

**AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
SHRIRAM EPC LIMITED**

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **SHRIRAM EPC LIMITED** ("the Company") for the quarter ended 30<sup>th</sup> June 2012 ("the Statement"). 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 misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. a) The Company has investments in equity shares of Sree Jayajothi Cements Limited (SJCL) amounting to Rs.10,823.45 lakhs (including Rs. 9,323.45 Lakhs invested during the quarter) and also dues from this company amounting to Rs.30,313.34 lakhs.  
  
b) The company has invested during the quarter Rs. 25,676.56 lakhs in 12% Optionally Convertible Debentures ('OCD') of Spark Environmental Technologies Private Limited ('Spark'), a group company. Spark has invested the said amount in entirety in Equity Shares of SJCL. The company has also accrued interest of Rs. 616.24 Lakhs on these OCDs for the period ended 30<sup>th</sup> June 2012.

Based on the management accounts as on 30<sup>th</sup> June 2012, the net worth of SJCL has partially eroded.

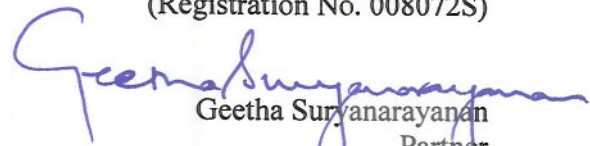
The Company has drawn up a proposal for recovering its dues from SJCL over a period of time and the company is hopeful of recovering the dues in full from SJCL. With respect to investments in SJCL and Spark, (refer note 3 of the results) the diminution in their value is not considered as other than temporary in nature and hence no provision is considered necessary by the management in this regard.

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Pending outcome of these proposals, the ultimate loss, if any, in realisation of these assets is not presently ascertainable.

4. Based on our review conducted as stated above and subject to our comments in paragraph 3 above, the consequential effect of which is presently unascertainable, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and other recognised accounting practices and policies, 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.
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 and the particulars relating to undisputed investor complaints from the details furnished by the Registrar.

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

  
Geetha Suryanarayanan  
Partner  
(Membership No. 29519)

CHENNAI, 10<sup>th</sup> August, 2012



Shriram EPC Limited

Registered Office : 4th Floor, Sigappi Achi Building  
Door No 18 / 3, Rukamani Lakshmipathi Salai (Marshall's Road) Egmore - Chennai - 600008

UnAudited Financial Results for the Quarter ended June 30, 2012

www.shriramepc.com

**Shriram epc**  
Engineering the future

Rs in Lakhs

		Quarter Ended			Year Ended
		30-Jun-12	31-Mar-12	30-Jun-11	31-Mar-12
		UnAudited	UnAudited	UnAudited	Audited
1	<b>Income from Operations</b>				
	a) Net Sales / Income from Operations	40,824.10	60,376.23	29,726.39	137,507.22
	b) Other Operating Income	260.45	32.91	138.13	712.81
	Total Income from Operations (Net) (a + b)	41,084.55	60,409.14	29,864.52	138,220.03
2	<b>Expenses</b>				
	a) Erection, Construction & Operation Expenses	28,729.61	39,144.26	26,110.37	110,768.14
	b) Purchase of Stock in Trade		6,265.78	-	7,004.09
	c) Changes in Inventories in Finished Goods, Work in Progress and Stock in Trade	2,578.19	4,190.15	(3,689.20)	(11,535.07)
	d) Employee Benefits Expenses	1,047.11	913.34	634.42	3,066.99
	e) Depreciation and Amortisation Expenses	297.84	302.63	319.77	1,215.32
	f) Other Expenses	2,381.40	3,582.19	1,109.70	6,668.61
	Total Expenditure	35,034.15	54,398.35	24,485.06	117,188.08
3	Profit from Operations before Other Income, finance costs & Exceptional Items (1-2)	6,050.40	6,010.79	5,379.46	21,031.95
4	Other Income ( Refer Note 4)	829.50	750.86	898.53	2,568.56
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	6,879.90	6,761.65	6,277.99	23,600.51
6	Finance Costs	6,739.04	6,012.13	5,095.11	19,687.19
7	Profit from ordinary activities after Finance costs but before Exceptional Items (5-6)	140.86	749.52	1,182.88	3,913.32
8	Exceptional Items	-	-	-	-
9	Profit from Ordinary activities before tax ( 7+8)	140.86	749.52	1,182.88	3,913.32
10	Tax expenses	45.36	298.28	393.09	1,362.57
11	Net Profit from Ordinary Activities after Tax (9-10)	95.50	451.24	789.79	2,550.75
12	Extraordinary Items (Net of Tax expenses )	-	-	-	-
13	Net Profit for the period (11-12)	95.50	451.24	789.79	2,550.75
14	Paid up Equity Share Capital(Face value of Rs 10/-per equity share)	4,434.67	4,434.43	4,431.63	4,434.43
15	Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	46,314.34
16	Earnings per Share (not annualised) (Rs per Equity Share)				
	a) Basic	0.22	1.02	1.78	5.75
	b) Diluted	0.22	1.02	1.78	5.75
A	<b>PARTICULARS OF SHAREHOLDING</b>				
1	<b>Public Shareholding</b>				
	--- Number of shares	27,071,447	26,898,211	26,837,045	26,898,211
	--- Percentage of shareholding	61.04	60.65	60.56	60.65
2	<b>Promoters and Promoter group shareholding</b>				
	a) Pledged / encumbered				
	- Number of shares	221,294	2,511,080	4,424,580	2,511,080
	- Percentage of Shares ( as a % of the total shareholding of Promoter and Promoter Group	1.28	14.39	25.31	14.39
	- Percentage of Shares ( as a % of the total share capital of the Company)	0.50	5.66	9.98	5.66
	b) Non encumbered				
	- Number of shares	17,053,993	14,934,993	13,054,625	14,934,993
	- Percentage of Shares ( as a % of the total shareholding of Promoter and promoter group	98.72	85.61	74.69	85.61
	- Percentage of Shares ( as a % of the total share capital of the Company)	38.46	33.69	29.46	33.69

For SHRI RAM EPC LIMITED,

Shriram EPC Limited

18, Sigappi Achi Building, No. 18/3, Rukmini Lakshmipathi Salai, Egmore, Chennai - 600 008, India

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	Particulars	Quarter Ended 30-Jun-12
B	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	-
	Received during the quarter	1
	Disposed during the quarter	1
	Remaining unresolved at the end of the quarter	-

**Notes :**

- The standalone results for Quarter ended June 30, 2012 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 9, 2012 and August 10, 2012.
- The figures for the quarter ended March 31, 2012 are the balancing figure between the audited figures for the full financial year ended March 31, 2012 and the published year to date figures up to third quarter ended December 31, 2011.
- The Company had executed an EPC contract for Sree Jayajothi Cements Ltd (SJCL) in an earlier year and dues from this customer as of June 30, 2012 is Rs. 30,313.33 Lakhs, which have been outstanding for a considerable period of time. These amounts are secured by way of a Subservient Charge on the assets of SJCL. The Company has drawn up a proposal for recovering its dues from SJCL over a period of time and is confident of recovering the dues in full from SJCL and does not expect any loss in realising its dues. In addition the company also has investment in equity shares of SJCL amounting to Rs. 10,823.45 Lakhs in Equity Shares (including Rs. 9,323.45 Lakhs invested during the quarter). Further, the Company during the quarter has invested Rs. 25,676.56 Lakhs in 12% Optionally Convertible Debentures of Spark Environmental Technology Private Limited (Spark), a fellow shareholder of SJCL. The money invested in Spark has been invested in its entirety, in equity shares of SJCL. As these investments are of long term and strategic in nature, the diminution in their value is not considered as other than temporary in nature and hence no provision is considered necessary in this regard. These matters have been referred to in the auditors' report for the quarter ended June 30, 2012
- Other income includes Rs 616.24 lakhs represents interest on debentures issued by Spark Environmental Technologies Private Limited, which is receivable on maturity as per the terms.
- Though the Company had obtained its Shareholders' approval through Postal Ballot on 21st August, 2008, for transfer of 250 KW Wind Turbine Business to its Joint Venture, Leitner Shriram Manufacturing Limited ( LSML ) with effect from 1st April, 2008, the Company would continue to sell the 250 KW Wind Turbines till the time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, the Company has not recognised the Loss / Profit in the standalone results for the Quarter ended June 30, 2012.
- The Company operates in three segments i.e. Contracts, Windmill and Trading.
- 2,450 options were exercised and shares allotted under ESOP Scheme 2007 to the eligible employees during the quarter ended June 30, 2012.
- The figures of the earlier periods have been regrouped to be in conformity with the new format prescribed, under Clause 41 of the Listing Agreement.

Shriram EPC Limited

  
T. Shivaraman

Managing Director & CEO

Place: Chennai

Date: 10th Aug 2012



**Shriram EPC Limited**

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An ISO 9001 (2008) Company



Segment Reporting under Clause 41 of the Listing Agreement with  
Stock Exchange for the quarter ended June 30, 2012.

Particulars	Quarter Ended			Rs in Lakhs
	30-Jun-12	31-Mar-12	30-Jun-11	Year Ended
	UnAudited	UnAudited	UnAudited	31-Mar-12 Audited
<b>1. Segment Revenue :</b>				
(Net Sales/ Income from each Segment Gross of Excise)				
a. Contracts	38,372.97	56,027.54	30,536.72	128,098.40
b. Windmill	3,463.27	4,983.01	67.00	11,320.12
c. Trading	-	14.64	-	839.22
Sub-total	41,836.24	61,025.19	30,603.72	140,257.74
Less : Intersegmental Revenue	-	-	-	-
<b>Net Sales /Income from Operations</b>	<b>41,836.24</b>	<b>61,025.19</b>	<b>30,603.72</b>	<b>140,257.74</b>
<b>2. Segment Results :</b>				
(Profit (+) / Loss (-) before Tax and Finance Costs from each segment)				
a. Contracts	6,864.58	6,558.08	4,753.14	19,856.09
b. Windmill	118.30	(508.03)	(101.83)	(569.96)
c. Trading	-	(13.37)	-	72.90
Sub-total	6,982.88	6,036.68	4,651.31	19,359.03
Less : (i) Finance Costs (Net of amounts identified with "Construction Contracts" Segments)	4,629.34	2,561.78	2,456.24	10,009.98
(ii) Other un-allocable expenditure net of un-allocable income	2,212.68	2,725.38	1,012.19	5,435.73
<b>Total Profit Before Tax</b>	<b>140.86</b>	<b>749.52</b>	<b>1,182.88</b>	<b>3,913.32</b>
<b>3. Capital Employed</b>				
(Segment Assets - Segment Liabilities)				
a. Contracts	4,059.96	8,863.19	14,455.15	8,863.19
b. Windmill	15,214.00	12,297.09	6,286.78	12,297.09
c. Trading	10,666.44	10,805.10	8,546.47	10,805.10
d. Unallocated Assets less Unallocated Liabilities	20,906.11	18,783.39	20,301.33	18,783.39
<b>Total</b>	<b>50,846.51</b>	<b>50,748.77</b>	<b>49,589.73</b>	<b>50,748.77</b>

Place: Chennai  
Date: 10th August 2012

Shriram EPC Limited  
  
T. Shivaraman  
Managing Director & CEO



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