

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

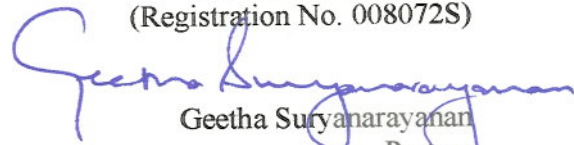
1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **SHRIRAM EPC LIMITED** ("the Company") for the quarter and nine months ended 31st December 2011 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the 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. The Company has investments in another company in the nature of equity shares of Rs.1,500 lakhs and debentures of Rs.12,186.35 lakhs. In addition the investee company has certain receivables due to the Company comprising of trade debts amounting to Rs.27,550.82 lakhs, inter-company advances amounting to Rs.13,627.81 lakhs and contract work in progress (unbilled revenue) amounting to Rs.1,509.00 lakhs. These amounts aggregating to Rs.56,373.98 lakhs are outstanding for a considerable period of time and have been secured by assets of the investee company (Refer Note no. 3 of the Results). The Company's management has represented that, in their opinion, though there is a delay in realisation, all these amounts are good for recovery/realization and the Company is pursuing various options for collecting the same including conversion of the dues into equity. The Company's management has also represented that they are assisting the investee company in its negotiations with some of the strategic investor(s) and the dues relating to the Company are also being considered as part of the negotiations. Pending the outcome of the options being pursued by the Company and the completion of the negotiations of the investee company with the strategic investor(s), the shortfall, if any, in the realization of the aforesaid trade debts, advances and unbilled revenue and adjustment, if any, that may be required to the carrying value of the aforesaid equity shares and debentures is not presently quantifiable.

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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,  February, 2012

Shriram EPC Limited						
Registered Office: 4th Floor, Sigappi Achi Building						
Door No 18/3, Rukmani Lakshmi Pathi Salai (Marshall's Road) Egmore - Chennai - 600008						
Unaudited Financial Results for the Quarter / Nine months ended 31st December, 2011 (Standalone)						
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Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 a) Net Sales / Income from Operations						
b) Other Operating Income	26,197.07	21,240.44	27,711.78	77,163.90	82,511.07	128,218.76
Total Income (a + b)	188.43	975.25	315.54	874.41	1,233.17	3,265.63
2 Expenditure :	26,385.50	22,215.69	28,027.32	78,038.31	83,744.24	131,484.39
a) (Increase) / Decrease to Stock in Trade and Work in Progress	(4,902.63)	(7,819.64)	(11,514.12)	(16,411.51)	(6,882.26)	2,068.50
b) Cost of traded goods	738.31	-	6,821.97	738.31	10,508.20	15,160.49
c) Erection, Construction & Operation Expenses	26,034.18	25,907.58	27,210.68	81,483.02	65,783.96	93,142.52
d) Employee cost	584.84	575.03	689.36	1,639.59	1,750.12	2,374.82
e) Depreciation	287.78	305.14	363.94	912.69	964.44	1,200.54
f) Other Expenditure	634.13	417.10	886.94	1,872.02	1,869.55	2,857.95
Total Expenditure	23,376.61	19,385.21	24,458.77	70,234.12	73,994.01	116,804.82
3 Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)	3,008.89	2,830.48	3,568.55	7,804.19	9,750.23	14,679.57
4 Other Income	193.98	71.17	204.06	1,590.28	620.52	1,038.70
5 Profit / (Loss) before Interest & Exceptional Items (3+4)	3,202.87	2,901.65	3,772.61	9,394.47	10,370.75	15,718.27
6 Interest (Net)	2,178.81	1,944.01	2,445.30	6,230.67	5,613.67	8,571.74
7 Profit / (Loss) after Interest but before Exceptional Items (5-6)	1,024.06	957.64	1,327.31	3,163.80	4,757.08	7,146.53
8 Exceptional Items - Profit on Sale of investments	-	-	-	-	2,336.28	2,336.28
9 Profit from Ordinary activities before tax (7+8)	1,024.06	957.64	1,327.31	3,163.80	7,093.36	9,482.81
10 Provision for Taxation / Tax expenses	342.27	328.93	446.83	1,064.29	1,605.24	2,521.52
11 Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	681.79	628.71	880.48	2,099.51	5,488.12	6,961.29
12 Extraordinary Items (Net of Tax expenses)	-	-	-	-	-	-
13 Net Profit / (Loss) for the period (11-12)	681.79	628.71	880.48	2,099.51	5,488.12	6,961.29
14 Paid up Equity Share Capital (Face value of Rs 10/- per equity share)	4,433.83	4,431.63	4,426.24	4,433.83	4,426.24	4,426.24
15 Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-	-	44,217.91
16 Earnings per Share (EPS) - Basic	1.54	1.42	2.00	4.78	12.48	15.80
Earnings per Share (EPS) - Diluted	1.54	1.41	2.00	4.71	12.48	15.80
(Rs. per Equity Share) - Not annualised	-	-	-	-	-	-
17 Aggregate of Public Shareholding	-	-	-	-	-	-
- Number of Shares	26,876,166	26,914,879	25,804,045	26,876,166	25,804,045	25,804,045
- Percentage of Shareholding	60.61	60.73	58.29	60.61	58.29	58.30
Promoters and Promoter group shareholding	-	-	-	-	-	-
a) Pledged / encumbered	-	-	-	-	-	-
- Number of shares	4,995,580	4,935,580	4,823,231	4,995,580	4,823,231	4,674,580
- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	28.61	28.36	26.13	28.61	26.13	25.33
- Percentage of Shares (as a % of the total share capital of the Company)	11.27	11.14	10.90	11.27	10.90	10.56
b) Unencumbered	-	-	-	-	-	-
- Number of shares	12,466,538	12,465,791	13,635,123	12,466,538	13,635,123	13,783,774
- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter Group)	71.39	71.64	73.87	71.39	73.87	74.67
- Percentage of Shares (as a % of the total share capital of the Company)	28.12	28.13	30.81	28.12	30.81	31.14

For SHRI RAM EPC LIMITED,

[Signature]
Managing Director.



Shriram EPC Limited

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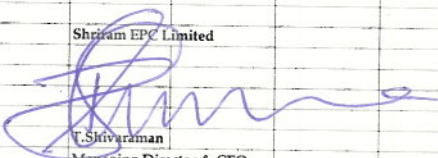
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website: www.shriramepc.com



An ISO 9001 (2008) Company

Notes:	
1	The above results for Quarter / Nine months ended 31st December, 2011 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 08th February 2012.
2	The results for the Quarter and Nine months Period ended 31st December, 2011 have been subjected to a limited review by the statutory auditors.
3	The company had executed an EPC contract for a client and the total amount outstanding under various heads is Rs. 56,373.98 lakhs and these dues are secured now. This has remained outstanding for a considerable period of time. This matter has been referred to in auditors report for the Quarter and Nine months ended 31st December, 2011. Besides, the client being in negotiations with potential strategic investors, the company is also considering other options including conversion of the dues into equity.
4	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 and Nine Months ended 31st December, 2011.
5	The Company operates in three segments i.e. Contracts, Windmill and Trading.
6	Under ESOP Schemes 2006 and 2007, 75,885 options were exercised and shares allotted to the eligible employees during the Nine Months ended 31st December, 2011.
7	During the first quarter of the previous year, the company had sold its entire investment in Ennore Coke Ltd. to Haldia Coke & Chemicals Ltd (HCCL). The profit on this sale (Rs. 2,336.28 Lakhs) is disclosed as an exceptional item.
8	Only one Investor complaint was received and has been addressed during the Quarter ended 31st December, 2011. There were no complaints pending at the beginning and at the end of the Quarter.
9	Figures of the previous periods have been regrouped and reclassified wherever necessary, in order to conform to current year classification.
Shriram EPC Limited  V. Shivaraman Managing Director & CEO	
Place: Chennai Date: 08th February 2012	



Shriram EPC Limited

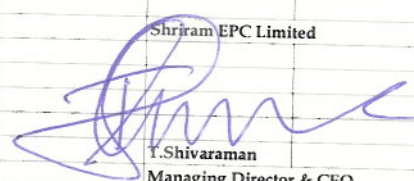
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Segment Reporting under Clause 41 of the Listing Agreement with Stock Exchange for the Quarter / Nine Months ended 31st December, 2011.						
	Quarter ended			Nine Months period Ended		in Rs. Lakhs
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	Year ended
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue :						
(Net Sales/Income from each Segment Gross of Excise)						
a. Contracts	21,448.26	20,058.24	7,606.53	70,876.62	57,530.16	95,449.42
b. Windmill	4,112.66	2,157.45	8,735.68	6,337.11	14,528.97	19,261.40
c. Trading	824.58	-	11,685.11	824.58	11,685.11	16,773.57
Sub-total	26,385.50	22,215.69	28,027.32	78,038.31	83,744.24	131,484.39
Less : Intersegmental Revenue	-	-	-	-	-	-
Net Sales/Income from Operations	26,385.50	22,215.69	28,027.32	78,038.31	83,744.24	131,484.39
2. Segment Results :						
(Profit (+) / Loss (-) before Tax and Interest from each segment)						
a. Contracts	4,055.04	3,870.72	2,481.32	11,291.46	10,638.75	16,015.09
b. Windmill (Refer Note No 4)	86.55	(48.11)	1,486.62	(61.93)	1,554.24	1,903.37
c. Trading	86.27	-	1,176.91	86.27	1,176.91	1,993.88
Sub-total	4,227.86	3,822.61	5,144.85	11,315.80	13,369.90	19,912.34
Less : (i) Interest (Net)	2,178.81	1,944.01	2,445.30	6,230.67	5,613.67	8,571.74
(ii) Other un-allocable expenditure net of un-allocable income	1,024.99	920.96	1,372.24	1,921.33	662.87	1,857.79
Total Profit Before Tax	1,024.06	957.64	1,327.31	3,163.80	7,093.36	9,482.81
3. Capital Employed						
(Segment Assets - Segment Liabilities)						
a. Contracts	157,945.42	139,236.49	121,045.15	157,945.42	121,105.49	131,572.17
b. Windmill	4,527.05	2,752.99	955.09	4,527.05	955.09	6,524.57
c. Trading	12,300.62	13,430.10	10,342.91	12,300.62	10,342.91	9,343.62
d. Unallocated Assets less Unallocated Liabilities	(123,858.69)	(105,190.67)	(84,416.73)	(123,858.69)	(84,477.07)	(98,643.78)
Total	50,914.40	50,228.91	47,926.42	50,914.40	47,926.42	48,796.58
Shriram EPC Limited  T. Shivaraman Managing Director & CEO						
Place: Chennai Date: 08th February 2012						



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