

**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 31 December 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 Shree Jayajothi Cements Limited (SJCL) amounting to Rs.10,823.45 lakhs (including Rs. 9,323.45 Lakhs invested during the current nine months ended 31 December 2012) and also dues from this company amounting to Rs. 32,084.94 lakhs.

b) The company has invested during the current nine months ended 31 December 2012, Rs. 25,676.56 lakhs in 12% Optionally Convertible Debentures ('OCD') and Rs 1 Lakh in Equity Shares, 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. 2,152.61 Lakhs on these OCDs for the nine month period ended 31 December 2012.

Based on the management accounts as at 30 September 2012, the net worth of SJCL has partially eroded.

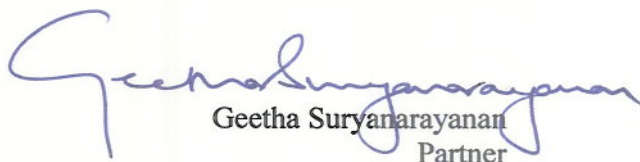
The Company has drawn up a proposal for recovering its dues from SJCL over a period of time and the Company is confident of recovering the dues in full from SJCL. With respect to investments in SJCL and Spark, (refer note 3 of the results) the diminution in their value is not considered as other than 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, 12 February, 2013

Shriram EPC Limited
Registered Office : 4th Floor, Sigappi Achi Building,
Door No 18/3, Rukamani Lakshmiipathi Salai (Marshalls Road) Egmore - Chennai - 600008.
Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2012 (Standalone)
www.shriramepc.com

S.No	Particulars	Quarter Ended			Nine Months ended		Rs. in Lakhs
		31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	Year Ended
		UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
1	Income from Operations						
	a) Net Sales / Income from Operations	39,001.73	37,119.12	26,197.07	1,16,944.95	77,163.91	1,37,507.22
	b) Other Operating Income	123.88	565.31	139.15	949.64	679.90	712.81
	Total Income from Operations (Net) (a + b)	39,125.61	37,684.43	26,336.22	1,17,894.59	77,843.81	1,38,220.03
2	Expenses						
	a) Erection, Construction & Operation Expenses	28,018.29	23,164.86	22,850.07	79,912.76	72,310.36	1,10,768.14
	b) Purchase of Stock in Trade	3,753.24	6,218.31	738.11	9,971.55	738.11	7,004.09
	c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	(3,412.92)	(1,828.46)	(4,902.63)	(2,663.19)	(16,411.51)	(11,535.07)
	d) Employee Benefits Expenses	1,235.08	1,045.38	781.61	3,327.57	2,153.65	3,066.99
	e) Depreciation and Amortisation Expenses	260.32	298.93	287.78	857.09	912.69	1,215.32
	f) Other Expenses	1,909.60	1,841.85	1,279.18	6,132.85	3,086.45	6,668.61
	Total Expenditure	31,763.61	30,740.87	21,034.12	97,538.63	62,789.75	1,17,188.08
3	Profit from Operations before Other Income, Finance Costs & Exceptional Items (1-2)	7,362.00	6,943.56	5,302.10	20,355.96	15,054.06	21,031.95
4	Other Income	1,081.18	1,102.92	243.27	3,013.60	1,784.80	2,568.56
5	Profit from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	8,443.18	8,046.48	5,545.37	23,369.56	16,838.86	23,600.51
6	Finance Costs	8,019.39	7,478.38	4,521.31	22,236.81	13,675.06	19,687.19
7	Profit from Ordinary Activities after Finance costs but before Exceptional Items (5-6)	423.79	568.10	1,024.06	1,132.75	3,163.80	3,913.32
8	Exceptional Items	-	-	-	-	-	-
9	Profit from Ordinary Activities before Tax (7+8)	423.79	568.10	1,024.06	1,132.75	3,163.80	3,913.32
10	Tax expenses	(14.06)	141.82	342.27	173.12	1,064.29	1,362.57
11	Net Profit from Ordinary Activities after Tax (9-10)	437.85	426.28	681.79	959.63	2,099.51	2,550.75
12	Extraordinary Items (Net of Tax expenses)	-	-	-	-	-	-
13	Net Profit for the period (11-12)	437.85	426.28	681.79	959.63	2,099.51	2,550.75
14	Paid up Equity Share Capital(Face value of Rs 10/-per equity share)	4,435.52	4,434.90	4,433.83	4,435.52	4,433.83	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	0.99	0.96	1.54	2.16	4.78	5.75
	b) Diluted	0.99	0.96	1.54	2.16	4.78	5.75
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of shares	2,73,04,704	2,72,98,567	2,68,76,166	2,73,04,704	2,68,76,166	2,68,98,211
	- Percentage of shareholding	61.56	61.55	60.61	61.56	60.61	61.04
2	Promoters and Promoter group shareholding						
	a) Pledged / encumbered						
	- Number of shares	-	-	49,95,580	-	49,95,580	25,11,080
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group	-	-	28.61	-	28.61	14.39
	- Percentage of Shares (as a % of the total share capital of the Company)	-	-	11.27	-	11.27	5.66
	b) Non encumbered						
	- Number of shares	1,70,50,417	1,70,50,417	1,24,66,538	1,70,50,417	1,24,66,538	1,49,34,993
	- Percentage of Shares (as a % of the total shareholding of Promoter and Promoter group	-	-	71.39	-	71.39	85.61
	- Percentage of Shares (as a % of the total share capital of the Company)	38.44	38.45	28.12	38.44	28.12	38.46

	Particulars	Quarter Ended 31-Dec-12
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

For SHRI RAM EPC LIMITED,

(Signature)
Managing Director.



Shriram EPC Limited

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website: www.shriramepc.com



An ISO 9001 (2008) Company

Segment Reporting under Clause 41 of the Listing Agreement with
Stock Exchange for the Quarter and Nine Months ended December 31, 2012.

Rs. in Lakhs

Particulars	Quarter Ended			Nine Months ended		Year Ended
	31-Dec-12	30-Sep-12	31-Dec-11	31-Dec-12	31-Dec-11	31-Mar-12
	UnAudited	UnAudited	UnAudited	UnAudited	UnAudited	Audited
1. Segment Revenue : (Net Sales/Income from each Segment Gross of Excise)						
a. Contracts	33,902.28	31,212.61	21,448.26	1,03,487.87	70,876.62	1,28,098.40
b. Windmill	761.30	(505.29)	4,112.66	3,719.28	6,337.11	11,320.12
c. Trading	3,763.24	6,309.98	824.58	10,073.22	824.58	839.22
Sub-total	38,426.82	37,017.30	26,385.50	1,17,280.37	78,038.31	1,40,257.74
Less : Intersegmental Revenue	-	-	-	-	-	-
Net Sales/Income from Operations	38,426.82	37,017.30	26,385.50	1,17,280.37	78,038.32	1,40,257.74
2. Segment Results : (Profit (+) / Loss (-) before Tax and Finance Costs from each segment)						
a. Contracts	5,118.02	4,841.54	4,055.04	16,824.15	11,291.46	19,856.09
b. Windmill	61.69	(283.55)	86.55	(103.56)	(61.93)	(569.96)
c. Trading	10.01	91.67	86.27	101.68	86.27	72.90
Sub-total	5,189.72	4,649.66	4,227.86	16,822.27	11,315.80	19,359.03
Less : (i) Finance Costs (Net of amounts identified with "Construction Contracts" Segments)	5,449.48	5,119.44	2,178.81	15,198.26	6,230.67	10,009.98
(ii) Other un-allocable expenditure net of un-allocable income	(683.55)	(1,037.88)	1,024.99	491.26	1,921.33	5,435.73
Total Profit Before Tax	423.79	568.10	1,024.06	1,132.75	3,163.80	3,913.32
3. Capital Employed (Segment Assets - Segment Liabilities)						
a. Contracts	(783.83)	4,549.87	1,347.44	(783.83)	1,347.44	8,863.19
b. Windmill	16,800.98	13,258.62	2,765.45	16,800.98	2,765.45	12,297.09
c. Trading	11,611.47	11,776.00	13,455.10	11,611.47	13,455.10	10,805.10
d. Unallocated Assets less Unallocated Liabilities	24,082.89	21,687.92	33,345.79	24,082.89	33,345.79	18,783.39
Total	51,711.51	51,272.41	50,913.78	51,711.51	50,913.78	50,748.77

Shriram EPC Limited

T. Shriraman
Managing Director & CEO

Place: Chennai
Date: February 12, 2013



Shriram EPC Limited

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Notes :

- 1 The standalone results for Quarter and Nine Months ended December 31, 2012 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 12, 2013.
- 2 The results for the Quarter and Nine Months ended December 31, 2012 have been subjected to a limited review by the Statutory Auditors.
- 3 The Company had executed an EPC contract for Sree Jayajothi Cements Ltd (SJCL) in an earlier year and dues from this customer as of December 31, 2012 is Rs. 32084.94 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 first quarter). Further, the Company during the current nine months, has invested Rs. 25,676.56 Lakhs in 12% Optionally Convertible Debentures and Rs 1 lakh in Equity shares 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 qualified in the auditors' report for the Quarter and Nine Months ended December 31, 2012.
- 4 Other income for the nine months includes Rs 2,152.61 lakhs represents interest on debentures issued by Spark Environmental Technologies Private Limited, which is receivable on maturity as per the terms.
- 5 Though the Company had obtained its Shareholders' approval through Postal Ballot on August 21, 2008, for transfer of 250 KW Wind Turbine Business to its Joint Venture, Leitwind Shriram Manufacturing Limited (LSML) with effect from April 1, 2008, the Company would continue to sell the 250 KW Wind Turbines till the time LSML obtains all statutory approvals to manufacture and sell the same. Consequently, the Company has not recognised the Loss / Profit in the standalone results for the Quarter and Nine Months ended December 31, 2012.
- 6 The Company operates in three segments i.e. Contracts, Windmill and Trading.
- 7 6200 options were exercised and shares allotted under ESOP Scheme 2007 to the eligible employees during the Quarter ended December 31, 2012.
- 8 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.

Place: Chennai
Date: February 12, 2013

Shriram EPC Limited

T. Shriraman
Managing Director & CEO



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