



**Quarter & 15 months ended
June 30, 2013**

Investor Presentation

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.

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Key Perspectives



Section-1

- **Focused EPC service provider:** Following the sale of stake in Subsidiary / Associate Companies to SIHL - SEPC now focused on core EPC business
- **Exits Cement business:** Concludes sale of Sree Jayajyothi Cements to MHIL (50:50 JV of CRH Plc., Ireland & My Home Group, Hyderabad)
- **Retirement of Debt:** Will utilize proceeds from sale of subsidiaries and amounts received from SJCL stake sale towards repayment of debt
- **Strong operating performance:** Revenue growth intact – visibility high with order backlog of ₹4,100 crore as of June 30 , 2013
- **Increased internationalization of business:** Order backlog includes USD 235 million order win for municipal services from a customer in Basra, Iraq - to pursue opportunities in regions of SAARC, West Asia & Africa
- **On strong footing:** Enhanced competencies and track record are supported by financial backing of the USD 9 billion Shriram Group

Extensive experience in process and metallurgy, construction of power plants, water sanitation and waste water treatment, and mineral processing/material handling

SEPC offers high value solutions in niche segments including process & metallurgy, municipal services, thermal power, renewable energy, metals and mineral processing and water infrastructure

Extensive Knowledge

Management is well respected and has extensive knowledge in each of the business's core competencies. SEPC has a well established track record.

Diversified Business Model

Opportunity and Outlook

Growing industry requirements increasing the need for EPC work, particularly in process plants and metallurgy. Demand for power increasing, particularly from RE. Urbanization creating an urgent need for water sanitation which will grow the municipal services vertical.

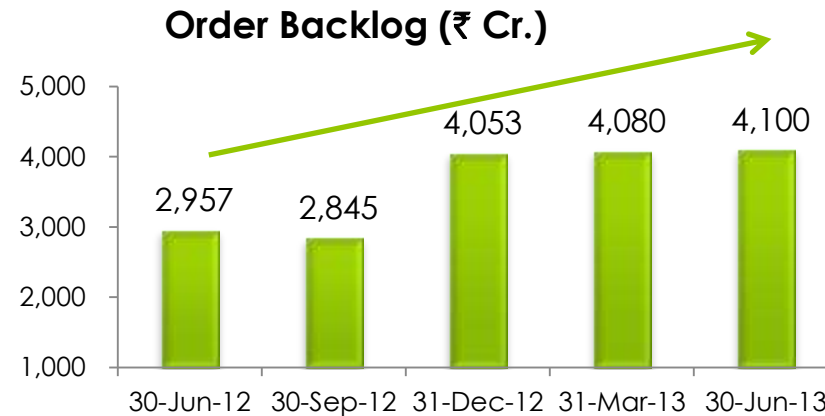
What distinguishes SEPC?

The Company is enjoying a healthy order book position, driven by steady performance of its process and metallurgy, renewable energy, and municipal services business segments.

High Visibility

Strategic Partnerships

Shriram EPC has formed strategic partnerships with engineering majors all over the world in each of its core areas

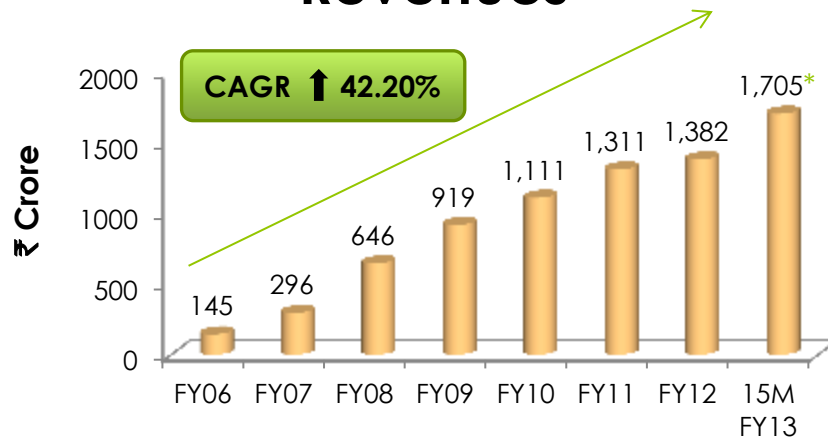


The order book was at ₹4,100 crore on June 30, 2013 compared to ₹4,080 crore as on March 31, 2013 and ₹4,053 crore as on Dec 31, 2012 . Key orders received over the last 15 months include:

SHRIRAM EPC

- An order amounting to Iraqi Dinars 275,566,491,217- approx. USD 235 million – for the supply and laying of basic sanitary systems in Basra, Iraq
- An order amounting to ₹234.01 crore from Hutti Gold Mines Company Limited (HGML), a Government of Karnataka undertaking in consortium with M/s. Shandong Gold Group Yantai Design and Research Engineering Co., Ltd. China for construction of a circular shaft. of a diameter of 6 meters and a depth of 960 meters
- A repeat order from Kerala Feeds Ltd. (KFL), a Government of Kerala undertaking for ₹30.3 crore for setting up of a 300 TPD Cattle Feed Plant at Thiruvangoor, Kozhikode
- Two orders amounting to ₹103.4 crore in its municipal service vertical:
 - The first order is a repeat order from the Gujarat Urban Development Company Ltd., (GUDCL), for ₹ 75.6 crore, for undertaking fixing & supplying of DI, MS, HDPE Pipes and erection & commissioning of pumping stations, conventional water treatment plant & incidental facilities including electro mechanical works
 - An order amounting to ₹27.84 crore from Kayalpattanam Municipality, Kayalpattanam, Tamilnadu for construction of intake wells, underground and overhead storage and setting up of a 50.5 km distribution network using DI Pipes

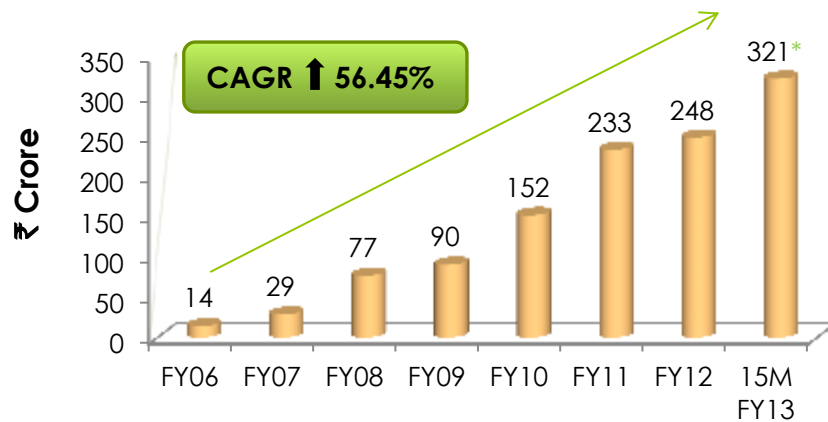
Revenues



Revenues of ₹1,705 Cr. in FY 2013*

CAGR of 42.20% for the period FY2006 – FY2013*

EBIT



EBIT of ₹321 Cr. in FY 2013*

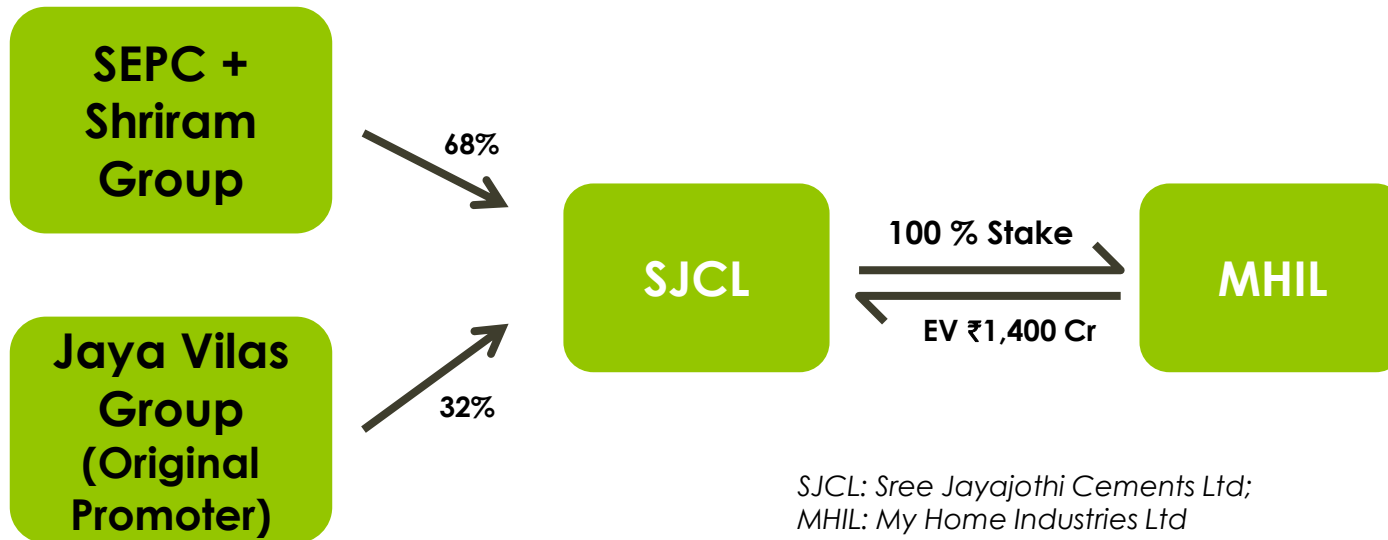
CAGR of 56.45% for the period FY2006 – FY2013*

* FY13 figures for the 12 months ended March 31, 2013; SEPC has extended its Financial Year commencing from April 01, 2012 to June 30, 2013, i.e. a period of 15 Months

Corporate Developments



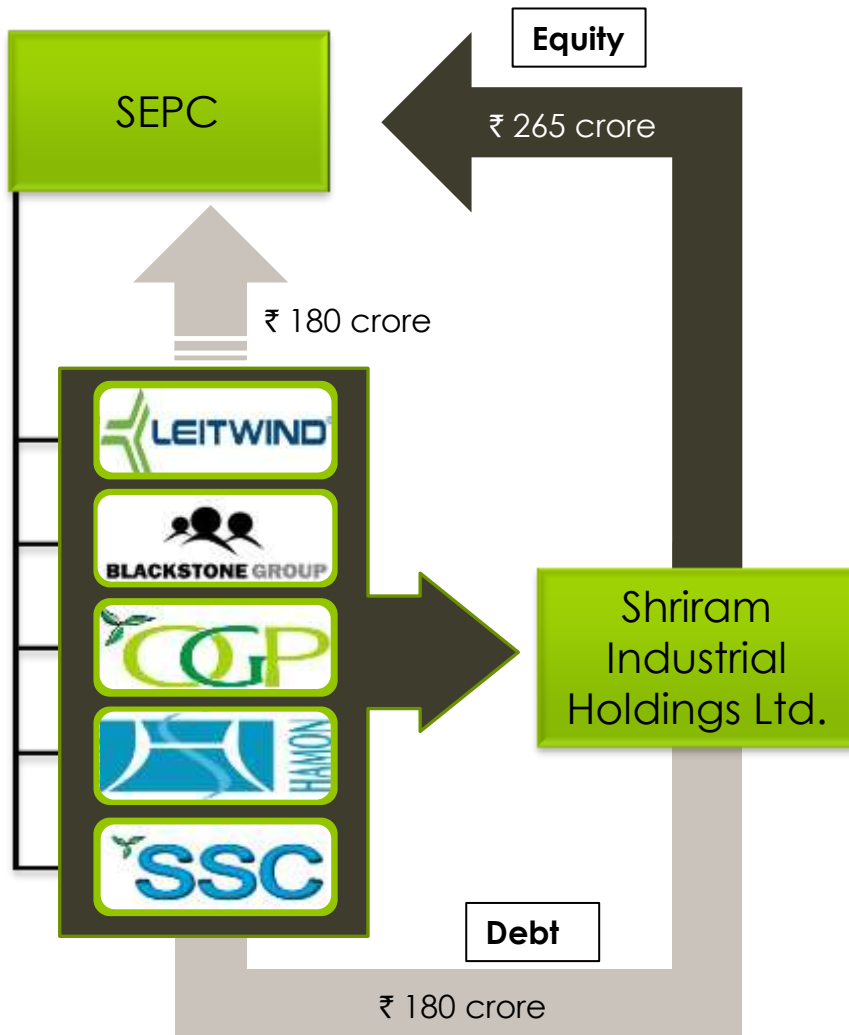
Section-2



- In August, 2013; the Shriram EPC sold its stake in SJCL to MHIL, a 50:50 JV between CRH Plc., Ireland and My Home Group, Hyderabad
- MHIL valued SJCL at an enterprise value of ₹1,400 crore
- SEPC will utilize the proceeds from its share towards retirement of its high cost debt
- Apart from its equity value, SEPC will also receive ₹375 crore towards debt which it had raised on behalf of SJCL
- Balance Sheet to strengthen following repayment of debt

Exiting non core investments

Focusing on core EPC business



- Decision to exit non core investments in Feb, 2013
- Resolution approving the transaction was approved by Shareholders vide Postal Ballot in March, 2013
- Stake in subsidiary & associate companies transferred in favor of Shriram Industrial Holdings Ltd. (SIHL)
- SIHL has paid ₹265 crore to SEPC towards the equity value of these subsidiary & associate companies.
- Further, an amount of ₹180 crore of debt on behalf of these companies has been transferred from SEPC's books to SIHL

Utilisation of proceeds

- Proceeds of ₹445 crore to be deployed towards repayment of debt
- Meaningful improvement in bottom line post debt reduction
- Fund infusion & debt retirement to result in lower interest outgo

- SEPC continues to witness steady order inflows across its business verticals with order wins in Process & Metallurgy, power and municipal services
- Delivered order win momentum through varied market conditions - SEPC enjoys total order backlog of ₹4,100 crore as of June 30, 2013
- Plans to ramp up staff to compress execution timelines
- Widening international presence – to pursue business opportunities in proximate regions such as SAARC, West Asia and Africa
- Improved traction in water business / municipal services – increasingly being awarded L1 position in bids for water business

Financial Highlights



Section-3

Apr – Jun' 13 **Net Sales** at ₹ 215 crore vs ₹411 crore Apr – Jun' 12

- The April – June quarter is a seasonally weak quarter and revenues have been further impacted by slowing execution cycles

Apr – Jun' 13 **EBITDA** at ₹ (15) crore vs ₹64 crore Apr – Jun' 12

- Trend in project mix and increase competition has led to moderation in EBITDA; expect gradual pick up in the coming quarters

Apr – Jun' 13 **PAT*** at ₹ (266) crore vs ₹1 crore Apr – Jun' 12

- Containment of finance costs to be visible from July – Sept quarter as transaction proceeds deployed towards debt repayment will result in improving profitability and strengthening of balance sheet

Order book of ₹4,100 crore as on June 30th, 2013

- Order backlog position is strong and the project mix is diversified across industries – the outlook for revenues remains stable

***Exceptional write-off amounting to ₹201 crore on account of**

- Expected loss arising on sale of investments in Sree Jayajothi Cement Limited (SJCL); Shortfall in realization of receivables due from Sree Jayajothi Cement Limited (SJCL); Provision for diminution in value of investments in optionally convertible debentures in Spark; Profit (net) on sale of investments in subsidiaries & associates
- This write off is a part of the restructuring that will enable SEPC to focus on its core EPC business where the outlook is positive and order book is healthy

Figs. In crore

Income Statement	Standalone		
	Apr- Jun, 2013	Apr - Jun, 2012	Change (%)
Sales & Services Income	212.3	408.2	(48.0%)
Other Operating Income	2.2	2.6	(15.4%)
Income from Operations	214.5	410.8	(47.8%)
Direct Expenditure	229.7	347.4	(33.9%)
EBITDA	(15.2)	63.4	-
Depreciation & Amortisation	2.7	3.0	(10.0%)
EBIT	(17.9)	60.4	-
Other Income	10.2	8.3	22.9%
Interest (net)	97.5	67.4	44.7%
Exceptional item *	(201.3)	-	N.A
EBT	(306.5)	1.4	-
Provision for tax	(40.6)	0.5	-
Net Income	(265.9)	1.0	-

Figs. In crore

Standalone		
15M ending Jun, 2013	12M ending Mar, 2012	Change (%)
1,692.8	1,375.1	23.1%
12.4	7.1	74.6%
1,705.2	1,382.2	23.4%
1,444.1	1,159.7	24.5%
261.1	222.5	17.3%
14.3	12.2	17.2%
246.8	210.3	17.4%
60.3	25.7	134.6%
410.9	196.9	108.7%
(201.3)	-	N.A
-	-	N.A
(42.3)	13.6	-
(262.9)	25.5	-

*** Apr- Jun'13 period includes exceptional item worth ₹201.3 crore on account of:**

- Expected loss arising on sale of investments in Sree Jayajothi Cement Limited (SJCL)
- Provision for shortfall in realization of receivables due from Sree Jayajothi Cement Limited (SJCL)
- Provision for diminution in value of investments in optionally convertible debentures in Spark
- Profit (net) on sale of investments in subsidiaries & associates

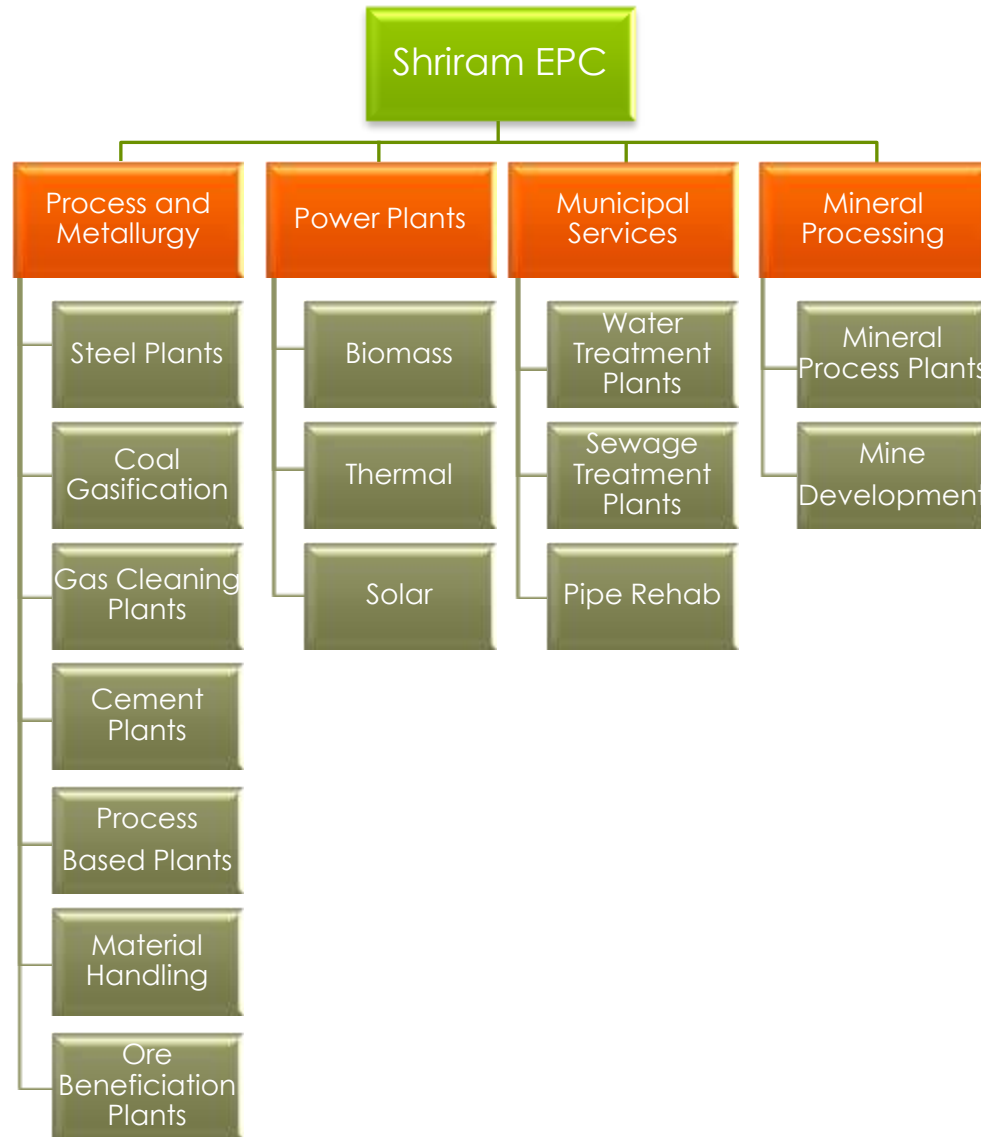
Figs. In crore

Sources of Funds	June 30, 2013	March 31, 2012	Change (%)
Share Capital	44.36	44.34	(0.1%)
Reserves & Surplus	200.30	463.14	(56.8%)
Networth	244.66	507.48	(51.8%)
Secured Loans	1,559.74	1,797.44	(13.2%)
Deferred Tax Liability	-	30.73	N.A
Total Debt	1,559.74	1,828.17	(14.7%)
Total Liabilities	1,804.40	2,335.65	(22.7%)
Application of Funds	June 30, 2013	March 31, 2012	Change (%)
Gross Block	74.15	167.02	(55.6%)
Depreciation	29.61	40.77	(27.4%)
Net Block	44.54	126.25	(64.7%)
Capital W-I-P	9.32	-	N.A
Investments	244.33	289.82	(15.7%)
Deferred Tax Asset	13.94	-	N.A
Total Current Assets	2,134.04	2,849.62	(25.1%)
Total Current Liabilities	641.76	930.64	(31.0%)
Net Current Assets	1,492.27	1,919.58	(22.3%)
Total Assets	1,804.40	2,335.65	(22.7%)

- Balance Sheet to strengthen as proceeds from exiting non-core investments would be directed towards partial retirement of its high cost debt
- Board approves issue of optionally convertible debentures worth ₹100 crore and issue of cumulative redeemable preference Shares worth ₹ 200 crore to brace its capital structure; enabling it to sustain growth & execution of its core EPC business
- Strengthening of Balance Sheet including lowering of debt obligation, to augment capital structure and keep gearing level in check
- Going ahead, contained interest expense will result in higher profitability for the business
- Focus on improved return on equity through growth in operations and increased profitability

About SEPC





- Leading provider of integrated EPC solutions for renewable energy, process and metallurgy plants, and municipal services
- Significant project experience, established track record, pan-India presence, international forays into Zambia, France, Australia and Iraq.
- Strong order book, consistently growing year on year since FY2006
- Diverse business model – strategic focus in select core areas distinguishes the Company from the rest of the pack

Projects Executed



10 MW POWER PLANT FOR VARUN BIO ENERGY



PIPE REHABILITATION



CROSS COUNTRY CONVEYOR FOR SREE JAYAJYOTHI CEMENT



10 MW POWER PLANT FOR ETA POWERGEN



WATER TREATMENT FOR TWAD BOARD

Projects Executed



1.5 MW WIND TURBINE AT UTHUMALAI



COAL GASIFICATION PLANT FOR JINDAL STEEL



COLOUR COATING LINE FOR TATA BLUESCOPE LTD.



SILOS AT KFL, KERALA



GAS CLEANING PLANT FOR KCM, ZAMBIA

Major Customers



Reliance Industries Ltd



Tata Steel



Vedanta Group



Steel Authority of India Ltd



Jindal Steel & Power Ltd



Kerala Feeds Limited Sewerage Board



Delhi Jal Board



Gujarat Water Supply & Sewerage Board

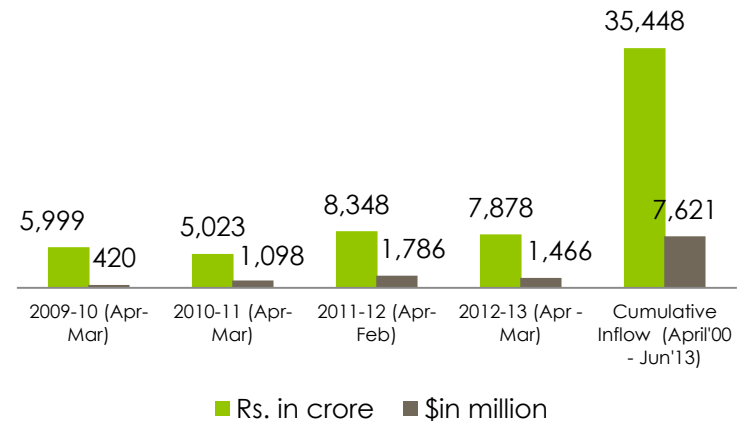
Immense opportunity for players in the EPC space

The EPC market opportunity is still largely interdependent on the fortunes of the infrastructure sector. Huge investments have been planned in ports, railways, roads and bridges, irrigation, power, and water supply and sanitation. Assuming the share of construction investment at approximately 50 %, **this indicates an opportunity for EPC players of ~ ₹ 16 trillion.**

Process and Metallurgy

- Strong long term demand from the steel industry to drive the iron ore industry through current headwinds
- Key drivers
 - Increasing consumption rates
 - Rapid Urbanisation
 - Urgent upgradation of infrastructure
 - Steady growth of the construction sector
- **Metallurgical sector has attracted USD 7,621 million in cumulative inflows from Apr 2000 – Jun 2013** accounting for ~4% of total FDI inflow. This is set to increase on the back of growing interest in the Indian EPC market.

Source for table and graph: DIPP



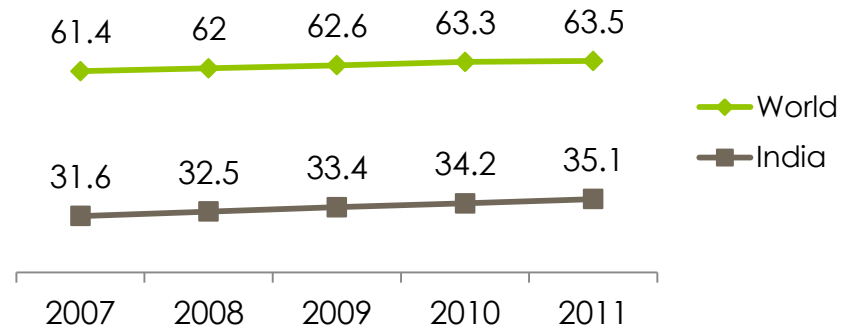
	2009-10	2010-11	2011-12	2012-13	Cumulative Inflow
	(Apr-Mar)	(Apr-Mar)	(Apr-Feb)	(Apr-Mar)	(April'00 - Jun'13)
₹ in crore	5,999	5,023	8,348	7,878	35,448
\$ in million	420	1,098	1,786	1,466	7,621

Municipal Services

The percentage of urban population in India has been increasing at a tremendous pace. However, over a period of 20 years, the percentage of population with access to sanitation has only risen by 7 percentage points. **Government investment in the sector has been progressing at a steady pace and is expected to increase substantially given focused funding programs and entry of municipalities of Tier 2 & 3 cities in India.**

Source: World Bank (Graph), Eleventh Five Year Plan

Improved sanitation facilities (% of population with access)

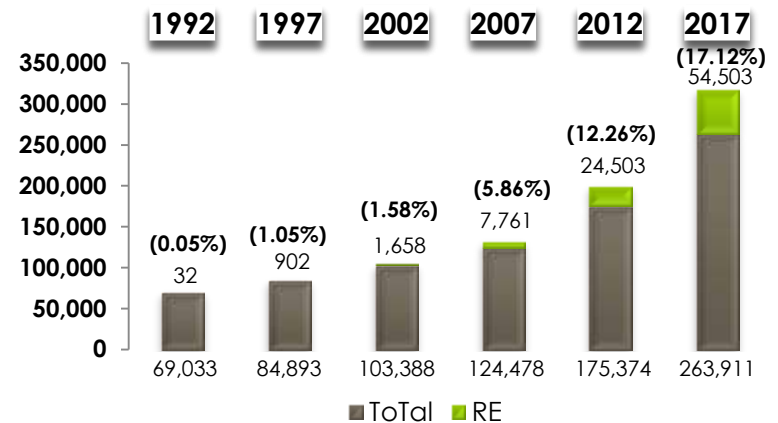


Renewable Energy (RE)

While there have been recent challenges to investments in Renewable Energy in India, the prospects for growth remain high and sustained traction is expected resulting in several opportunities:

- Over the next five years, the installed capacity of RE is expected to more than double from the level at end-2012
- The share of RE is expected to increase from 12.3% of installed capacity in 2012 to 17.1% of installed capacity in 2017
- SEPC is well-placed to meet the demands of the RE EPC market.

Total Energy & RE Capacity



2000

- Incorporation of the Company
- Receipt of 1st Biomass Power Plant Order

2003

- Commencement of Process & Metallurgy Business

2004

- Acquisition of the cooling towers business of Shriram Tower Tech Ltd
- Commencement of Pipe Rehabilitation Business

2005

- Merger of Shriram Eng. Construction
- Investment by Chryscap

2006

- Certification by DEWI-OCC for 250kw wind turbines
- Investment by UTI & Bessemer Venture Partners

2007

- JV with Leitner Technologies for Megawatt class wind turbines
- Installation of MW class Wind Electric Generator
- First contract for Coal Gasification Plant

2008

- JV with Strategic Eng. For GRP pipes
- Listing of Shriram EPC at NSE & BSE
- Acquired Blackstone Group Technologies

2009

- SAP implemented
- ISO 9001 (2008) Certified
- Leitner Shriram commences production

2010

- SEPC turnover crosses ₹1,000 Crore
- OGPL files for IPO

2011

- Foray into Solar thermal power vertical
- Foray into Metals & Mineral Processing

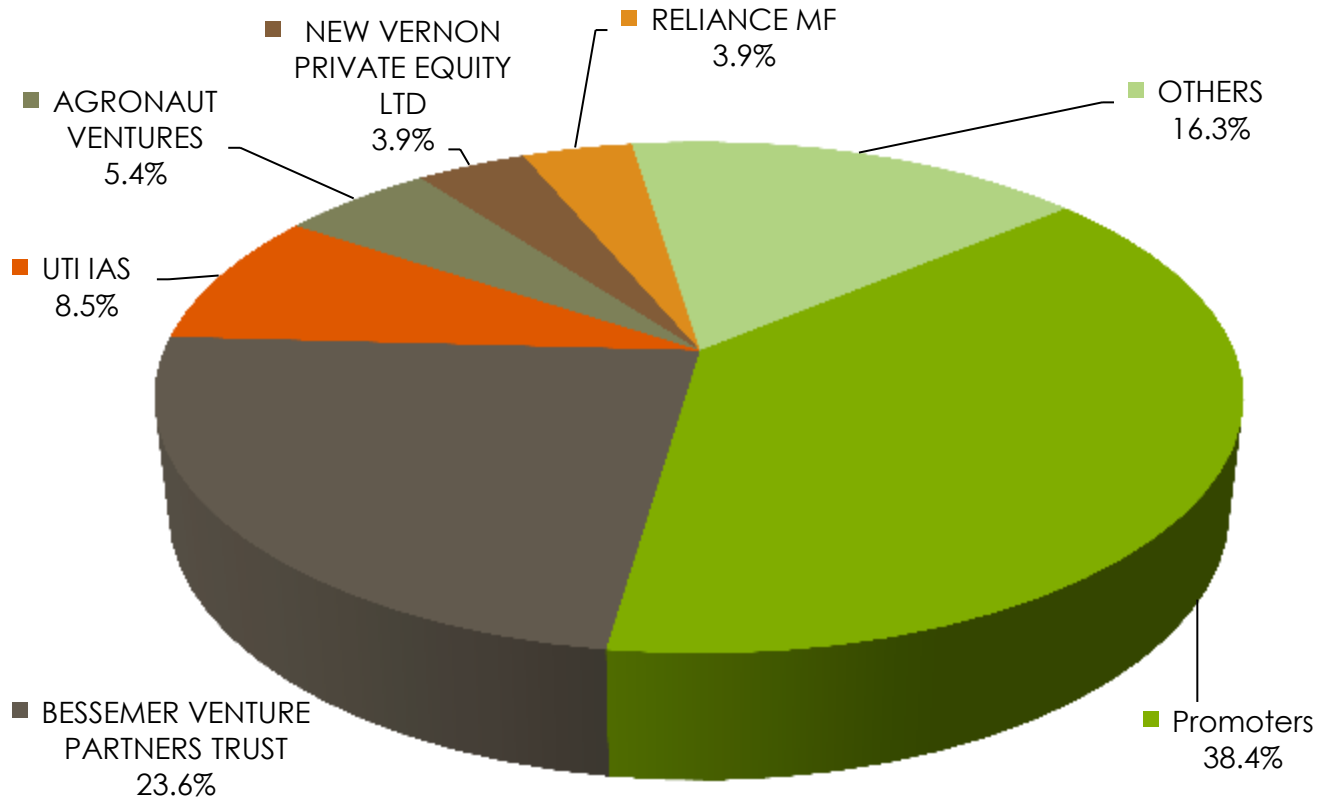
2012

- Acquired Stake in Cement Plant of SJCL
- Strategic Foray into International markets of Africa, West Asia & South Asia

2013

- Large Order win in Basra, Iraq
- Stake sale in subsidiaries/ associates to SIHL
- Concluded sale of Sree Jayajothi Cements
- Transformed into a pure play EPC Services Co. with increasing focus on exports

Shareholding Structure - June 30, 2013



Thank you