



Investor Presentation

Q3 & 9MFY10 Results
December 2009



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 (Standalone) & Operating Highlights

Q3 & 9MFY10



Financial highlights – 9MFY10

- **9MFY10 Total Income from Operations of Rs. 6,364.5 million vs. Rs. 5,623.7 million in 9MFY09 – growth of 13.2%.**
- **9MFY10 EBITDA at Rs. 639.5 million vs. Rs. 422.1 million in 9MFY09**
- **9MFY10 PAT at Rs. 245.6 million vs. Rs. 215.2 million in 9MFY09.**
- **9MFY10 EPS (Basic) of Rs. 5.64 per share vs. Rs. 4.98 per share in 9MFY09.**
- **Standalone order book of Rs. 14.22 billion on 31st December 2009.**

Financial highlights – Q3FY10

- Q3FY10 Total Income from Operations of Rs. 2,404.0 million vs. Rs. 2,292.46 million in Q3FY09 – growth of 4.6%.
- Q3FY10 EBITDA at Rs. 247.6 million vs. Rs. 126.96 million in Q3FY09.
- Q3FY10 PAT at Rs. 74.4 million vs. Rs. 71.79 million in Q3FY09.
- Q3FY10 EPS (Basic) of Rs. 1.71 per share vs. Rs. 1.66 per share in Q3FY09.
- Standalone order book of Rs. 14.22 billion on 31st December 2009.

9M FY10 Financial Overview

Income Statement	Rs. Million		
	Standalone		Percentage Change
	9MFY10	9MFY09	
Sales & Services Income	6,299.27	5,601.88	12.45%
Other Operating Income	65.19	21.80	199.09%
Income from Operations	6,364.46	5,623.67	13.17%
Accretion / decretion to Stock	(473.50)	(375.52)	26.09%
Transfer of stocks to Subsidiary & Associate	-	(115.16)	N.A
Consumption of Raw Materials	5,918.54	5,434.10	8.91%
Employee Cost	128.66	151.42	-15.03%
Other Expenditure	151.21	106.69	41.74%
Total Expenditure	5,724.92	5,201.53	10.06%
EBITDA	639.54	422.14	51.50%
Depreciation & Amortisation	71.17	29.81	138.75%
EBIT	568.37	392.33	44.87%
Other Income	12.13	0.08	N.A
Interest (net)	235.86	69.06	241.51%
EBT	344.64	323.35	6.58%
Provision for tax	99.07	108.20	-8.43%
Net Income	245.56	215.15	14.14%

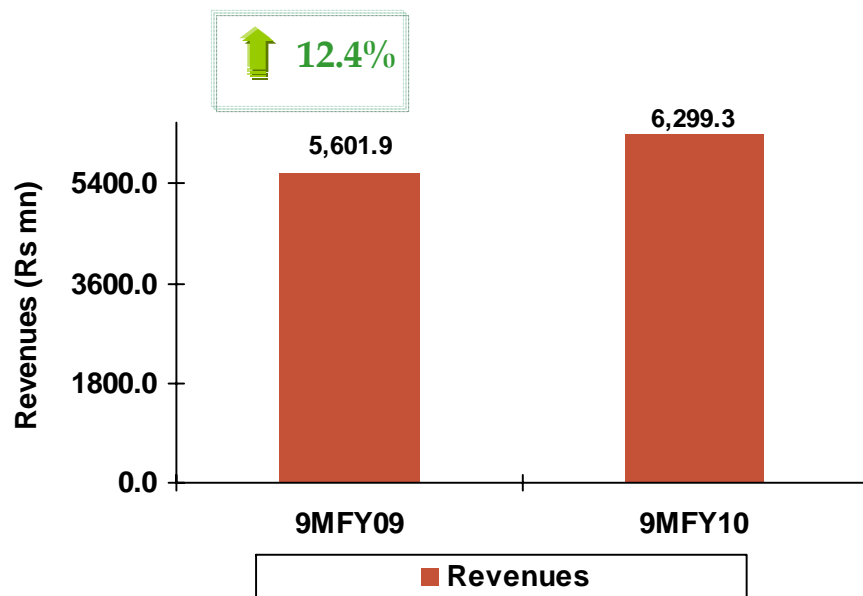
Q3 FY10 Financial Overview

Rs. Million

Income Statement	Standalone		
	Q3FY10	Q3FY09	Percentage Change
Sales & Services Income	2,382.93	2,292.46	3.95%
Other Operating Income	21.02	6.81	208.48%
Income from Operations	2,403.96	2,299.28	4.55%
Accretion / decretion to Stock	(87.27)	(228.63)	(9.58%)
Consumption of Raw Materials	2,151.32	2,310.34	-6.88%
Employee Cost	34.85	55.31	-36.99%
Other Expenditure	57.46	35.30	62.79%
Total Expenditure	2,156.35	2,172.31	-0.73%
EBITDA	247.60	126.96	95.02%
Depreciation & Amortisation	28.61	10.76	165.99%
EBIT	219.00	116.21	88.45%
Other Income	0.83	0.00	NA
Interest (net)	110.01	12.66	768.67%
EBT	109.81	103.55	6.05%
Provision for tax	35.36	31.75	11.38%
Net Income	74.45	71.79	3.70%

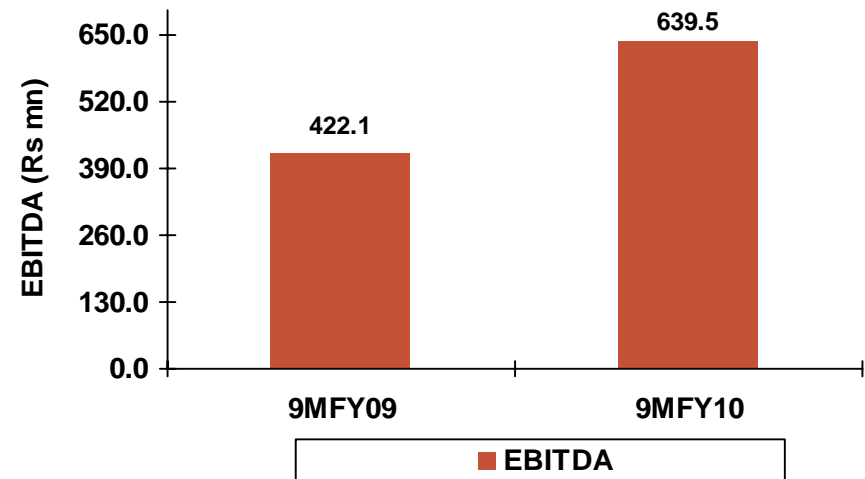
Revenues & EBITDA

Net Sales



- Sustainability in revenues.
- Emphasis on profitable growth – revenue growth achieved with focus on margin expansion.
- Scalability led by expansion of capacities and business skills.

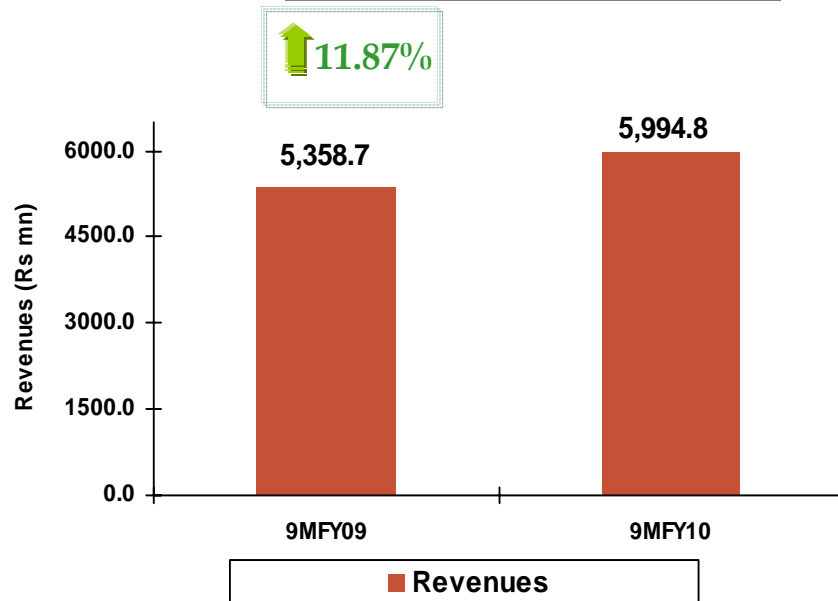
EBITDA



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

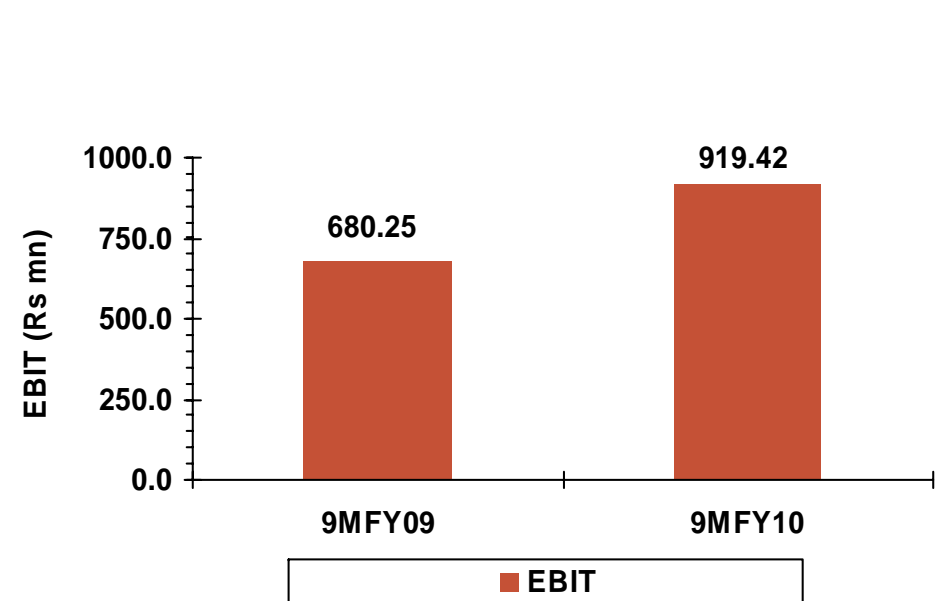
EPC Segment

EPC - Revenues



- Healthy traction across all business lines.
- Process & metallurgy key contributor during the quarter.
- Municipal Services vertical contributes to overall turnover as well as profitability.

EPC - EBIT

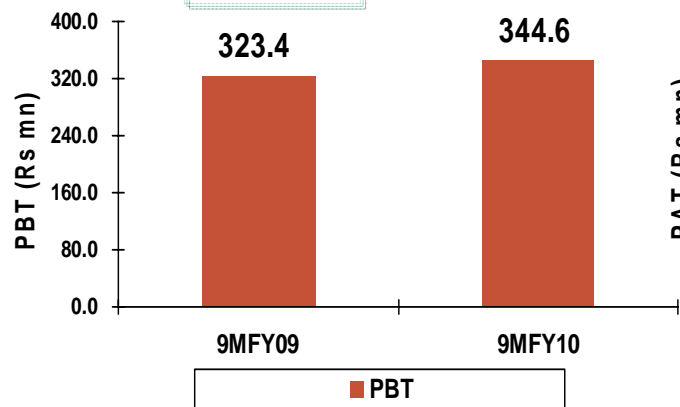


- EBIT growth attributable to volume growth and business mix.
- EBIT margins are variable from project-to-project.
- EBIT outlook strong – capacity expansion in place and order pipeline is steady.

Profitability

PBT

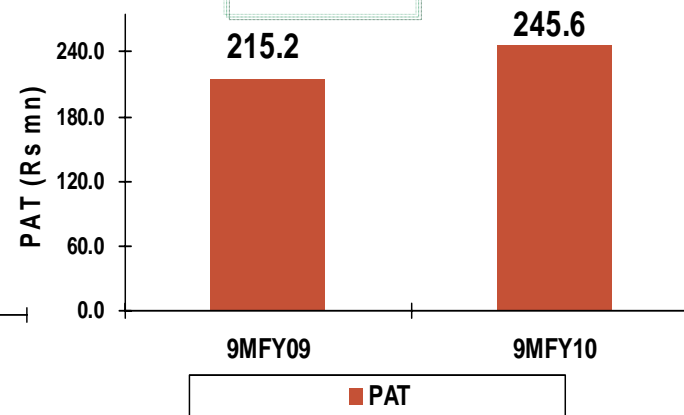
↑ 6.6%



- PBT expanded on the back of revenue growth.
- Depreciation expands by 166% - attributable to installation of MW Class wind turbines.
- Interest cost higher on account of increased borrowings.

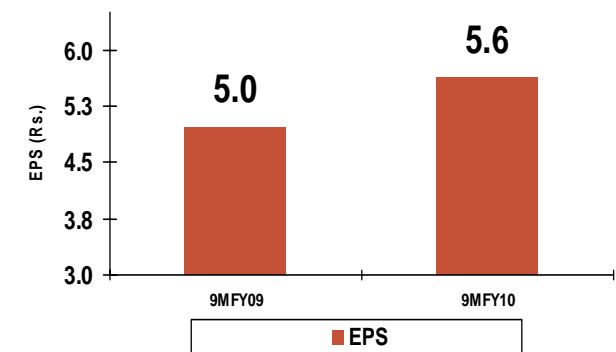
PAT

↑ 14.1%



- Continued growth in PAT.
- PAT margin steady compared to same period last year.
- Company to focus on margin improvement in addition to overall growth.

EPS



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

Operating Highlights

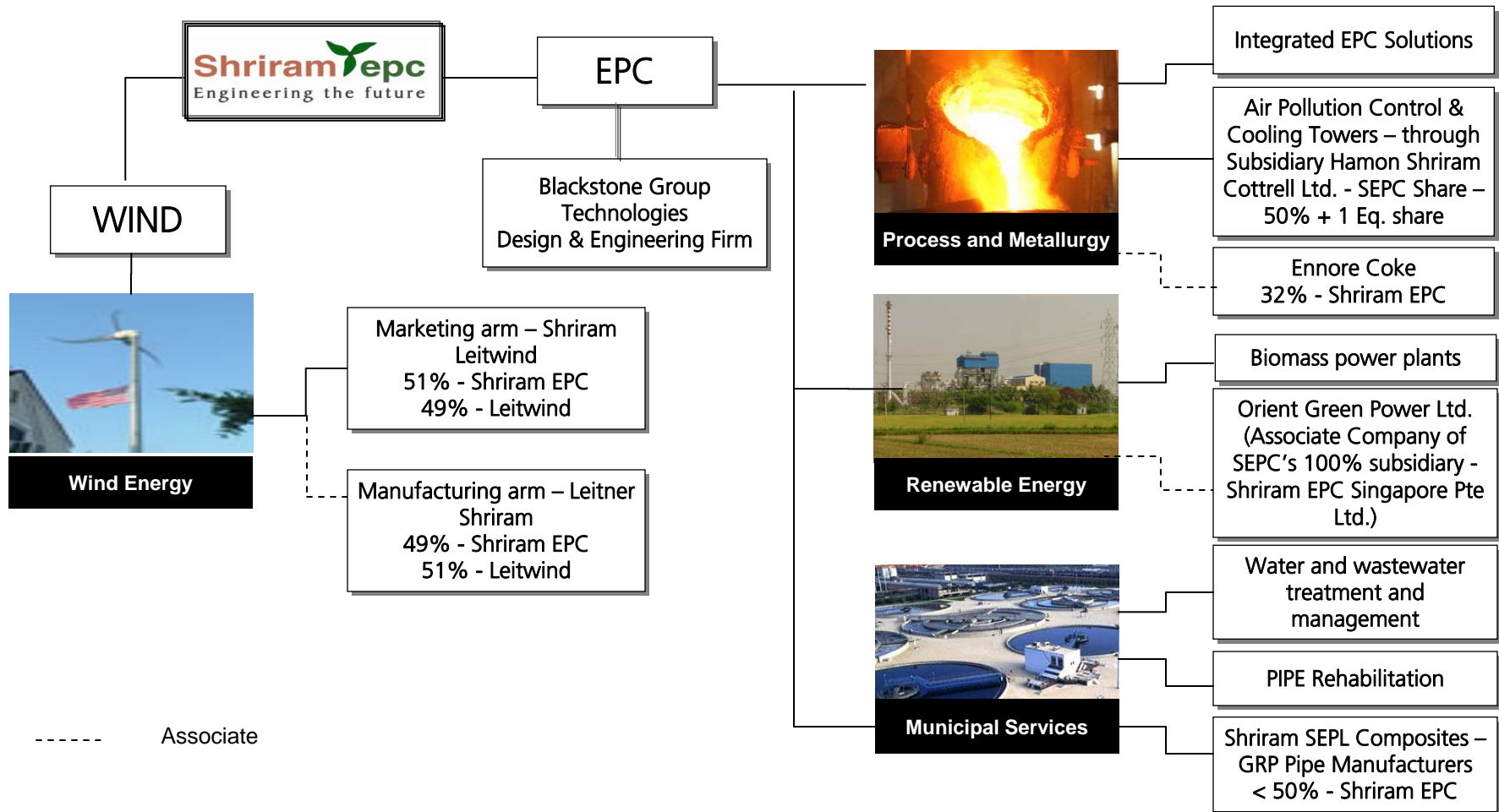
- The Standalone order book is at Rs. 14.22 billion as on December 31, 2009.
- During the Quarter, the company received the following orders:
 - from Kerala Feeds Ltd. for setting up of a 300 TPD Cattle Feed Plant at Kallelibhagom, Karunagappally in Kerala. The value of the order is Rs. 30 crore.
 - from the Kerala Water Authority for a Clear Water Transmission Pipeline at Kochi. The order value for this project is Rs. 36 crore.
- The company signed a MoU with China-based North West Electric Power Design Institute to form a consortium for execution of thermal power projects, to be implemented on an EPC basis in India. SEPC will be the lead partner in this consortium. The MoU is in place for a period of 5 years and can be extended.
- SEPC's Associate Company – Leitner Shriram Manufacturing Ltd. was awarded orders for installing 45 MW of wind turbines in Maharashtra and Tamil Nadu. The orders are executable over the next 12 months.
- SEPC's Subsidiary Company - Hamon Shriram Cottrell was awarded an order worth Rs. 90 crore from Mangalore Refinery and Petrochemicals Ltd. for setting up a Cooling Tower and Cooling Water Treatment Plant for Phase – III of the refinery project at Mangalore, Karnataka.



Shriram EPC – Overview



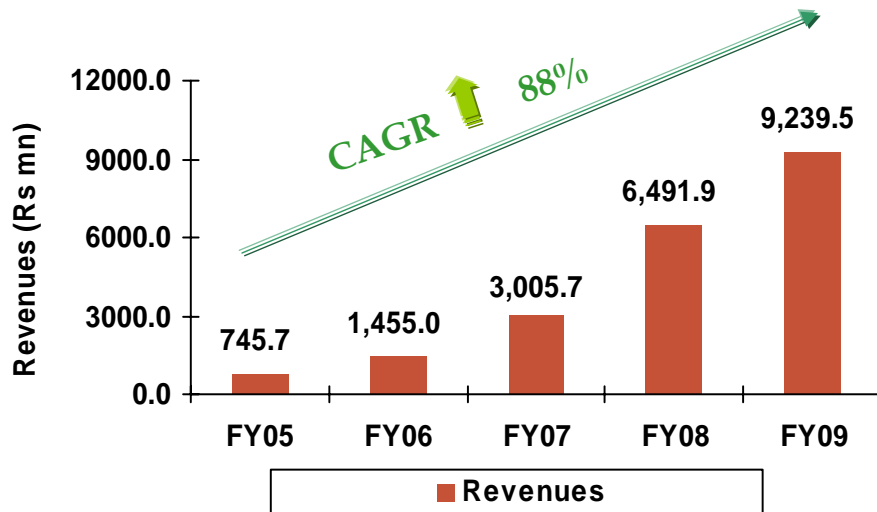
Who we are ...



- 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 and KW Class Wind Turbine Generators.

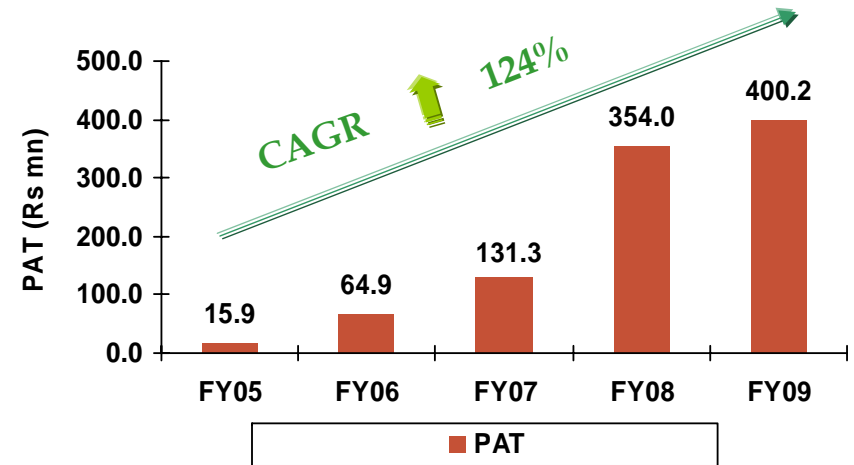
Track Record of Profitable Growth

Revenues



- Standalone Revenue of Rs. 9,218.5 million in FY 2009.
- CAGR of 88% for the period FY 2005 to FY 2009.

PAT



- Standalone PAT of Rs. 400.2 million in FY 2009.
- CAGR of 124% for the period FY 2005 to FY 2009.

Renewable Energy Asset Ownership Strategy

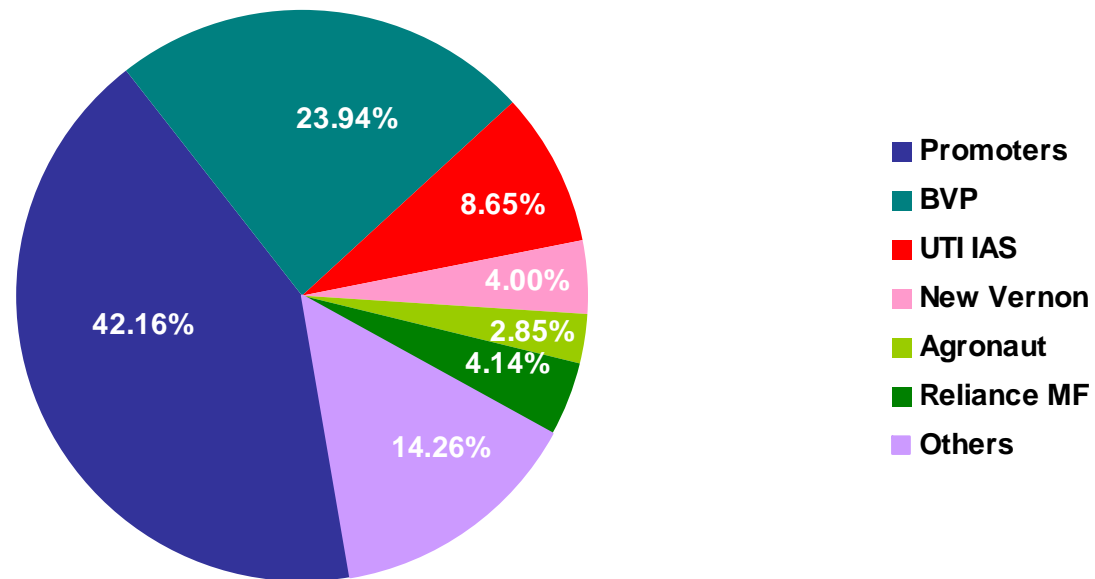
Orient Green Power Pte Ltd., Singapore (OGPS)



- 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 focussing on Biomass, Biogas and Small Hydel.
- Engaged in setting up of 190 MW capacity over next 2 years including 165 MW of Biomass, 15 MW of Small Hydel and 10 MW of Biogas. Of these already 25 MW are in operation and another 25 MW will get added this year.
- BWFL, the holding cum operating company will invest in Wind assets (wind farms). 98 MW of generation capacity is already in operation and expect to add another 50 MW during this year.

Shareholding Pattern

As on December 31, 2009



Sponsorship by Marquee Financial Investors

Board of Directors (as on 31.12.2009)

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. K.E.C. Raja Kumar	Nominee Director (UTI)	M. Sc., M. Phil., AMP - Harvard MD - UTI Ventures, Senior Roles at SEBI/UTI	2007
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. N. Rangachary	Independent Director	IRS (Retd.), Chairman CBDT, First Chairman - IRDA	2009



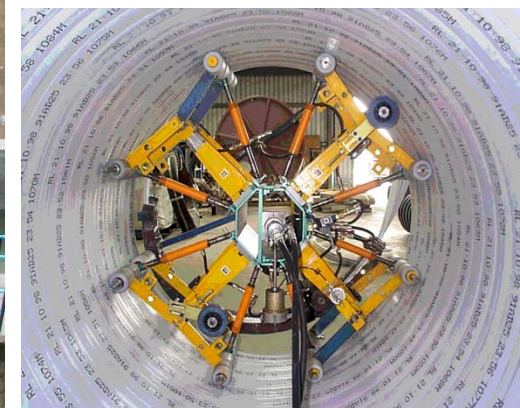
Business Verticals

Q3 & 9MFY2010



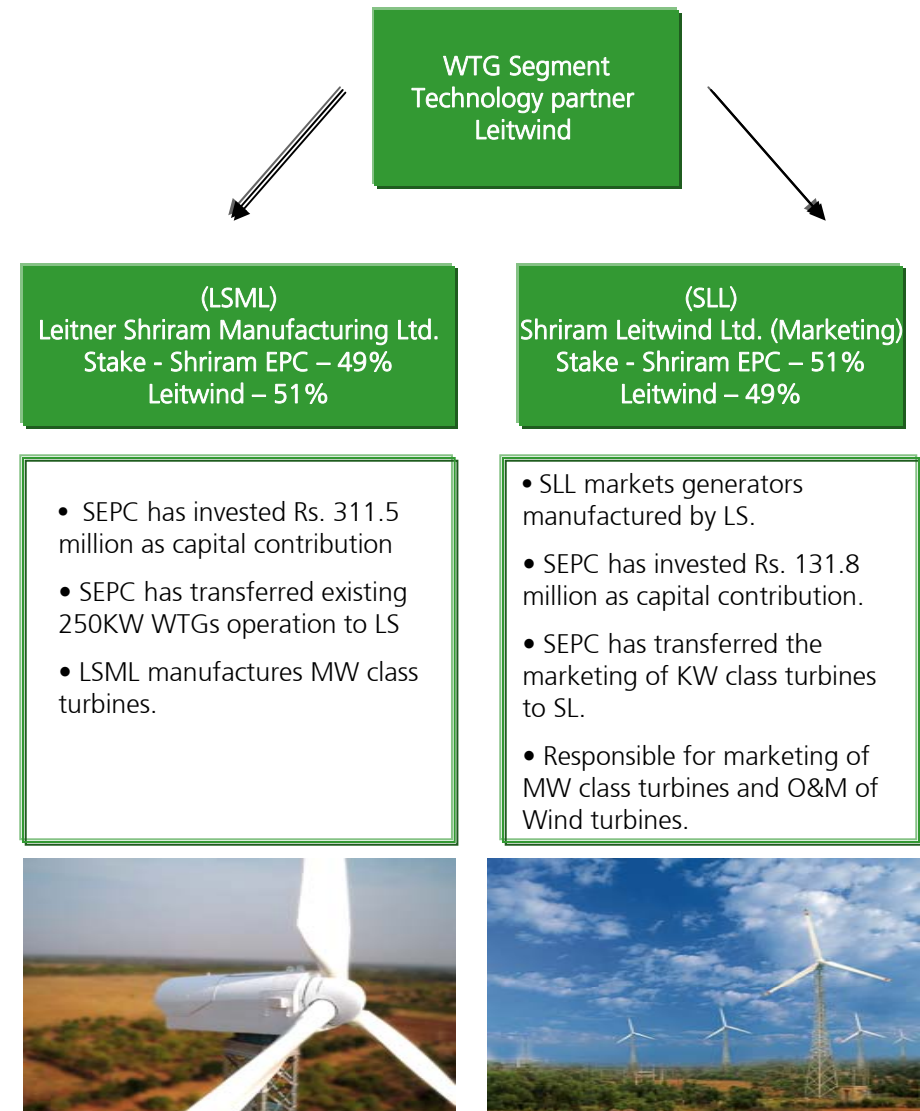
Highlights – EPC

- 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).



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.
- Shriram EPC Ltd. will purchase 9 turbines this year from its subsidiaries.
- The Honourable High Court of Judicature at Madras vide its Order dated 11th 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. 1st April , 2009. Pursuant to the order becoming effective from 23rd Jan 2010, SLL ceases to be the Subsidiary of the Company.





Thank You

