


Shriram epc
Engineering the future

Investor Presentation

Q1 FY12 Results

August 2011

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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.

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Financial Results
& Operating Highlights
Q1 FY 2012

Financial highlights – Q1 FY12 (Standalone)

- **Q1 FY12 Net Sales at ₹2,972.6 million in Q1FY12 vs ₹2,585.50 million in Q1FY11 – growth of 15%**

- **Q1 FY12 EBITDA at ₹360.9 million in Q1FY12 vs ₹283.2 million in Q1FY11**

- **Q1 FY12 PBT (pre-exceptional items) is ₹118.2 million as compared to ₹126.9 million in the corresponding quarter last year**

- **Order book of ₹34.0 billion on 30th June 2011 compared to ₹31.9 billion on 31st March, 2011.**

FY11 Financial Overview

₹ million

Income Statement	Consolidated Financials		
	Q1 FY12	Q1 FY11	Percentage change
Net sales/Income from operations	2,972.64	2,585.50	15%
Other operating income	24.61	26.33	-7%
Other income	78.97	22.51	251%
Total Income from Operations	**3,076.23**	**2,634.34**	17%
Total Expenditure	2,715.25	2,351.10	15%
EBITDA	**360.97**	**283.24**	27%
Depreciation	31.98	30.12	6%
PBIT	**329.00**	**253.12**	30%
Interest	210.79	126.22	67%
PBT	**118.21**	**126.90**	-7%
Exceptional items	-	233.63	-
Provision for tax/tax expenses	39.31	43.56	-10%
Net Profit	**78.90**	**316.97**	-75%

Revenues & EBITDA

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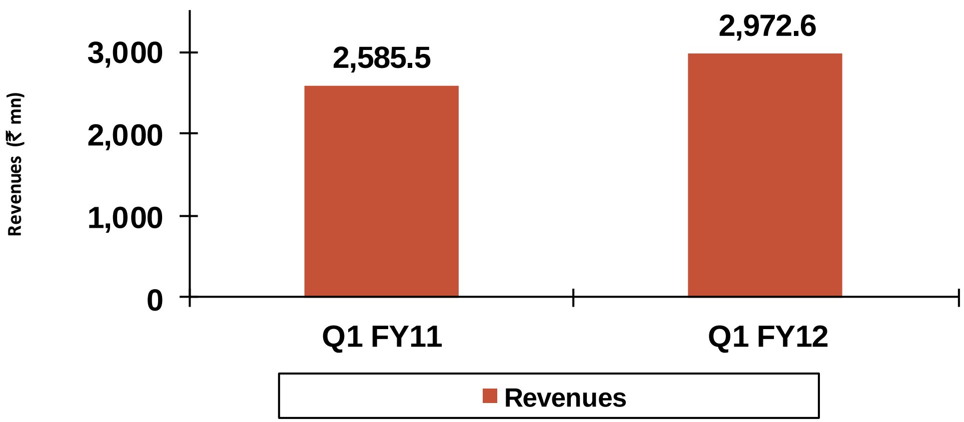
Net Sales

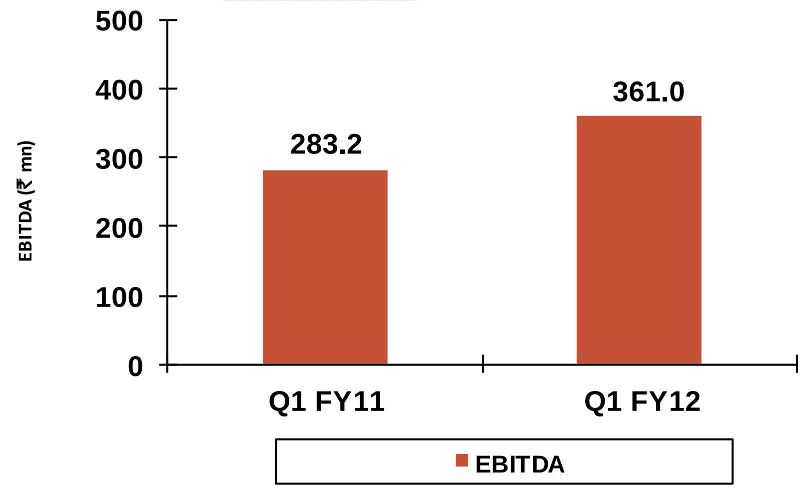
15%



- Continued growth in revenues.
- Increased service offerings reflecting in revenue growth – revenue mix includes meaningful contribution from emerging service lines.
- Strong visibility going forward – healthy growth in Order backlog

EBITDA

27%



- EBITDA growth driven by expansion in revenues.
- EBITDA margin expanded due to operational efficiencies
- EPC margins are project variable and the pattern of EPC projects will impact EBITDA margins.

Profitability

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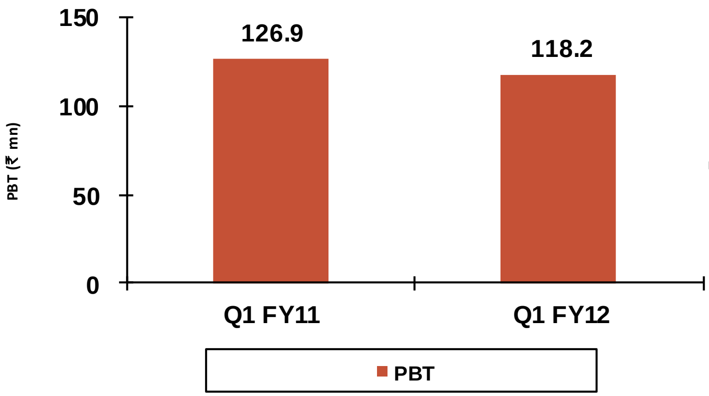
PBT (Pre-exceptional)

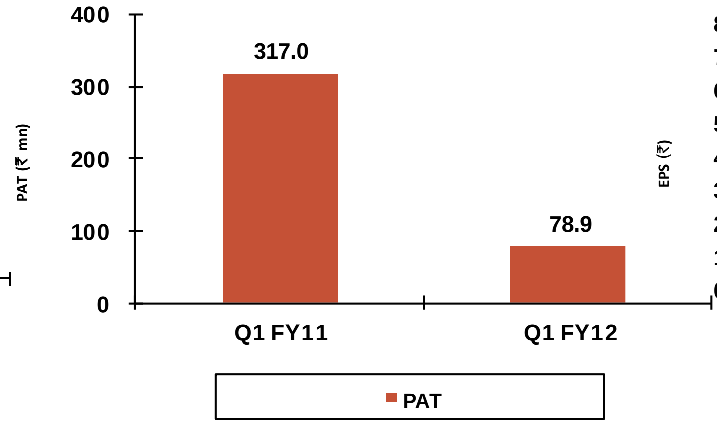
7%



- PBT (pre-exceptional) was marginally lower due to sharp increase in interest costs.
- Moderate increase in depreciation – attributable to growth in the business.
- Interest cost higher due to combination of increased borrowings and firming up of interest rates.

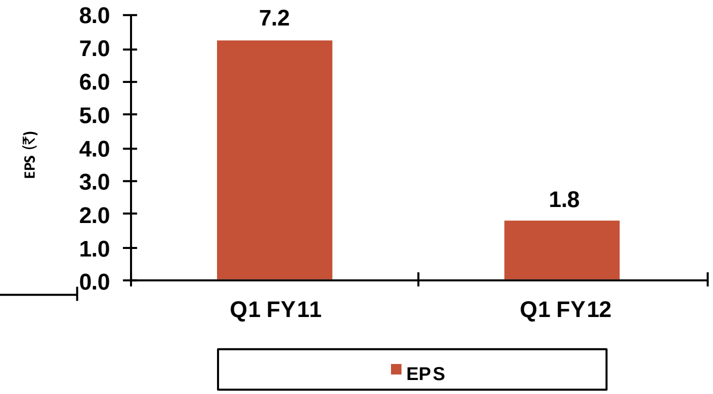
PAT

75 %



- PAT impacted by increased interest cost.
- Q1FY11 PAT includes post-tax impact of exceptional item arising on sale of investments.
- Company to focus further on margin improvement in addition to overall growth.

EPS



- Minor dilution in equity due to ESOPs.
- Q1FY11 EPS includes profit from sale of investment.
- Focus on improving PAT and EPS through business mix.

Operating Highlights

- The Standalone order book was at ₹34.0 billion on June 30, 2011 compared to ₹31.9 billion on March 31, 2011. During the quarter, the company received the following major orders
    - An order from Hinduja National Power Corporation Limited for the supply and erection of Glass Reinforced Piping system for the upcoming power plant at Vizag. The order is to be executed by Shriram SEPL Composites, a joint venture between SEPC and Hamon Group of Belgium. The order is valued at ₹23 crore
    - An order from Gas Authority of India Ltd. for the construction of a Cooling Tower and Cooling Water Treatment Plant at the Pata petrochemical complex in UP. The order is to be executed by SEPC's subsidiary, Hamon Shriram Cottrell Pvt. Ltd and amounts to ₹75 crore
    - An order from an Australian Client for setting up a 75 Million litre Diesel Tank Storage Facility at the Port of Mackay in Queensland, Australia
- In addition to strong traction in the standalone entity, key subsidiaries/associates like Hamon Shriram Cottrell and Shriram SEPL Composites demonstrated traction in order flows. The Consolidated order book was at ₹57.0 billion on June 30, 2011 compared to ₹44.9 billion on March 31, 2011




Shriram EPC – Overview

Who we are …

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- Shriram epc — Engineering the future
  - WIND

Wind Energy

- Leitner Shriram Manufacturing Ltd. 49.9% - Shriram EPC 50.1% - Leitwind
- EPC
  - Blackstone Group Technologies Design & Engineering Firm

Process and Metallurgy

- Integrated EPC Solutions
- Air Pollution Control & Cooling Towers – through Subsidiary Hamon Shriram Cottrell Ltd. 50.1% - Shriram EPC
- Haldia Coke & Chemicals P. Ltd. 47% - Shriram EPC

Renewable Energy

- Biomass power plants
- Orient Green Power Ltd. (Associate Company of SEPC's 100% subsidiary - Shriram EPC Singapore Pte Ltd.)

Municipal Services

- Water and wastewater treatment and management
- PIPE Rehabilitation
- Shriram SEPL Composites – GRP Pipe Manufacturers < 50% - Shriram EPC

------ Denotes Associate Company

- 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

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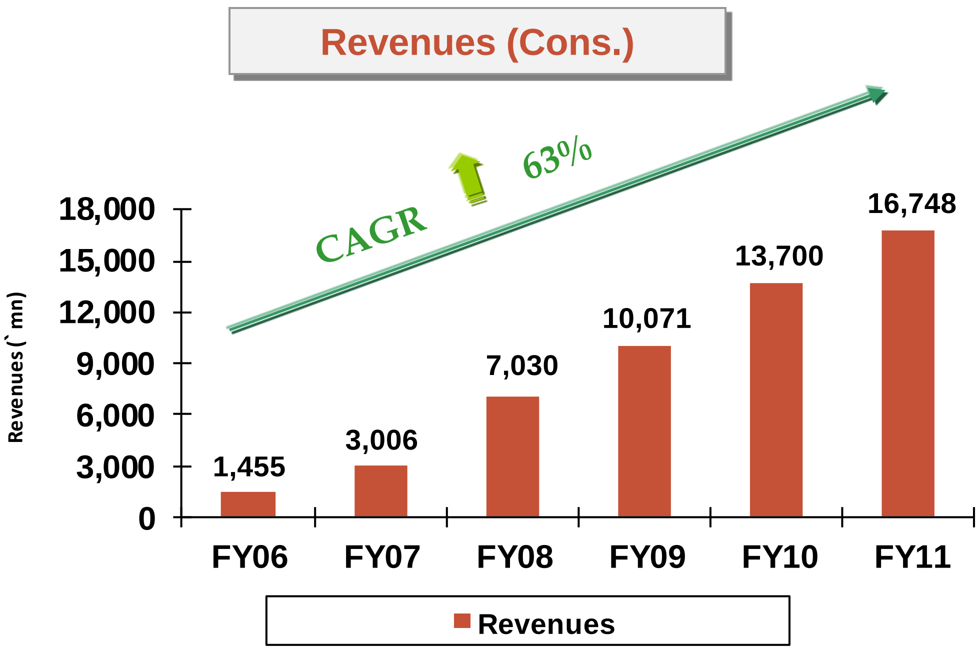
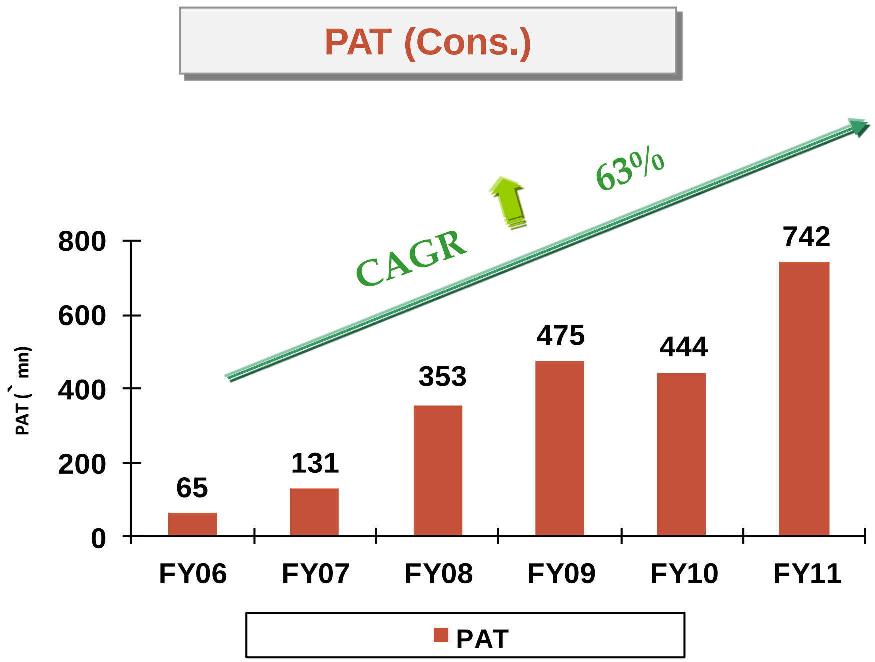




- Consolidated Revenues of ₹16.7 billion in FY 2011.
- CAGR of 63% for the period FY 2006 to FY 2011.

- Consolidated PAT of ₹742 million in FY 2011.
- CAGR of 63% for the period FY 2006 to FY 2011.

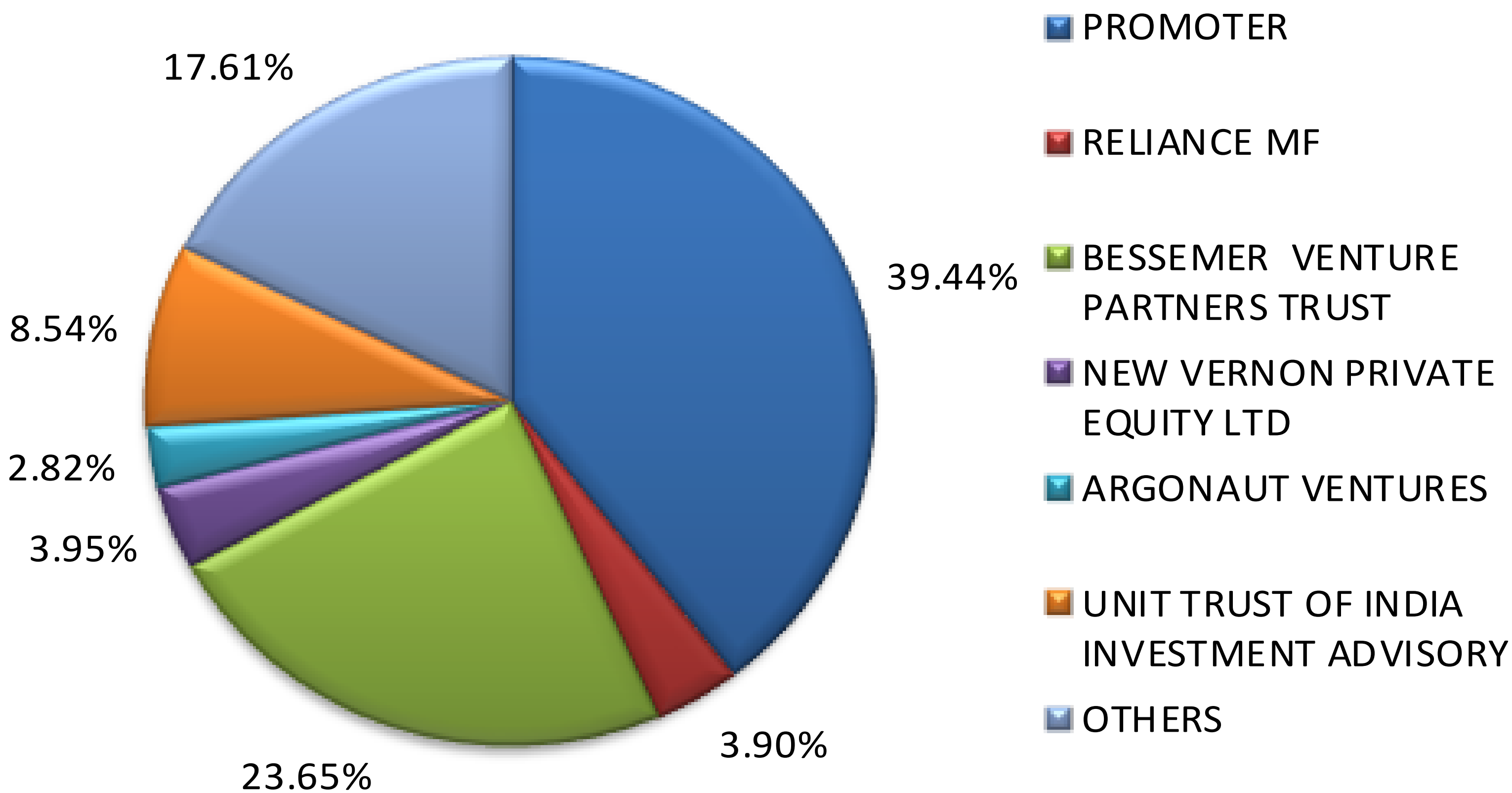
Renewable Energy Asset Ownership Strategy

Orient Green Power Ltd. (OGPL)

- OGPL's equity shares were listed on the NSE and BSE exchanges on 08th October, 2010
- 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 June 30, 2011 portfolio of assets included 220 MW of installed capacity comprising 179.5 MW of wind energy and 40.5 MW of biomass projects.

Shareholding Pattern

As on June 30, 2011



Sponsorship by Marquee Financial Investors

Board of Directors (as on 30.06.2011)

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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. 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 Relatrions & Personal Mgmt Former Chairman & CEO - Tamilnad Mercantile Bank	2009
Mr. Sunil K. Kolangara	Nominee Director (UTI)	B. Tech (Mech) - IIT (Chennai), MBS - 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 University Advisor - Mah & Mah, Various Capacities with GOI	2010
Mr. S. Bapu	Independent Director		2011




Business Verticals

Q1 FY2012

Highlights – EPC

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- 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 NWEPDI of China to jointly bid for EPC for Power Plants in India.

Highlights – Wind Energy

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- 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 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.

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 Gummidippondi in Tamil Nadu.




Thank You