stock in Trade	-	1,295.54	-	1,295.54	2,180.19	-
c) Changes in Inventories of Finished Goods, Contract Work in Progress and Stock in Trade	2,845.14	12.20	(601.18)	2,857.34	(1,580.08)	20,868.09
d) Employee Benefits Expense	1,344.29	1,478.01	1,355.62	2,822.30	2,979.58	4,090.34
e) Depreciation and Amortization Expense (Refer Note No.6)	150.40	198.12	219.13	348.52	487.30	437.69
f) Other Expenses ( Refer Note No. 5)	2,005.96	983.28	1,449.90	2,989.24	10,234.53	10,889.37
<b>Total Expenditure</b>	<b>13,979.47</b>	<b>13,051.85</b>	<b>13,589.14</b>	<b>27,031.32</b>	<b>36,825.60</b>	<b>75,655.82</b>
<b>3 (Loss)/ Profit from Operations before Other Income, Finance costs &amp; Exceptional Items (1-2)</b>	<b>(2,059.28)</b>	<b>823.39</b>	<b>2,993.16</b>	<b>(1,235.89)</b>	<b>1,207.11</b>	<b>(26,146.69)</b>
<b>4 Other Income</b>	<b>278.54</b>	<b>123.15</b>	<b>1,059.50</b>	<b>401.69</b>	<b>2,083.04</b>	<b>2,677.59</b>
<b>5 (Loss) / Profit from Ordinary Activities before Finance Costs &amp; Exceptional Items (3+4)</b>	<b>(1,780.74)</b>	<b>946.54</b>	<b>4,052.66</b>	<b>(834.20)</b>	<b>3,290.15</b>	<b>(23,469.10)</b>
<b>6 Finance Costs (Refer Note 2)</b>	<b>5,272.91</b>	<b>6,517.29</b>	<b>6,812.11</b>	<b>11,790.20</b>	<b>16,561.28</b>	<b>19,075.02</b>
<b>7 Loss from ordinary activities after Finance costs but before Exceptional Items (5-6)</b>	<b>(7,053.65)</b>	<b>(5,570.75)</b>	<b>(2,759.45)</b>	<b>(12,624.40)</b>	<b>(13,271.13)</b>	<b>(42,544.12)</b>
<b>8 Exceptional Items</b>	-	-	-	-	(20,132.53)	-
<b>9 Loss from Ordinary activities before tax (7+8)</b>	<b>(7,053.65)</b>	<b>(5,570.75)</b>	<b>(2,759.45)</b>	<b>(12,624.40)</b>	<b>(33,403.66)</b>	<b>(42,544.12)</b>
<b>10 Tax expenses / (benefit)</b>	-	-	1,392.84	-	(2,670.82)	1,392.84
<b>11 Loss from Ordinary Activities after Tax (9-10)</b>	<b>(7,053.65)</b>	<b>(5,570.75)</b>	<b>(4,152.29)</b>	<b>(12,624.40)</b>	<b>(30,732.84)</b>	<b>(43,936.96)</b>
<b>12 Extraordinary Items (Net of Tax expenses )</b>	-	-	-	-	-	-
<b>13 Loss for the period (11-12)</b>	<b>(7,053.65)</b>	<b>(5,570.75)</b>	<b>(4,152.29)</b>	<b>(12,624.40)</b>	<b>(30,732.84)</b>	<b>(43,936.96)</b>
<b>14 Paid up Equity Share Capital ( Face value of Rs 10/- per equity share)</b>	<b>4,435.82</b>	<b>4,435.82</b>	<b>4,435.82</b>	<b>4,435.82</b>	<b>4,435.82</b>	<b>4,435.82</b>
<b>15 Reserves excluding Revaluation Reserves as per Balance Sheet</b>	-	-	-	-	-	(23,906.74)
<b>16 Earnings per Share (after extraordinary items) (not annualized) (Rs. per Equity Share)</b>						
a) Basic	(15.90)	(12.56)	(9.36)	(28.46)	(69.28)	(99.05)
b) Diluted	(15.90)	(12.56)	(9.36)	(28.46)	(69.28)	(99.05)



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CIN: L74210TN2000PLC045167

For **SHRIRAM EPC LIMITED,**

*[Signature]*  
Managing Director



**PART II - SELECT INFORMATION FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014**

	Quarter Ended			Six Months Ended		Nine Months Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
<b>A PARTICULARS OF SHAREHOLDING</b>						
<b>1 Public Shareholding</b>						
- Number of shares	2,60,23,658	2,60,23,658	2,73,10,051	2,60,23,658	2,73,10,051	2,60,23,658
- Percentage of shareholding	58.67	58.67	61.57	58.67	61.57	58.67
<b>2 Promoters and Promoter group shareholding</b>						
<b>a) Pledged / encumbered</b>						
- Number of shares	-	-	-	-	-	-
- Percentage of Shares ( as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-	-
- Percentage of Shares ( as a % of the total share capital of the Company)	-	-	-	-	-	-
<b>b) Non encumbered</b>						
- Number of shares	1,83,34,526	1,83,34,526	1,70,48,070	1,83,34,526	1,70,48,070	1,83,34,526
- Percentage of Shares ( as a % of the total shareholding of Promoter and Promoter Group)	-	-	-	-	-	-
- Percentage of Shares ( as a % of the total share capital of the Company)	41.33	41.33	38.43	41.33	38.43	41.33
<b>B INVESTOR COMPLAINTS</b>	<b>Quarter Ended 30.09.2014</b>					
Pending at the beginning of the quarter	-					
Received during the quarter	-					
Disposed during the quarter	-					
Remaining unresolved at the end of the quarter	-					



For SHRI RAM EPC LIMITED,

*[Signature]*  
Managing Director.

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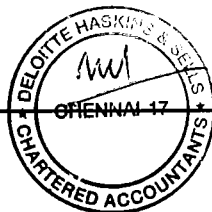


<b>SHRIRAM EPC LIMITED</b>						
<b>Segment Reporting under Clause 41 of the Listing Agreement with Stock Exchange for the Quarter and Six Months Ended 30 September 2014</b>						
Particulars	Rs. Lakhs					
	Quarter Ended			Six Months Ended		Nine Months Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited			Unaudited		Audited
<b>1. Segment Revenue :</b>						
(Net Sales/Income from each Segment Gross of Excise)						
a. Contracts	11,761.19	12,452.75	16,685.56	24,213.94	40,004.81	49,216.13
b. Windmill	159.00		82.00	159.00	875.30	293.00
c. Trading	-	1,422.49	-	1,422.49	-	-
<b>Sub-total</b>	<b>11,920.19</b>	<b>13,875.24</b>	<b>16,767.56</b>	<b>25,795.43</b>	<b>40,880.11</b>	<b>49,509.13</b>
Less : Intersegmental Revenue	-	-	-	-	-	-
<b>Net Sales /Income from Operations</b>	<b>11,920.19</b>	<b>13,875.24</b>	<b>16,767.56</b>	<b>25,795.43</b>	<b>40,880.11</b>	<b>49,509.13</b>
<b>2. Segment Results :</b>						
(Profit (+) / Loss (-) before Tax and Interest from each segment)						
a. Contracts	(7,477.50)	1,137.27	3,011.45	(6,340.23)	13,302.47	(11,287.14)
b. Windmill	-	-	-	-	200.81	(30.00)
c. Trading	-	126.95	-	126.95	(58.50)	-
<b>Sub-total</b>	<b>(7,477.50)</b>	<b>1,264.22</b>	<b>3,011.45</b>	<b>(6,213.28)</b>	<b>13,444.78</b>	<b>(11,317.14)</b>
Less : (i) Finance Costs (Net of amounts identified with 'Construction Contracts' segment)	(454.06)	6,212.17	5,161.62	5,758.11	17,409.64	13,800.01
(ii) Other un-allocable expenditure net of un-allocable income	30.21	622.80	609.28	653.01	9,306.27	17,426.97
(iii) Exceptional items	-	-	-	-	20,132.53	-
<b>Total Loss Before Tax</b>	<b>(7,053.65)</b>	<b>(5,570.75)</b>	<b>(2,759.45)</b>	<b>(12,624.40)</b>	<b>(33,403.66)</b>	<b>(42,544.12)</b>
<b>3. Capital Employed</b>						
(Segment Assets - Segment Liabilities)						
a. Contracts	(84,927.62)	(68,863.93)	42,222.31	(84,927.62)	42,222.31	(49,789.89)
b. Windmill	1,066.45	1,538.05	12,179.61	1,066.45	12,179.61	302.02
c. Trading	284.02	1,576.46	9,070.00	284.02	9,070.00	10,195.62
d. Unallocated Assets less Unallocated Liabilities	81,412.21	70,638.13	(43,158.15)	81,412.21	(43,158.15)	49,821.33
<b>Total</b>	<b>(2,164.94)</b>	<b>4,888.71</b>	<b>20,313.77</b>	<b>(2,164.94)</b>	<b>20,313.77</b>	<b>10,529.08</b>

For Shriram EPC Limited

*(Signature)*  
Managing Director & CEO

Place: Chennai  
Date: 11 November 2014



### Shriram EPC Limited

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**Notes :**

- 1 The standalone results for the Quarter / Six Months ended 30 September 2014 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 November 2014. The results for the Quarter / Six Months ended 30 September 2014, have been subjected to a limited review by the statutory auditors.
- 2 a) The Company has during the quarter, entered into a debt restructuring package with the lenders under Corporate Debt Restructuring (CDR) Scheme which has been approved by the Corporate Debt Restructuring Empowered Group (CDR EG) vide its letter of approval dated 11th September, 2014. The broad terms of the Company's CDR scheme includes, inter alia, restructuring the existing debt facilities availed by the Company from the CDR Lenders including revision of the interest rates, principal payment schedule and grant of certain new facilities.  
b) The revision in interest rates given effect to in this quarter pursuant to above scheme has resulted in a saving of Rs 2,316.35 lakhs in finance costs for the quarter and half year ended 30 September 2014.  
c) The Company has since received approval of the shareholders on 31st October 2014 for the allotment of equity shares on preferential basis to the promoters, M/s Shriram Industrial Holdings Ltd for Rs.21,000 Lakhs (Rs.16,000 Lakhs pursuant to CDR scheme and Rs.5000 Lakhs as fresh infusion). The Company is awaiting the necessary statutory approvals for completing the allotment process.
- 3 A major contract awarded by a customer in Basra, Iraq was cancelled in February 2014 by the customer due to a dispute. The Company has taken appropriate legal action in India as well as in Iraq for early recovery of dues. In respect of a power project in India which has come to a standstill due to financial difficulties faced by the customer, the Company has taken appropriate action including legal to secure the company's interest and for early recovery of dues. The total exposure in these two projects recorded under Receivables and Unbilled Revenue aggregates to Rs 32,252.42 lakhs. The dues are considered fully realizable.
- 4 The standalone results for the Six Months Ended 30 September 2013 is derived based on the figures for the quarters ended 30 June 2013 and 30 September 2013, as published in the Audited financial results for the fifteen months ended 30 June 2013 and unaudited financial results for the first quarter ended 30 September 2013 respectively.
- 5 Other expenses include professional charges of Rs 904.24 lakhs relating to the previous year.
- 6 During the Quarter / Six Months ended 30 September, 2014, the management re-aligned the useful life of assets to those prescribed in Schedule II of Companies Act, 2013. However the impact on depreciation charge for the quarter is not material.
- 7 Though the Company had obtained the Shareholders' approval through Postal Ballot on 21 August 2008, for transfer of 250 KW Wind Turbine Business to its erstwhile Joint Venture, Leitwind Shriram Manufacturing Limited (LSML) with effect from 1st April, 2008, the Company would continue to sell the 250 KW Wind Turbines till such time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, profit on such transactions are transferred to LSML.
- 8 The Company operates in three segments i.e. Contracts, Windmill and Trading.
- 9 Previous period figures have been regrouped / reclassified to be in conformity with current period's classification/disclosure, wherever necessary.

Place: Chennai  
Date: 11 November 2014



For Shriram EPC Limited

  
S. Shrivaraman  
Managing Director & CEO

**Shriram EPC Limited**

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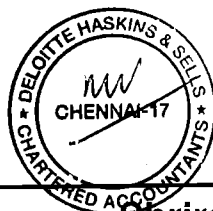
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Shriram EPC Limited			
Registered Office: 4th Floor, Sigappi Achi Building, Door No. 18 / 3, Rukumani Lakshmiipathi Salai (Marshalls Road), Egmore, Chennai - 600008 Unaudited Financial Results for the Quarter and Six Months Ended 30 September, 2014			
Statement of Assets and Liabilities			
	Particulars	Rs. lakhs	
		As at 30.09.2014	As at 31.03.2014
		Unaudited	Audited
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' funds</b>		
	a) Share Capital	34,435.82	34,435.82
	b) Reserves and Surplus	(36,600.76)	(23,906.74)
		(2,164.94)	10,529.08
2	<b>Non Current Liabilities</b>		
	a) Long Term borrowings	1,86,640.88	22,171.77
	b) Other Long Term Liabilities	135.12	96.83
	c) Long Term Provisions	324.95	258.38
		1,87,100.95	22,526.98
3	<b>Current Liabilities</b>		
	a) Short Term Borrowings	42,458.52	1,50,248.52
	b) Trade Payables	28,063.61	34,494.57
	c) Other Current Liabilities	17,072.12	23,387.00
	d) Short Term Provisions	330.98	305.12
		87,925.23	2,08,435.21
	<b>Total - Equity and Liabilities</b>	<b>2,72,861.24</b>	<b>2,41,491.27</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non Current Assets</b>		
	a) Fixed Assets	6,912.06	6,984.05
	b) Non Current Investments	4,505.17	4,505.17
	c) Deferred tax assets (Net)	-	-
	d) Long Term Loans and Advances	90,188.18	71,342.47
	e) Other Non Current Assets	49,121.15	53,089.60
		1,50,726.56	1,35,921.29
2	<b>Current Assets</b>		
	a) Current Investments	44.22	44.22
	b) Inventories	8,518.81	11,426.08
	c) Trade Receivables	22,545.11	24,607.22
	d) Cash and Cash Equivalents	19,784.45	11,875.96
	e) Short Term Loans and Advances	23,834.90	18,622.79
	f) Other Current Assets	47,407.19	38,993.71
		1,22,134.68	1,05,569.98
	<b>Total Assets</b>	<b>2,72,861.24</b>	<b>2,41,491.27</b>

Place: Chennai  
Date: 11 November 2014



Shriram EPC Limited

*T. Shivarajman*  
Managing Director & CEO

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