



# Investor Presentation

Q1FY11 Results

June 2010



# Important Notice

*Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.*

*These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.*

*Further, this presentation may make references to reports and publications available in the public domain. Shriram EPC Ltd. makes no representation as to their accuracy or that the company subscribes to those views / findings.*



# Financial Results & Operating Highlights

## Q1FY11



# Financial highlights

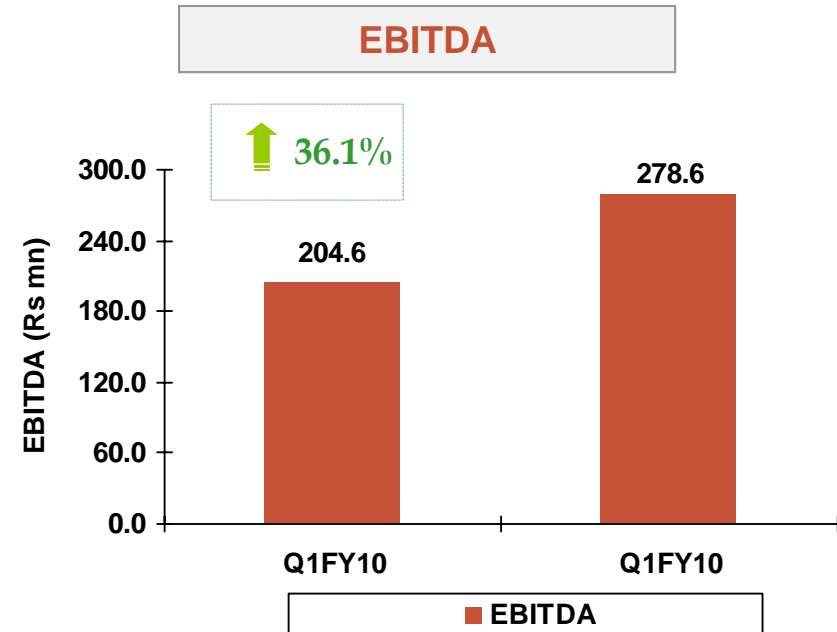
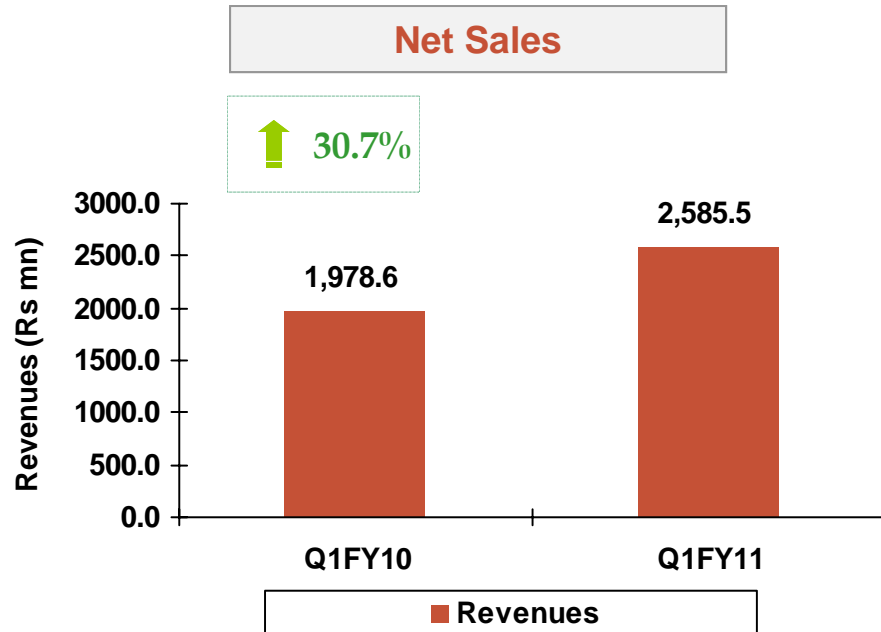
- Q1FY11 Net Sales at Rs. 2,585 million vs Rs. 1,979 million in Q1FY10 – growth of 31%.
- Q1FY11 EBITDA at Rs. 279 million vs Rs. 205 million in Q1FY10 – growth of 36%.
- Q1FY11 PAT at Rs. 317 million vs Rs. 81 million in Q1FY10; PAT includes an exceptional item of Rs. 233.6 million arising on account of sale of stake in an Associate Company.
- Q1FY11 EPS (Basic) of Rs. 7.22 per share vs. Rs. 1.86 per share in Q1FY10.
- Standalone Order book of Rs. 16.26 billion on 30<sup>th</sup> June, 2010.

# Q1 FY11 Financial Overview

Rs. Million

Income Statement	Standalone		
	Apr-June, 2010	Apr-June, 2009	Percentage Change
Sales & Services Income	2,585.50	1,978.61	30.67%
Other Operating Income	44.18	21.19	108.52%
Income from Operations	2,629.68	1,999.80	31.50%
Direct Expenditure	2,351.10	1,795.18	30.97%
EBITDA	278.58	204.62	36.15%
Depreciation & Amortisation	30.12	22.24	35.46%
EBIT	248.46	182.38	36.23%
Other Income	4.66	0.41	1031.80%
Interest (net)	126.22	59.82	110.98%
Exceptional Items	233.63	-	-
EBT	360.54	122.97	193.19%
Provision for tax	43.56	42.38	2.78%
Net Income	316.98	80.59	293.31%

# Revenues & EBITDA



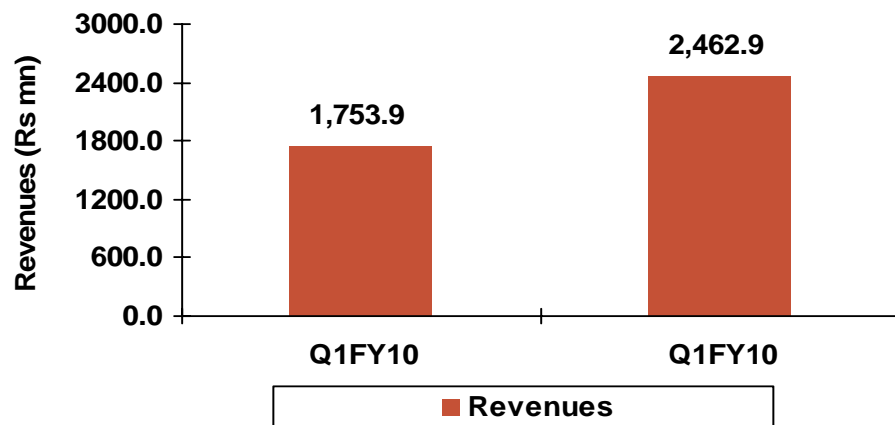
- Robust growth in revenues.
- Emphasis on profitable growth – revenue growth achieved with focus on margin expansion.

- EBITDA growth driven by expansion in revenues.
- EBITDA margin improves over same period last year.
- EPC margins are project variable and the pattern of EPC projects will impact EBITDA margins.

# EPC Segment

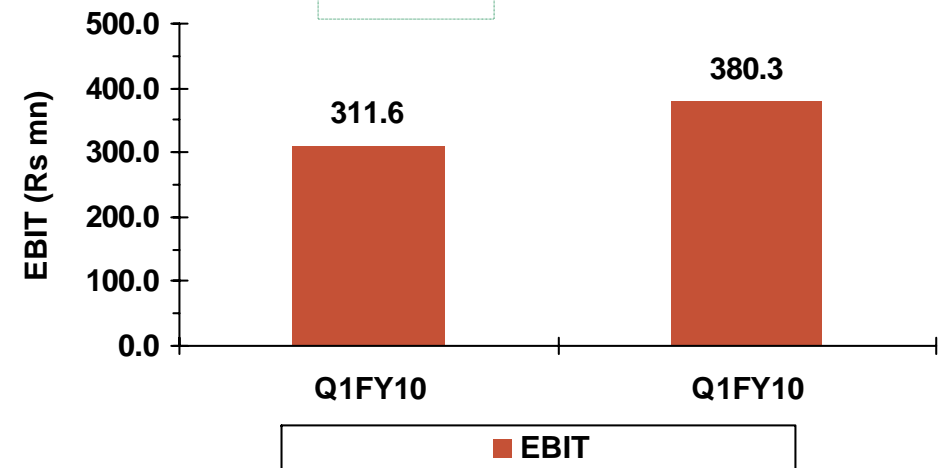
**EPC - Revenues**

↑ 40.4%



**EPC - EBIT**

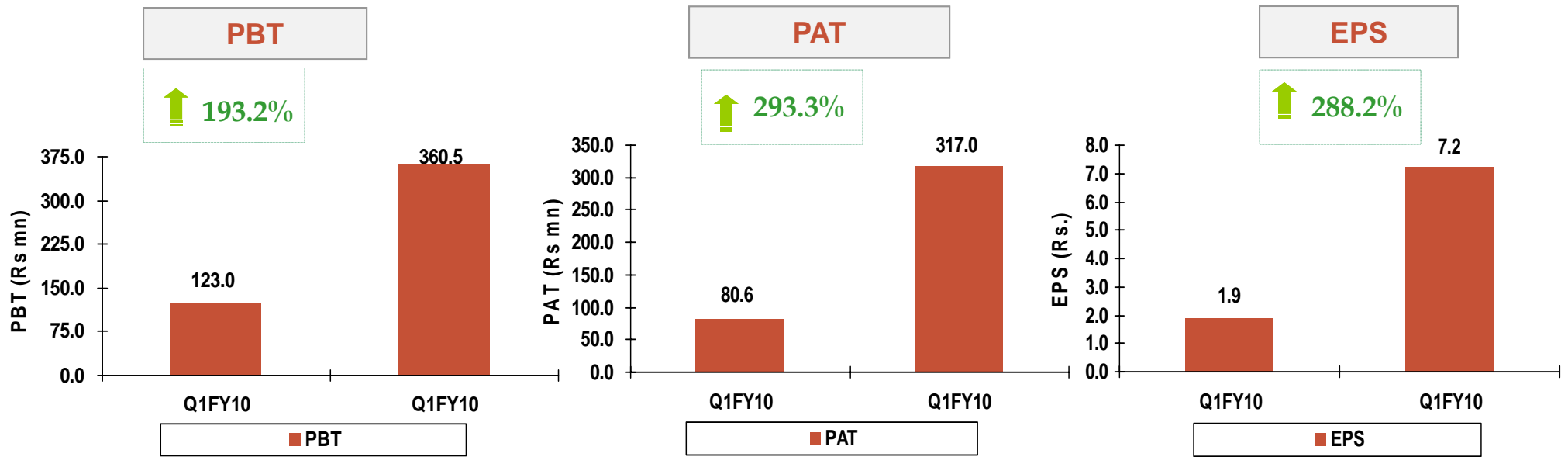
↑ 22.0%



- Healthy traction across all business lines.
- Biomass & Water Treatment key contributors during the quarter.
- Pipe Rehabilitation vertical contributes to overall turnover as well as profitability.

- EBIT growth attributable to volume growth and business mix.
- EBIT margins are variable from project-to-project.
- EBIT outlook strong – capacity expansion in place and order pipeline is improving.

# Profitability



- PBT expanded on the back of revenue growth and profit on sale of investment.
- Depreciation expands by 35% - attributable to installation of MW Class wind turbines.
- Interest cost higher on account of increased borrowings.

- PAT includes a one time gain of Rs.233.6 arising on account of sale of stake in an Associate Company.
- Company to focus on margin improvement in addition to overall growth.

- Minor dilution in equity due to ESOPs.
- EPS outlook strong – in line with continued growth in PAT.



# Operating Highlights

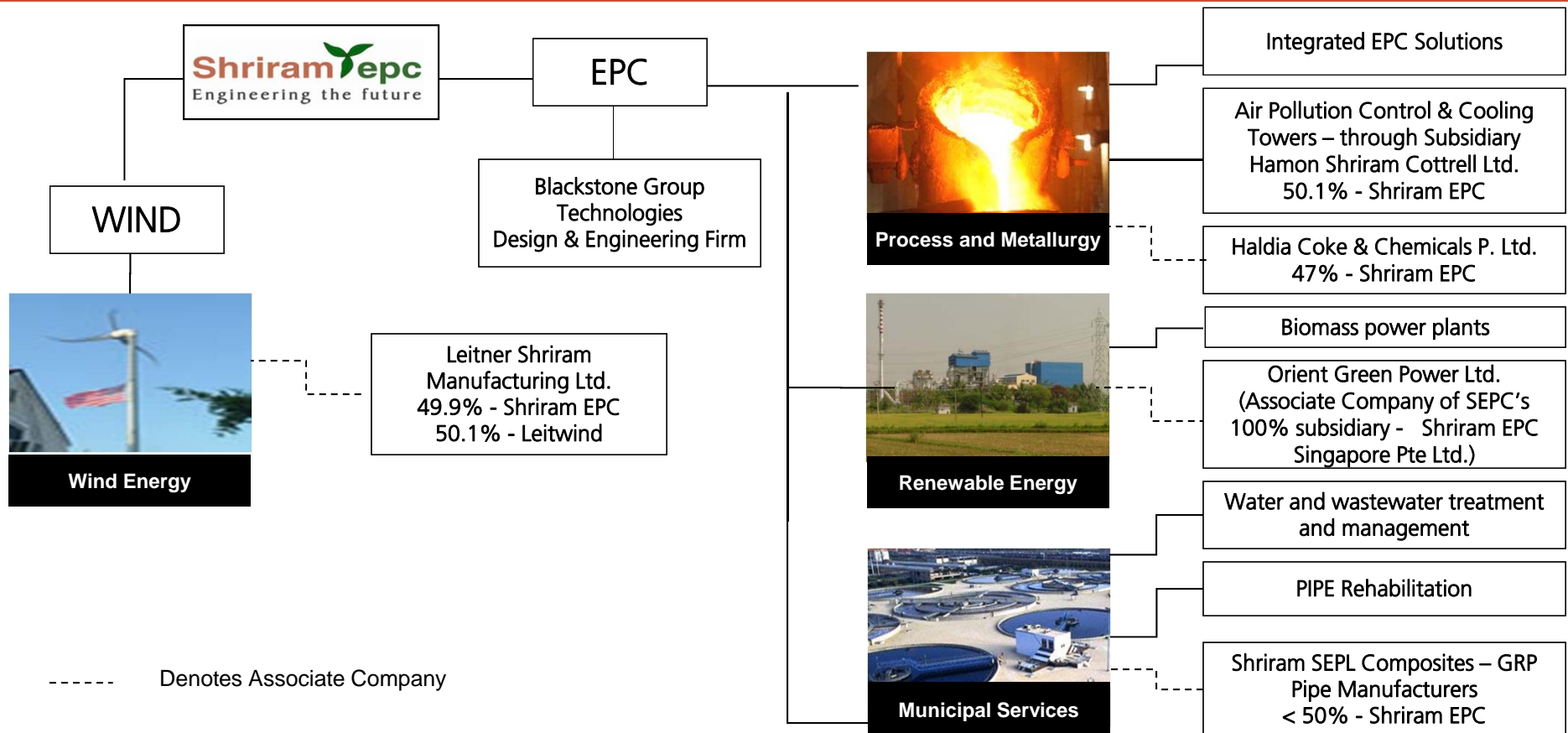
- The Standalone order book was at Rs. 16.26 billion on June 30, 2010 as compared to Rs. 11.92 billion on March 31, 2010.
- During the quarter the Company received the following major orders:
  - from SAIL for its Durgapur Steel Plant, along with its partners - Siemens VAI, Italy and Siemens VAI Metal Technologies Private Limited, India. The value of the order for SEPC is Rs.107 crore.
  - from Prakash Industries Limited to set up a Coal Handling Plant at its Champa Power Plant in Chhattisgarh. The value of the order is Rs.49 crore.
  - from Bangalore Water Supply and Sewerage Board for providing sewerage systems to the erstwhile KR Puram and Bommanahalli CMC areas. The value of the order is Rs.76 crore.
  - from the Urban Improvement Trust (UIT), KOTA worth Rs.83 crore.
  - from Chennai Metropolitan Water Supply and Sewerage Board for providing sewerage facilities for Porur Town Panchayat. The value of the order is Rs.34 crore.
- Shriram EPC associate company Orient Green Power Company Limited (OGPL) filed a Draft Red Herring Prospectus (DRHP) in April, 2010 with SEBI, for its proposed IPO. As on date Shriram EPC holds a 35.8% stake in OGPL. The rest of the stake is held by two PE investors – Bessemer Venture Partners (BVP) and Olympus Capital.
- During the quarter, Shriram EPC sold its entire investments 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. The Company has invested Rs. 4,003.05 lakhs in Haldia Coke & Chemicals Ltd for a 47% equity stake.



# Shriram EPC – Overview



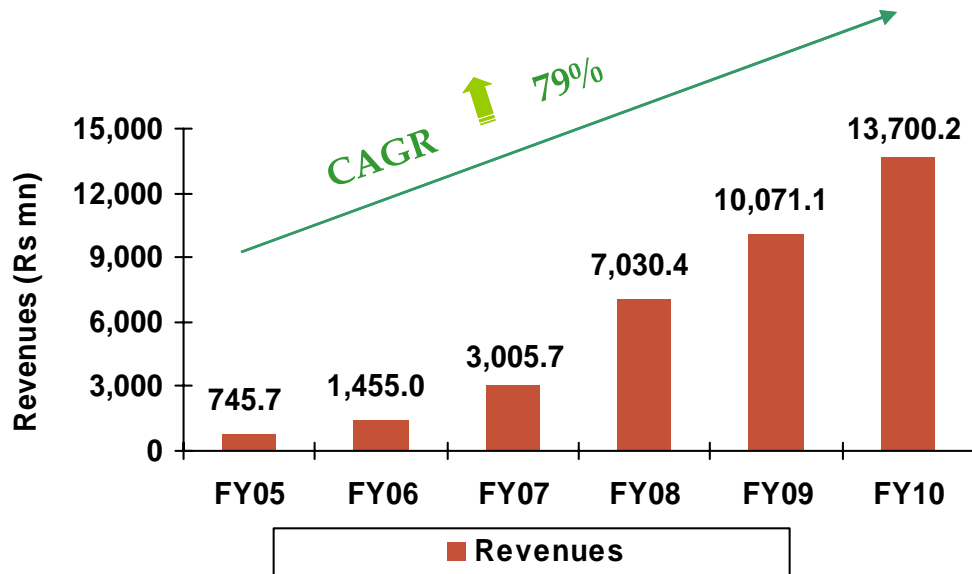
# Who we are ...



- Leading provider of integrated EPC services for Renewable Energy, Process and Metallurgy Plants and Municipal Services.
- Project experience and footprint across 16 states in India, and internationally in Zambia and France.
- Leading manufacturer of MW Class & KW Class Wind Turbine Generators through JV Co - Leitner Shriram Manufacturing Ltd.
- Leading Producer of Met Coke through Associate Co. – Haldia Coke and Chemicals Pvt. Ltd.
- Leading Manufacturer of Cooling Towers / Air Pollution Control Equipment through JV Co. - Hamon Shriram Cottrell Ltd.

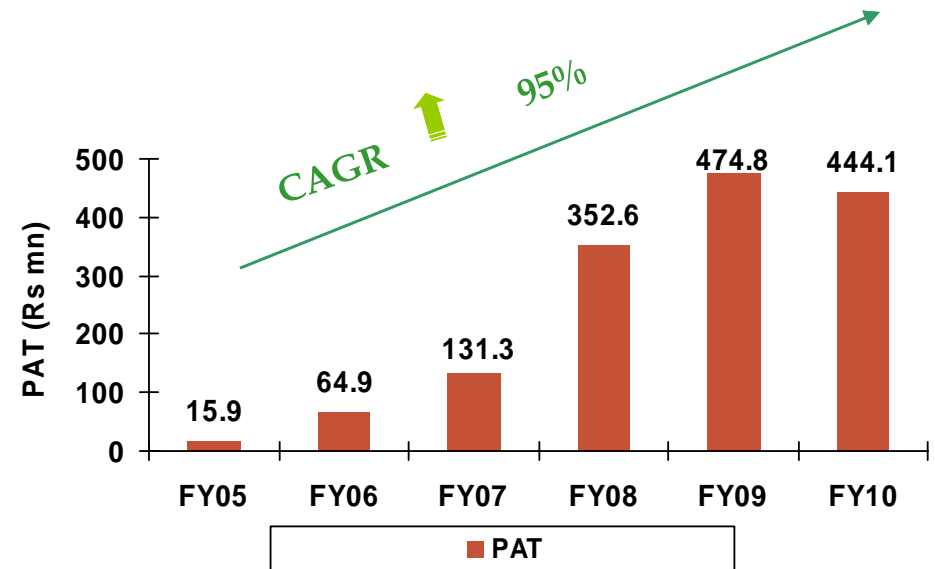
# Track Record of Profitable Growth

Revenues (Cons.)



- Consolidated Revenues of Rs. 13,700 million in FY 2010.
- CAGR of 79% for the period FY 2005 to FY 2010.

PAT (Cons.)



- Consolidated PAT of Rs. 444 million in FY 2010.
- CAGR of 95% for the period FY 2005 to FY 2010.

# Renewable Energy Asset Ownership Strategy

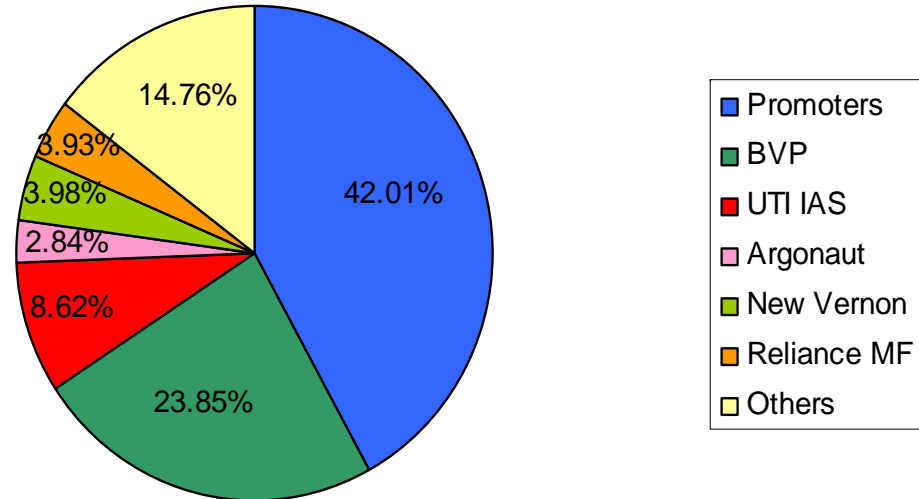
Orient Green Power Pte Ltd., Singapore (OGPS)



- Equity investment with Bessemer Venture Partners and Olympus Capital Holdings Asia.
- OGPL , the holding cum operating company will have Renewable Energy assets on its own as also will have majority equity ownership in SPVs implementing Renewable Energy projects focusing on Biomass, Biogas and Small Hydel.
- As of March 31, 2010 portfolio of assets included 193 MW of installed capacity comprising 152.6 MW of wind energy and 40.5 MW of biomass projects.
- Portfolio of committed and development projects included approx 815.5 MW of prospective capacity including 622.0 MW of wind power, 178.5 MW of biomass and 15.0 MW of hydroelectric power.

# Shareholding Pattern

As on June 30, 2010



Sponsorship by Marquee Financial Investors

# Board of Directors (as on 30.06.2010)

Name	Position	Education / Prior Experience	Board Member Since
Mr. A. Duggal	Chairman & Non Executive	B. Tech (Mech) - IIT (Delhi), MBA - IIM (Ah'bad) Bank of America, HCL Technologies	2007
Mr. T. Shivaraman	Managing Director & CEO	B. Tech (Chem), MS - IIT (Madras), ICI India Ltd.,	2007
Mr. M. A. Shariff	Joint Managing Director	PGD (Chem) - IIT (Madras)	2007
Mrs. V. Ranganathan	Promoter Director	PGD (Econ.) - Madras University Various Capacities - Shriram Group	2006
Mr. R. S. Chandra	Non-Executive Director	BA (Univ of California), MBA - Harvard Commonwealth Capital, Accenture, McKinsey	2006
Mr. R. Sundararajan	Independent Director	M. Tech (Mech) - JU, MBA - IIM (Ah'bad) ED/EVP - Matrix Laboratories	2006
Mr. K. Madhava Sarma	Independent Director	PGD (Math/Stats), IAS (Retd.) - TN/Central Govt. Ozone Secratariat - U.N.	2006
Mr. S.R. Ramakrishnan	Independent Director	M. Tech (Mech) - Anantapur Engg, Commercial Director, SAIL; Advisor - C. K. Birla Group	2007
Mr. Sunil Varma	Independent Director	F.C.A., I.C.W.A., PWC, IBM Consulting;	2008
Mr. S. Krishnamurthy	Independent Director	B.Sc., Diploma in Industrial Relations & Personnel Mgmt Former Chairman & CEO - Tamilnad Mercantile Bank	2009
Mr. Sunil K. Kolangara	Nominee Director (UTI)	B. Tech (Mech) - IIT (Chennai), MBA - IIM (Ah'bad) UTI Ventures Since 2003, Principal Consultant - Infosys	2010
Mr. Prabhakar D. Karandikar	Independent Director	IAS Officer - 1973, MSc. (Eco) - L.S.E., MA - Pune Univ Advisor - Mah & Mah, Various Capacities with GOI	2010



# Business Verticals

## Q1FY2011





# Highlights – EPC

- Turnkey EPC solutions for process and metallurgy plants such as iron & steel, copper, aluminium, cement, paper, pulp, coal fired power plants, coal gasification, etc.
- Provision of turnkey, engineering, fabrication & construction solutions for cooling towers & APC systems through subsidiary Hamon Shriram Cottrell in JV with Hamon Group, Europe.
- Engaged in the design, engineering and construction of biomass power plants and co-generation power plants.
- Turnkey design-build environmental projects catering to water and waste water treatment and management and water distribution systems, sewer and pipe rehabilitation.
- Executed projects for marquee customers like RIL, Grasim, SAIL, Jindal Steel & Power Ltd., BHEL, Vedanta Alumina and Finolex Ltd.
- Strong technical and collaborative partnerships include Leitner Group (Italy), Hamon Group (Belgium & USA), Danielli (Italy), Waterbury (Canada), SSIT (China), CPT (Hongkong), and Angerlehner (Austria), Envirotherm (Germany) and Roberts & Schaefer (USA).
- Leading Manufacturer of GRP Pipes through Associate Company – Shriram SEPL Composites Ltd. & Material Handling Equipment through Roberts & Schaefer, USA
- Has entered Into MoU with NWEPMI of China to jointly bid for EPC for Power Plants in India.



# Highlights – Wind Energy

- Provide integrated solutions through subsidiaries - including manufacturing, supply, erection, site identification, technical planning, grid connectivity and O&M.
- SEPC manufactures wind turbine generators of a MW class capacity as well as KW class capacity. The MW class turbines are manufactured using the proprietary gearless and permanent magnet technology of Leitner Technologies of Europe.
- SEPC offering of gearless MW class WTGs provides the following advantages:
  - greater efficiency,
  - lower net energy loss
  - lesser chance of downtime; and
  - lower maintenance costs.
- The Honourable High Court of Judicature at Madras vide its Order dated 11<sup>th</sup> January 2010 has approved the Scheme of Amalgamation for merger of M/s Shriram Leitwind Ltd (SLL) with M/s Leitner Shriram Manufacturing Limited (LSML) with the appointed date i.e. 1<sup>st</sup> April , 2009. Pursuant to the order becoming effective from 23<sup>rd</sup> Jan 2010, SLL ceases to be the Subsidiary of the Company.

WTG Segment  
Technology partner  
Leitwind



Leitner Shriram Manufacturing Ltd. (LSML)  
Stake - Shriram EPC – 49.9%  
Leitwind – 50.1%

- SEPC has transferred existing 250KW WTGs business to LSML
- LSML manufactures MW class turbines, including the blades, at its integrated manufacturing facility in Gummidipondi in Tamil Nadu.





Thank You

