

**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 Nine Months ended 31 December 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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. We draw attention to the Note No. 2 forming part of the Statement regarding the dues aggregating to Rs.12, 297.29 Lakhs in respect of an overseas project. Since the Court of Cassation in Iraq has finally decided the matter against the Company, there is uncertainty on the amount that would be ultimately realizable by the Company through its claim with the customer for compensation, or claim with insurers.
4. We draw attention to Note No. 3 forming part of the statement regarding the dues aggregating to Rs. 9,876.67 lakhs in respect of a power project in Rajasthan. Due to inordinate delay in obtaining extension of the power purchase agreement with state government and in preparation of bid to call for tender to take over the project, there is uncertainty in the ultimate revival of the project and realization of dues by the Company.
5. Based on our review conducted as stated above and except for the possible effects of the matters described in paragraph 3 and 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Deloitte
Haskins & Sells**

6. Attention is invited to Note No. 4 forming part of the Statement regarding the dues of Rs. 8,300.19 Lakhs in respect of a project which is not progressing due to statutory delays faced by the customer. The 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.

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

M.K. Ananthanarayanan

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

CHENNAI, 11 February 2016



Shriram EPC Limited

Registered Office: 4th Floor, Sigappi Achi Building,

Door No. 18/3, Rukmani Lakshmi Pathi Salai (Marshall's Road), Egmore, Chennai - 600008.

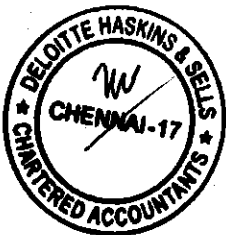
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Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months Ended 31 December 2015.

Rs. In Lakhs

FINANCIAL INFORMATION

	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income from Operations						
	a) Net Sales / Income from Operations	15,307.82	10,344.40	13,474.56	40,787.50	39,269.99	54,765.89
	b) Other Operating Income	-	-	-	-	-	-
	Total Income from Operations (Net) (a + b)	15,307.82	10,344.40	13,474.56	40,787.50	39,269.99	54,765.89
2	Expenses						
	a) Erection, Construction & Operation Expenses	7,330.67	10,275.50	11,141.36	27,128.47	27,859.74	46,142.59
	b) Purchase of Stock in Trade	-	-	-	-	1,295.54	1,296.00
	c) Changes in Inventories of Finished Goods, Contract Work in Progress and Stock in Trade	4,680.05	(4,978.85)	(27.05)	(63.74)	2,830.29	2,658.92
	d) Employee Benefits Expense	1,104.13	1,120.29	1,393.31	3,369.63	4,215.61	5,476.92
	e) Depreciation and Amortization Expense	220.73	144.44	88.34	496.74	436.86	570.33
	f) Other Expenses	891.56	868.26	1,288.00	2,555.64	4,277.24	5,898.78
	Total Expenditure	14,227.14	7,429.64	13,883.96	33,486.74	40,915.28	62,043.54
3	Profit / (Loss) from Operations before Other Income, finance costs & Exceptional Items (1-2)	1,080.68	2,914.76	(409.40)	7,300.76	(1,645.29)	(7,277.65)
4	Other Income	2,533.83	2,079.79	3,095.17	8,109.52	8,563.63	12,134.92
5	Profit / (Loss) from Ordinary Activities before Finance Costs & Exceptional Items (3+4)	3,614.51	4,994.55	2,685.77	15,410.28	6,918.34	4,857.27
6	Finance Costs	6,166.76	6,737.96	6,273.16	19,985.37	23,130.13	30,118.83
7	Loss from ordinary activities after Finance costs but before Exceptional Items (5-6)	(2,552.25)	(1,743.41)	(3,587.39)	(4,575.09)	(16,211.79)	(25,261.56)
8	Exceptional Items	-	-	-	-	-	-
9	Loss from Ordinary activities before tax (7+8)	(2,552.25)	(1,743.41)	(3,587.39)	(4,575.09)	(16,211.79)	(25,261.56)
10	Tax expenses	-	-	-	-	-	23.61
11	Loss from Ordinary Activities after Tax (9-10)	(2,552.25)	(1,743.41)	(3,587.39)	(4,575.09)	(16,211.79)	(25,285.17)
12	Extraordinary Items (Net of Tax expenses)	-	-	-	-	-	-
13	Loss for the year / period (11-12)	(2,552.25)	(1,743.41)	(3,587.39)	(4,575.09)	(16,211.79)	(25,285.17)
14	Paid up Equity Share Capital (Face value of Rs 10/- per equity share)	28,262.74	27,557.03	8,635.82	28,262.74	8,635.82	8,635.82
15	Reserves excluding Revaluation Reserves as per Balance Sheet	-	-	-	-	-	(32,437.77)
16	Earnings per Share (after extraordinary items) (not annualized) (Rs. per Equity Share)						
	a) Basic	(1.22)	(1.00)	(5.44)	(2.19)	(31.46)	(42.22)
	b) Diluted	(1.22)	(1.00)	(5.44)	(2.19)	(31.46)	(42.22)



For SHRIRAM EPC LIMITED,
[Signature]
Managing Director.

Shriram EPC Limited

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Egmore, Chennai - 600 008. India. Ph : +91 44 4900 5555, Fax : +91 44 4900 5599 / 4269 2155

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CIN : L74210TN2000PLC045167

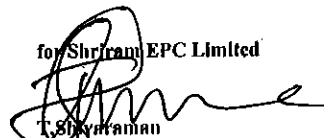


SHRIRAM EPC LIMITED

Segment Reporting under Clause 41 of the Listing Agreement with Stock Exchange for the Quarter and Nine Months Ended 31 December 2015

Particulars	Quarter Ended			Nine months Period Ended		Year Ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Rs in lakhs					
1. Segment Revenue :						
(Net Sales/Income from each Segment Gross of Excise)						
a. Contracts	15,307.82	10,344.40	13,450.57	40,809.50	37,664.51	53,020.40
b. Windmill	-	-	24.00	-	183.00	323.00
c. Trading	-	-	-	-	1,422.48	1,422.49
Sub-total	15,307.82	10,344.40	13,474.57	40,809.50	39,269.99	54,765.89
Less : Intersegmental Revenue	-	-	-	-	-	-
Net Sales /Income from Operations	15,307.82	10,344.40	13,474.57	40,809.50	39,269.99	54,765.89
2. Segment Results :						
(Profit (+) / Loss (-) before Tax and Interest from each segment)						
a. Contracts	2,378.38	2,365.35	(94.91)	8,401.76	(5,769.82)	(14,127.53)
b. Windmill	-	-	-	-	126.95	127.95
c. Trading	-	-	-	-	-	-
Sub-total	2,378.38	2,365.35	(94.91)	8,401.76	(5,642.87)	(13,999.58)
Less : (i) Finance Costs (Net of amounts identified with 'Construction Contracts' segment)	6,833.39	4,883.61	2,928.00	18,494.37	13,868.39	17,140.25
(ii) Other un-allocable expenditure net of un-allocable income	(1,902.76)	(774.85)	564.48	(5,517.52)	(3,299.47)	(5,878.27)
(iii) Exceptional Items	-	-	-	-	-	-
Total Loss Before Tax	(2,552.25)	(1,743.41)	(3,587.39)	(4,575.09)	(16,211.79)	(25,261.56)
3. Capital Employed						
(Segment Assets - Segment Liabilities)						
a. Contracts	(74,602.24)	(75,802.65)	(90,031.14)	(74,602.24)	(90,031.14)	(98,236.80)
b. Windmill	2,761.55	2,758.90	(545.80)	2,761.55	(545.80)	2,479.76
c. Trading	1,202.62	1,202.62	1,440.98	1,202.62	1,440.98	1,361.08
d. Unallocated Assets less Unallocated Liabilities	1,17,381.69	1,15,028.52	1,04,383.64	1,17,381.69	1,04,383.64	1,00,594.01
Total	46,743.62	43,187.39	15,247.68	46,743.62	15,247.68	6,198.05

for Shriram EPC Limited


T. Shrinivaman
Managing Director & CEO

Place: Chennai

Date: 11th February 2016



Shriram EPC Limited

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Notes :

The standalone results for the Quarter Ended and Nine Months Ended 31 December 2015 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 11 February 2016.

The contract awarded by a Governorate of Basra, Iraq was withdrawn in February 2014 due to a dispute. The legal action taken by the company for restoration of contract was not successful and the Cassation Court in Iraq has decided the case against the company in an earlier quarter. The Company has filed a claim with insurance company in India towards the cost incurred and is hopeful of recovering the same. The total exposure in this project is Rs. 12,297.29 lakhs. The auditors have qualified their conclusion on this matter in their Limited Review Report for the quarter ended and nine months ended 31 December 2015.

In respect of a power project in Rajasthan which has come to a standstill due to financial difficulties faced by the customer, the Company has taken appropriate action to secure the company's interest and for early recovery of dues. The total exposure in this project recorded under Receivables and Unbilled Revenue aggregates to Rs.9,876.67 lakhs. The dues are considered fully realizable since the Power Purchase Agreement (PPA) of the project are being extended for an additional two years and the customer's lenders have taken possession of the project and are in the process of identifying prospective investors. The auditors have qualified their conclusion on this matter in their Limited Review Report for the quarter ended and nine months ended 31 December 2015.

The Company entered into a contract to construct Ammonia plant for Bharath Coal and Chemicals Limited (BCCL, Fellow subsidiary). 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. 8,300.18 lakhs. Apart from various options/plans considered by BCCL to commence the project, the company has submitted proposal to set up a Coal gasification based plant to a third party and also parallelly considering the option of re-export of the equipments. The Management confident that these dues will be realized in full.

During the nine months ended 31 December 2015, the Company has allotted (i) 105,078,336 equity shares to SVL Limited (Promoters) at a price of Rs. 37.02 per share (Including Premium of Rs. 27.02 per share), (ii) 551,80,879 shares at a price of Rs. 32.98 per share (Including Premium of Rs. 22.98 per share) towards conversion of Funded Interest Term Loan to Lenders and (iii) 360,09,987 shares at a price of Rs. 40.05 per share (Including Premium of Rs. 30.05 per share) towards conversion of Interest Sacrifice to Lenders.

Though the Company had obtained its 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 1 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 and Nine Months ended 31 December 2015.

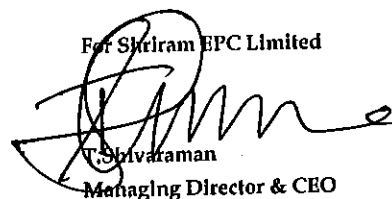
The Company operates in three segments i.e. Contracts, Windmill and Trading.

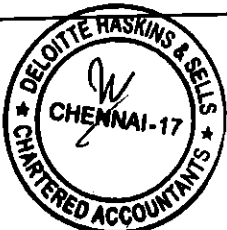
Prior period /quarter figures have been regrouped and reclassified wherever necessary.

Place: Chennai

Date: 11 February 2016

For Shriram EPC Limited


Shivaraman
Managing Director & CEO



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