

Recommendation: "Subscribe"

Issue Snapshot

Issue Period:	Jan 29 - Feb 01 , 2008	
Price Band	Rs.290 - Rs.330	
Issue Size	Rs.1,450 - Rs.1,650 mn	
Market Cap	Rs.12.43 - Rs.14.15 bn	
Issue Size	5,000,000 shares	
Employees:	0 shares	
QIB:	3,000,000 shares	
Non-Institutional:	500,000 shares	
Retail:	1,500,000 shares	
Face Value:	Rs.10	
Book Value:	Rs.47.73 as on Sept 30,2007	
Capital Structure:		
Pre Issue Equity	Rs.379 mn	
Post Issue Equity	Rs.429 mn	
Shareholding Pattern	Preissue (%)	Post issue (%)
Promoter	48.74	43.06
Promoter Group	51.26	45.28
Others	-	-
Employees	-	-
Public	0.00	11.66
Total	100.00	100.00
Total no. of shares	37,867,790	42,867,790

Highlights of the Issue:

Shriram EPC Limited (SEPC) is one of the leading service providers of integrated design, engineering, procurement, construction and project management services for renewable energy projects, process and metallurgical plants and municipal services sector projects throughout India, and one of India's leading 250KW wind turbine generator ("WTG") manufacturers.

Investment Positives:

- Ability to execute large and complex projects in a timely and cost-effective manner. Huge growth and revenue visibility. Strong order book (7.58 x of FY'07 revenues). Operations in areas of high growth like renewable energy, diverse and complementary projects. Strong strategic alliances and partnerships. Cost competitiveness.

Investment Concerns:

- Project execution / Implementation schedule risks in large integrated contracts. Significant construction risks on fixed-price or lump-sum turnkey contracts. High working capital requirements. Low EBIDTA margins, high receivables may impact profitability.

Website: www.shriramepc.com

Tarun Surana

tarun.surana@spasecurities.com

Abhishek Kothari

abhishek.kothari@spasecurities.com

Valuation:

- On FY'07 basis, SEPC on upper band commands P/E x of above 107.6x and EV/EBIDTA of 64.35x. While on Market Cap / Sales ratio, It is available at 4.78 on upper band which is quite comparable from its peers. On P/Bv basis, it is valued at 8.32x of its Sep'07 Network, cheapest among its peers.

Investment Argument: On FY'07 basis, SEPC looks very expensive on P/E x of above 107x and EV/EBIDTA of 64.35x on upper band. However, the company is very small in size compared to peers and is growing very rapidly (**CAGR of above 130% from FY'04-07**). The growths for SEPC is still on with Order book to Sales of FY'07 at 7.58 times where in most of the projects are executable in next 2 years. The company has improved order book very aggressively given the huge growth prospects in all the industries in which it operates. SEPC is constantly improving its margins from FY'05 – FY'07 and based on the huge demand coming from user industries, it can get better. We don't see any slowdown in the areas of its operation in near future. SEPC will keep on benefiting from buoyancy in renewable energy sector, and industrial capex that Indian economy is currently witnessing. We are positive on long term growth prospects of SEPC and recommend "**Subscribe**" to the issue from long term perspective.

Investment positives

Ability to execute large and complex projects in a timely and cost-effective manner

SEPC undertakes most of its EPC and WTG projects on a turnkey basis, where in it provides customized solutions from conceptualization to engineering and manufacturing to commissioning to meet the specialized needs of clients. SEPC has executed projects on time or prior to the scheduled completion date. There have **been no instances where its performance guarantees have been invoked** by clients. The demonstrated ability to execute turnkey projects in a timely and cost-effective helps to pre-qualify for projects and maintain strong client relationships for repeat business.

Huge growth and revenue visibility

The revenues have grown multifold for SEPC in recent years. Consolidated income was Rs. 218.89 million in FY'04 which grew to Rs.745.74 mn in FY'05, Rs.1,455.04 mn in FY'06 and Rs.3,005.73 mn in FY'07 representing a compound annual growth rate (**CAGR**) of **138.3% during the FY'04-FY'07 period**. From FY'04-07, Consolidated net profit was Rs.(0.62) mn, Rs.15.94 mn, Rs.64.92 mn and Rs.140.63 mn respectively, showing an improvement in net margins which have grown from 2.1% in FY'05 to 4.7% in FY'07. During the H1FY'08, consolidated income and net profit stood at Rs.2,251.21 mn, Rs.104.37 mn respectively.

Strong order book (7.58x of FY'07 revenues)

Order book has also grown substantially in recent months. Consolidated order book as on December 31, 2007 was Rs. 22,791.77 mn most of which will be **executed in next 2 years (7.58x of FY'07 revenues)** as compared with Rs.13,742.50 mn at FY'07 end and Rs.3,518.18 mn as at FY'06 end.

This presents a case of huge growth in consolidated revenues as most of the projects will be completed in FY'09 and FY'10.

Operations in areas of high growth like renewable energy, diverse and complementary projects

SEPC provides engineering, procurement and construction services for various types of projects broadly in three areas; renewable energy, process and metallurgy plants and municipal services. SEPC also develops, manufacture, sell and provide related services for Wind Turbine Generators (WTGs). The company is well-positioned to capitalize on the attractive **growth opportunities** in India presented by growing Indian economy, continued increase in the demand for energy, consumption of materials, growth of industrial development and the thrust on up gradation of the urban infrastructure.

Strong strategic alliances and partnerships

SEPC has identified, developed and forged strategic alliances and partnerships with leading international companies. These alliances and partnerships allow SEPC to exploit technologies and expertise developed by its partners. Such alliances and partnerships allow it to leverage the combination of its partners' technologies with SEPC's project management, engineering and construction capabilities as well as its knowledge of the local market and customers in order to provide effective solutions for clients.

Cost competitiveness

The company has strong in-house design, engineering and project management team which gives it control of the entire process, from conceptualization to completion of a given project. Consequently, it can control costs by eliminating unnecessary product features and over design, procuring the most cost-efficient raw materials and maximizing labour efficiency. Lower costs associated with doing business in India, such as tax benefits in terms of human resources, procurement of materials for biomass power plants and water supply projects, and lower costs for human resources allow it to compete with international companies.

Investment Concerns

Project execution / Implementation schedule risks in large integrated contracts

There are various risks associated with the execution of large-scale integrated projects. It increases the potential volatility of company's results from period to period and provides greater risks from each large individual contract. Managing large-scale integrated projects may also increase the potential relative size of cost overruns and negatively affect operating margins.

The **ten largest contracts represented 72.6% of order book** as at December 31, 2007. Similarly, **ten largest customers represented 85.2% of sales** for the six months ended September 30, 2007. If SEPC does not achieve its expected margins due to unforeseen delay, cost overruns and suffer losses on one or more of these large contracts, this could have a material adverse effect on its results of operations and financial condition.

significant construction risks on fixed-price or lump-sum turnkey contracts

Under the terms and conditions of fixed-price or lump-sum contracts, SEPC generally agree to a fixed-price for providing engineering, procurement and construction services for the part of the project contracted to the company or, in the case of turnkey contracts, completed facilities which are delivered in a ready to operate condition, subject, however, to contract variations pursuant to changes in a client's project requirements. The actual expense to us for executing a fixed-price or lump-sum turnkey contract may vary substantially from the assumptions underlying our bid for various reasons like unanticipated changes in engineering design of the project, unanticipated increases in the cost of equipment, materials or manpower, delays associated with the delivery of equipment and materials to the project site, unforeseen construction conditions, including inability of the client to obtain requisite environmental and other approvals, resulting in delays and increased costs, suppliers' or subcontractors' failure to perform etc.

high working capital requirements

Most of EPC contracts provide for progress payments from clients with reference to the value of work completed upon reaching certain milestones. Generally, in power projects, captive power and infrastructure businesses, the client, or a third party authorized under the contract, usually make payments against invoices raised upon mutual agreement. The client then effects payments with reference to these invoices generally within 30-45 days. As a result, significant amounts of our working capital are often required to finance the purchase of materials and the performance of engineering, construction and other work on projects before payment is received from clients. In certain cases, SEPC is **contractually obligated to its clients to fund working capital** on projects undertaken. In addition, a portion of the contract value, generally 10%, is usually withheld by the client as retention money and is generally released upon the testing of the product or the supply date, whichever is later. The aggregate amount of retention money outstanding as of December 31, 2007 was Rs.327.37 mn.

Low EBIDTA margins, high receivables may impact profitability

SEPC operates at thin operating margins (8.63%) currently and looking at project execution risks involved in large projects coupled with high receivables which forces higher working capital requirements leading to interest cost burden. This can substantially impact net profit margins of the company which is just 4.6% for 1HFY'08 and 4.4% for FY'07.

Company Background

Shriram EPC Limited (SEPC) is one of the leading service providers of integrated design, engineering, procurement, construction and project management services for renewable energy projects, process and metallurgical plants and municipal services sector projects throughout India, and one of India's leading 250KW wind turbine generator ("WTG") manufacturers. Its engineering, procurement and construction business is focused on providing integrated turnkey solutions for biomass-based power plants, bio-ethanol production plants, process and metallurgy plants (including thermal power plants), water and wastewater treatment plants, water and sewer infrastructure and pipe rehabilitation. Its WTG business has been focused on developing, manufacturing, erecting and commissioning 250KW WTG, and is currently developing megawatt-class WTGs through its Subsidiaries and Associate companies.

Its **WTG and cooling tower** factories are located in Puducherry, Chennai and Umbergaon (Gujarat). Its core services include detailed design and engineering, material procurement and overall project and construction management services.

The company has categorized its business into two segments – engineering, procurement and construction '**EPC**' projects and **development, sale and maintenance of WTGs**. The EPC business focuses on renewable energy, process and metallurgy and municipal services projects. It has completed wind energy projects for its WTG business throughout India, particularly south India, as well as internationally in Zambia and France.

The **renewable energy EPC projects** consist of biomass-based power projects, co-generation power projects and bio-ethanol plant projects. Its experience and technical expertise in renewable energy provides it with a platform to take advantage of the **growing demand for alternative power** and fuel sources in India and abroad.

For the **process and metallurgy EPC projects**, SEPC is focused on providing turnkey solutions for iron and steel, cement, aluminum, copper and thermal power plants. It has completed and is working on various projects, including the design, engineering and construction of blast furnace auxiliaries, rolling mills, aluminum refining, copper smelting, thermal power plants, cement plants, and coke oven batteries. It also provides cooling tower and air pollution control solutions for various energy and industrial applications through a joint venture with a leading international partner.

Its **municipal services EPC projects** principally consist of the design and implementation of turnkey design- build environmental projects for water and wastewater distribution, water and sewage treatment and pipe rehabilitation.

SEPC's WTG business is focused on providing integrated solutions for its clients in India and abroad, which include the development and manufacture of WTGs, identification of suitable sites for wind farms, technical planning, infrastructure development, installation and commissioning of WTGs, connection to power grids and after-sale operations and maintenance ("O&M") services for WTGs supplied by it.

Subsidiary / Associate Companies

Hamon Shriram Cottrell Private Limited

SEPC is the majority owner of Hamon Shriram Cottrell Private Limited ("Hamon Shriram"), which is a joint venture with Hamon Thermal Europe, an affiliate of Hamon & Cie ("Hamon Group"). Hamon Shriram provides turnkey engineering, procurement and construction solutions for cooling towers and air pollution control systems. The Company treats Hamon Shriram as its subsidiary. Hamon Shriram commenced operations on April 1, 2007.

Shriram Leitwind Limited

On February 3, 2007, It entered into a joint venture agreement with Leitwind BV ("Leitwind") to form Shriram Leitwind Limited ("Shriram Leitwind"). As of December 31, 2007, SEPC and Leitwind have contributed capital in the amount of Rs. 68.61 million and Rs. 69.39 million, respectively. SEPC proposes to make the balance of its contribution to the share capital amounting to Rs. 84.39 million out of the Net Proceeds of the Issue. Upon completion of the share allotments, Shriram Leitwind will be owned 51% by the Company and 49% by Leitwind, and it is expected to commence operations around April 2008. Shriram Leitwind will market and sell kilowattclass and megawatt-class WTGs.

In addition, SEPC has minority ownership interests in the following entities, each of which the Company treats as an Associate company:

Leitner Shriram Limited

Leitner Shriram, which is owned 51% by Leitwind and 49% by SEPC, is expected to be engaged in the manufacture of megawatt-class WTGs and around April 1, 2008, is also expected to assume the manufacturing operations for SEPC's existing kilowatt-class WTGs. As of December 31, 2007, Leitwind and SEPC have each contributed capital in the amount of Rs. 113.23 million and Rs. 59.69 million, respectively. SEPC proposes to make the balance contribution to the share capital amounting to Rs. 190.47 million out of the Net Proceeds of the Issue in the form of equity share capital. It is expected that Leitner Shriram to commence operations around April 2008.

Orient Green Power Company Limited

Orient Green Power Company Limited ("Orient Green Power"), which is owned 48.72% by each SEPC and Bessemer Venture Partners Trust ("Bessemer"), is holding company of power generation projects based on renewable sources and other non-fossil fuel sources, such as hydropower. As of September 30, 2007, SEPC has contributed capital of Rs.0.76 million in Orient Green Power. SEPC will be investing Rs. 400.00 million in the equity share capital of OGPL out of the Net Proceeds of the Issue; and

Ennore Coke Limited

Ennore Coke Limited ("Ennore Coke"), listed on BSE, which is owned 31.7% by SEPC as of September 30, 2007, is setting up plants to manufacture metallurgical coke and to engage in power generation. As of September 30, 2007, SEPC had invested Rs. 96.53 million in Ennore Coke.

Industry Scenario

Renewable Energy

Renewable energy principally comprises wind power, hydro power, solar power, biomass energy and geothermal energy. Renewable energies are essential contributors to the world's energy supply portfolio as they contribute to world energy supply security, reducing dependency on fossil fuel resources, and provide opportunities for mitigating greenhouse gases. According to the IEA, renewables are the third largest contributor to global electricity production, following coal and natural gas, accounting for almost 18% of production in 2004. Almost 90% of electricity generated from renewables comes from hydropower plants, while close to 6% comes from combustible renewables and waste (**97% of which is biomass, where SEPC has its footprint**) and 4.5% from geothermal, solar and **wind**. The IEA estimates that by 2030 over a quarter of global electricity production will be from renewables.

Wind Energy

The wind power program in India was initiated in 1983-84. Since the program's inception, the Government has promoted a market-oriented strategy, which has led to commercial development of technology. The broad based national program includes wind resource assessment activities, research and development support, implementation of demonstration projects to create awareness, opening up of new sites, involvement of utilities and industry, growth of infrastructure to ability and capacity for manufacture, installation, operation and maintenance of wind turbine generators and policy support. India has an exclusive Ministry for New and Renewable Energy (MNRE) to specially focus on renewable energy. The MNRE estimates India's gross wind power potential to be about 45,000 MW and installed capacity for wind power to be about 7,000 MW as of March 31, 2007.

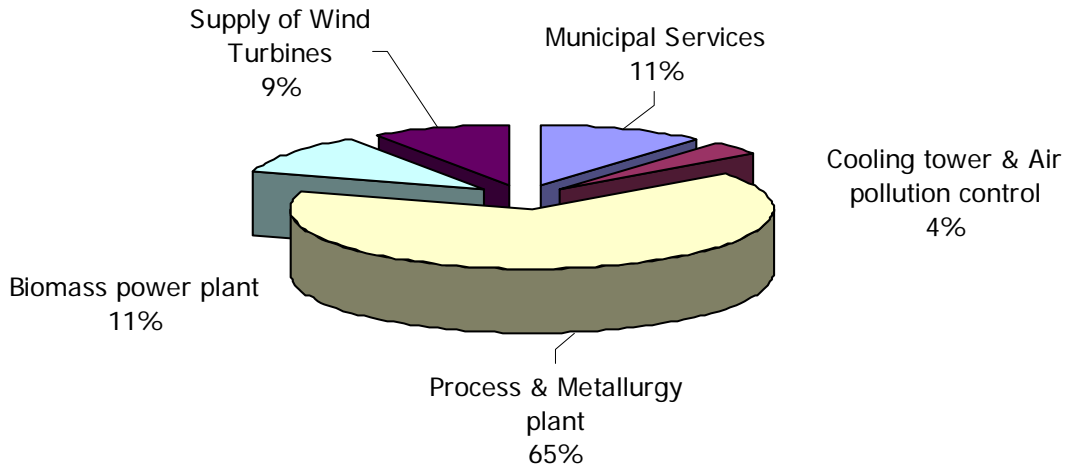
Biomass Energy

Biomass refers to organic matter that can be converted to energy. Some of the most common sources of biomass fuels are wood, agricultural wastes and crops grown specifically for energy. Unlike other renewables, biomass is a versatile source of energy that is capable of being converted into liquid and gaseous fuels, electricity and process heat. Biomass energy systems can be set up in any agricultural areas with adequate amounts of biomass availability. The Government actively promotes the use of biomass energy. In India, biomass energy is principally used in domestic, commercial and industrial applications. As a tropical country, India has high potential for energy generation through biomass. The estimated potential for power generation from biomass sources is about 16,000 MW.

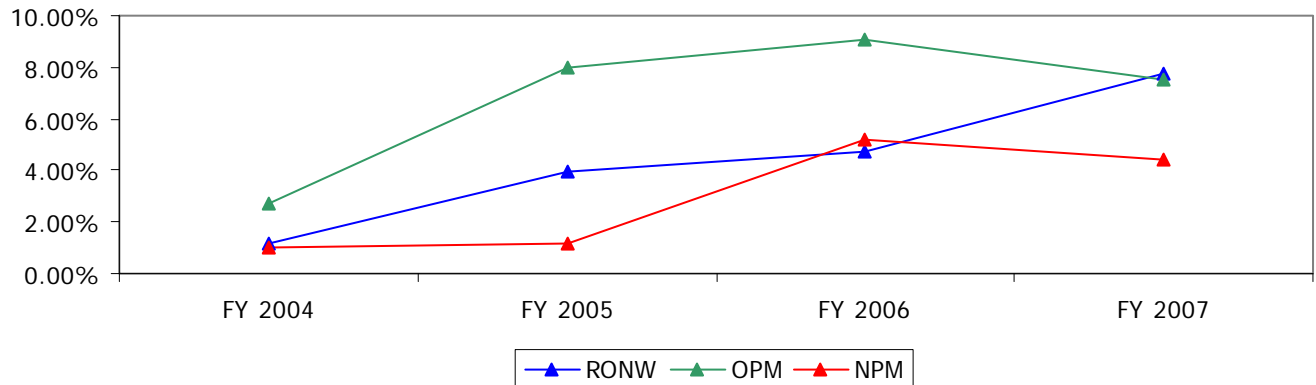
Bio-Ethanol

Ethanol is a clean, high-octane, high-performance automotive fuel commonly blended in gasoline to extend supplies and reduce emissions. Ethanol can be produced from any sugar or starch crop. Another potential resource for ethanol is biomass, which includes materials such as agricultural residues, forestry wastes, wastepaper and other wastes. Indian regulations require all Indian gasoline to be blended with at least 5% ethanol. Biomass is often available for a relatively low cost, but is more abundant, global and renewable in nature. The principal sources of biomass for ethanol production are sugarcane, wheat, sugar beets and corn/maize. There are 2 main applications for ethanol. The first is as a mandatory oxygenate additive to gasoline to comply with Indian regulations. The second is as a voluntary substitute for gasoline. Some states in India require that the ethanol content in gasoline be at least 5%. The Government of India has discussed plans to double the requirement for ethanol blending into gasoline, which would increase the ethanol content in gasoline sold in India to 10%.

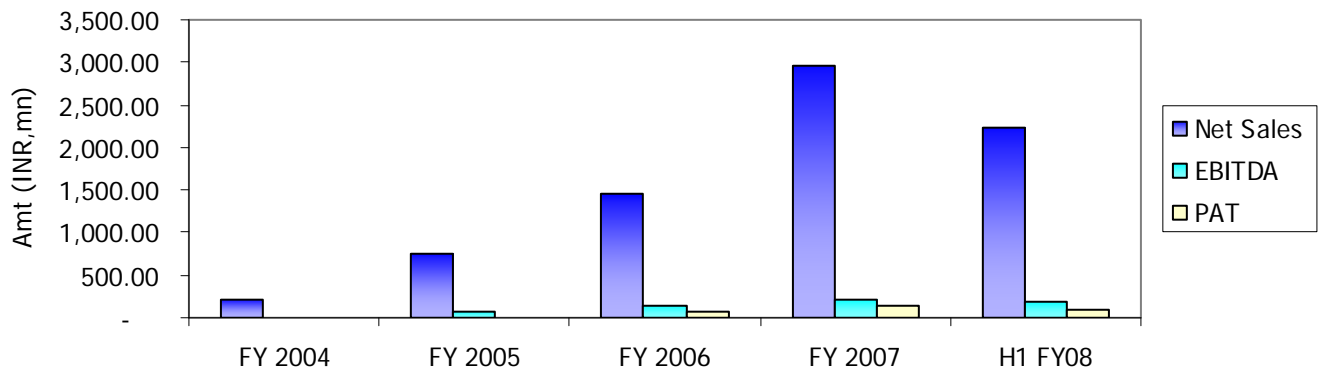
Orderbook Breakup



Ratio Indicators



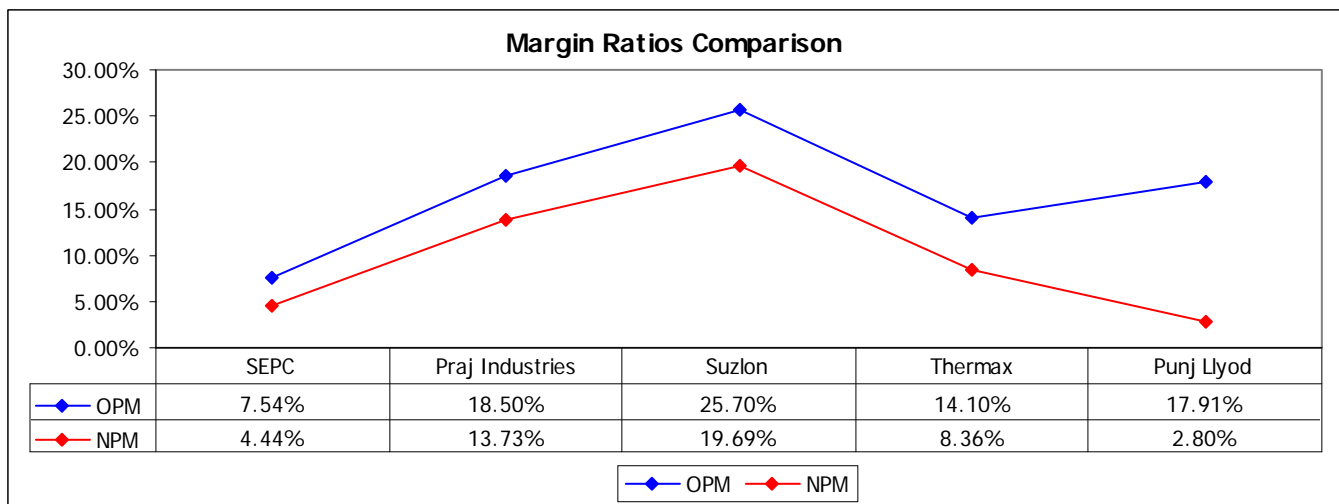
Financial Performance



Investment Argument & Valuations

The data in the table below is for FY'07. On FY'07 basis, SEPC looks very expensive on P/E of above 107x and EV/EBIDTA of 64.35x on upper band. However, the company is very small in size compared to peers mentioned and is growing very rapidly (CAGR of above 130% from FY'04-07). The growth momentum for SEPC is still on with Order book to Sales of FY'07 at 7.58 times where in most of the projects are executable in next 2 years. This will lead to significant improvement in top line. This will ensure that it will continue to grow much faster than its peers which have already attained high base and on higher base growth rates will not be as high as that of SEPC. The company has improved order book very aggressively given the huge growth prospects in all the industries in which it operates be it renewable energy or municipal services projects. We expect it to continue to increase its order book, which will further boost up revenue expectations and accrue benefits of various tie ups with international technological partners.

Company	EV/EBITDA (x)	P/E (x)	MCAP/SALES (x)	P/BV (x)	EPS (Rs.)	Share Price (Rs.)
SEPC at Lower Band	56.66	94.64	4.20	7.31	3.06	290.00
SEPC at Upper Band	64.35	107.69	4.78	8.32	3.06	330.00
Praj Industries	27.48	37.04	5.08	21.62	4.73	175.40
Suzlon	37.69	48.13	9.48	13.75	7.09	341.15
Thermax	25.21	42.51	3.55	13.78	15.76	670.00
Punj Llyod	38.04	218.37	6.12	12.18	2.03	443.25



As per the chart above for FY'07, SEPC operates at a lower margin compared to most of its peers which are bigger in size. Many of the contracts which SEPC takes are billed based on Cost plus margin basis where in entire risk of rising input costs, delays, cost overruns are passed on to the client. Since risk in such contracts remains low, margins also remains low. SEPC is constantly improving its margins from FY'05 – FY'07 and based on the huge demand coming from user industries, it can get better.

We don't see any slowdown in the areas of its operation in near future. SEPC will keep on benefiting from buoyancy in renewable energy sector, and industrial capex that Indian economy is currently witnessing. We are positive on long term growth prospects on SEPC and recommend to **Subscribe to the issue from long term perspective.**

Income Statement					
Rs, mn	1HFY08	FY 2007	FY 2006	FY 2005	FY 2004
Net Sales	2,224.84	2,957.17	1,445.34	742.74	218.59
Increase / Decrease in Work in Progress	1.53	0.19	44.51	(203.45)	(9.86)
Raw Material & Goods Consumed	721.66	462.03	-	-	-
Manufacturing, Construction & Operating Expense	1,159.28	2,057.07	1,227.20	368.17	180.86
Staff Cost	82.98	93.36	55.99	23.37	2.73
Other Cost	70.50	112.71	73.45	79.75	18.91
Miscellaneous Exp W/O	-	9.27	2.28	8.43	0.32
Operating Expenditure	2,032.89	2,734.25	1,314.41	683.17	212.68
Operating Income	191.95	222.92	130.93	59.57	5.91
Other Income	26.37	48.56	9.70	3.01	0.30
Gross Profits	218.32	271.48	140.63	62.58	6.21
Finance & Interest charges	41.84	41.19	38.40	35.48	0.19
Depreciation	11.77	13.68	9.18	9.36	1.26
Profit Before Tax	164.71	216.61	93.05	17.74	4.76
Tax	60.34	85.25	18.54	9.32	2.49
Profit After Tax	104.37	131.36	74.51	8.42	2.27
Extraordinary Items	-	(9.27)	9.59	(7.52)	2.89
Net Profit	104.37	140.63	64.92	15.94	(0.62)

Cash Flow Statement					
Rs, mn	1HFY08	FY 2007	FY 2006	FY 2005	FY 2004
Cash Flow from Operations	213.49	235.09	138.68	68.85	6.05
Cash for Working Capital	(334.08)	(525.54)	(595.84)	(213.63)	(2.93)
Net Operating Cash Flow - A	(120.59)	(290.45)	(457.16)	(144.78)	3.12
(Purchase) / Sale of Fixed Assets	(163.71)	(99.07)	(9.19)	(65.71)	(21.29)
(Purchase) / Sale of Investments	(11.00)	(121.06)	(0.23)	39.26	(25.88)
Interest Received	14.39	45.50	4.23	2.16	0.30
Dividend Received	-	1.99	-	-	-
Capital Profit on Merger	-	-	(11.87)	(0.96)	(2.49)
Net Cash Flow From Investing - B	(160.32)	(172.64)	(17.06)	(25.25)	(49.36)
Proceeds from Equity	-	-	1,000.00	305.05	50.00
Share Issue Expenses	-	(29.74)	-	-	-
Proceeds / (Repayment) from Borrowings	422.89	(246.43)	203.24	252.13	2.20
Interest Paid	(41.84)	(48.13)	(38.40)	(35.48)	(0.02)
Net Cash Flow From Financing - C	381.05	(324.30)	1,164.84	521.70	52.18
Net Cash Flow (A+B+C)	100.14	(787.39)	690.62	351.67	5.94
Opening Cash	267.99	1,055.38	364.76	13.09	7.15
Closing Cash	368.13	267.99	1,055.38	364.76	13.09

Balance Sheet

Rs, mn	1HFY08	FY 2007	FY 2006	FY 2005	FY 2004
Sources of Funds					
Equity Share Capital	378.68	378.68	378.68	202.45	198.00
Reserves & Surplus	1,428.88	1,322.34	1,200.87	12.18	(5.09)
Share Application Money	-	-	-	300.00	-
Employee Stock Option Outstanding	17.47	3.24	-	-	-
Miscellaneous expenditure (written off)	(0.01)	(0.01)	(0.06)	(0.07)	(0.03)
Networth	1,825.02	1,704.25	1,579.49	514.56	192.88
Secured Loan	628.43	199.53	440.96	158.56	2.58
Unsecured Loan	5.86	-	17.00	96.16	-
Loan Funds	634.29	199.53	457.96	254.72	2.58
Deferred Tax Liability, Net	29.04	9.01	2.21	8.22	3.94
Minority Interest	49.43	-	0.66	0.66	0.10
Total Liability	2,537.78	1,912.79	2,040.32	778.16	199.50
Application of Funds					
Gross Block	417.93	218.92	120.21	111.02	39.10
Less: Depreciation	70.25	42.84	29.19	20.01	4.44
Net Block	347.68	176.08	91.02	91.01	34.66
Capital work in progress	1.18	0.02	-	-	-
Net Fixed Assets	348.86	176.10	91.02	91.01	34.66
Goodwill on Consolidation	13.70	-	-	-	-
Investments	163.53	170.59	26.85	26.62	65.88
Current Assets					
Inventories	442.63	275.06	172.83	217.34	13.89
Sundry Debtors	2,172.20	1,356.37	624.63	186.99	53.17
Cash & Bank	380.68	269.33	1,056.72	366.09	13.10
Loans & Advances	909.12	713.72	432.57	144.22	58.16
Less: Current Liabilities & Provisions	1,892.94	1,048.37	364.29	254.11	39.34
Net Current Assets	2,011.69	1,566.11	1,922.46	660.53	98.98
Total Assets	2,537.78	1,912.79	2,040.32	778.16	199.50

Objects of the issue:

(Amount in Rs. Mn)

S. No.	Expenditure Items	Total estimated investment	Amount deployed as on December31, 2007*	Amount to be utilized out of the Net Proceeds
1	Investment in Subsidiary and Associate companies			
	Subsidiary Company			
	Shriram Leitwind Limited	153	68.61	84.39
	Associate Companies			
	Leitner Shriram Manufacturing Limited	250.16	59.69	190.47
	Orient Green Power Company Limited	400	0	400
2	Expenditures towards purchase of plant and equipment for pipe rehabilitation projects	76.69	-	76.69
3	General corporate purposes	[.]	-	[.]
	Total	[.]		[.]

*As per certification from Deloitte Haskins & Sells, dated January 4, 2008

Appendix: Brief of projects under execution
Process and Metallurgy Projects

Name	Description	Contract value (Rs Mn)	Balance of Work (Rs Mn)	Exp. date of completion
OPG Energy, TN	77MW Thermal coal fired power plant	2,430	2,391	Oct'08
Ennore Coke, Haldia	100,000 TPA	550	341	Dec'08
Konkola Copper Mines, Zambia	Gas cleaning plant for copper smelter plant	325	8	Feb'08
Sree Jayajoti Cement, AP	1.5 TDP cement plant	5,744	5,719	Mar'09
SAIL (8 Projects)	Miscellaneous	3,100	2,579	FY'09-10-11
JSPL, Orissa	Producer Gas Plants	446	446	Mar'09
Total		12,595	11,484	

Wind Energy Projects

Name	No. of Machines (250 KW Class)	Contract value (Rs Mn)	Balance of Work (Rs Mn)	Exp. date of completion
Theolia, Karnataka/ Maharashtra	100	1,130	1,130	June'08
Dodanavar, TN/Karnataka	30	390	20	Mar'08
Fairdeal, TN/Karnataka	30	336	129	Mar'08
Others, TN	41	501	480	Apr'08
Total		2,357	1,759	

Municipal services projects

Name of the Project / Client	Location	Description of the Project / Technology used	Contract Value (Rs. mn)	Balance Work to (Rs. mn)	Expected Completion Date
Gujarat Water Supply and Sewerage Board	Borsad Degadia, Surat	Design, supply and installation of water treatment plant and protected water distribution system for rural water supply	221.3	57.23	Mar-08
BHEL	Hyderabad, Kolkata, Delhi	Effluent treatment plants	72.14	27.82	Mar-08
Gujarat Water Supply and Sewerage Board	Rajula, Amreli District, Gujarat	water treatment plant and protected water distribution system	95.2	82.73	Apr-08
Karnataka Urban Water Infra Devt Finance Corp	Jeppinamoguru, Mangalore	Construction and rehabilitation of underground drainage system and wet well	270	250.9	Aug-08
TN Water Supply and Drainage Board	Kuzhithurai	Water Treatment Plant	117.52	117.52	Aug-08
TWAD	Tuticorin	Underground Sewerage Scheme	162.05	162.05	Apr-09
Total			938.21	698.25	



Shriram EPC Limited (SEPC)

Equity Research Desk

IPO-Analysis

29th January, 2008

Disclaimer: This report is for the personal information of the authorized recipient and does not constitute to be any investment, legal or taxation advice to you. SPA Securities Limited (hereinafter referred as SPA) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The intent of this document is not in recommendatory nature. The views expressed are those of analyst and the Company may or may not subscribe to all the views expressed therein. The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. SPA or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. SPA or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. *The recipients of this report should rely on their own investigations. SPA and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. SPA has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.*

Disclosure of Interest Statement

1. Analyst ownership of the stock - No
2. Group/Directors ownership of the stock – No
3. Broking relationship with company covered - No

This information is subject to change without any prior notice. SPA reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, SPA is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.

Hitendra Gupta	Research Analyst	hitendra.gupta@spasecurities.com
Tarun Surana	Research Analyst	tarun.surana@spasecurities.com
Abhishek Kothari	Research Associate	abhishek.kothari@spasecurities.com
For more information Visit us at www.spacapital.com		
SPA SECURITIES LTD.	Member NSE-Capital Market & Wholesale Debt Markets, SEBI Regn.no. INB231178238, F&O Market, SEBI Regn.no. INF231178238. Member BSE-Capital Market, SEBI Regn.no. INB011178234	
SPA MERCHANT BANKERS LTD.	SEBI registered Category-1 Merchant Bankers SEBI Regn. No. INM000010825	
SPA CAPITAL SERVICES LIMITED	Investment Advisory services, AMFI Reg. No. ARN-0007	
SPA COMTRADE PRIVATE LIMITED	Member of NCDEX & MCX. NCDEX TMID-00729, NCDEX FMC no. NCDEX/TCM/CORP/0714	
SPA INSURANCE SERVICES LTD.	Direct Broker for Life and General Insurance broking IRDA Lic. Code No. DB053/03	
MUMBAI		
101, 10th Floor, Mittal Court A-Wing, Nariman Point, Mumbai 400021. Tel: (022) 22801240-49; 40439000 Fax: (022) 22846318		
NEW DELHI		
25, C-Block Community Centre, Janak Puri, New Delhi - 110 058 Tel: (011) 25517371, 25515086, Fax: (011) 25532644 B- 1A- 132, Sector-51, Noida - 201301 Ph: 0120 - 4241222-26 Fax: 0120 - 4241227 409, Qutab Plaza, DLF City, Phase- I, Gurgaon Ph: 0124 - 4380090-94 Fax: 0124 - 4380089		
KOLKATA		
Diamond Chambers, Room no. 8-O, 8th Floor, 4 Chowringhee Lane, Kolkata - 700016 Tel: (033) - 22521537 Fax: (033) - 22521540		
BANGALORE		
703 & 704, 7th Floor, Brigade Tower, 135, Brigade Road, Corporation Division no. 61, Bangalore - 560025 Ph: 080 - 41148395		
JAIPUR		
UL-15, Amber Tower, Sansar Chand Road, Jaipur - 302001. Tel: (0141) 5107044/5107144 Fax: 5107144		
CHENNAI		
3H, 3rd floor, East Coast Chambers, 92/34, G.N.Chetty, T. Nagar, Chennai - 600014 Tel: (044) 52071380-82 Fax: 52071379		
AHMEDABAD		
407, Anand Mangal Complex - I, Behind Omkar House, C.G.Road, Navrangpura, Ahmedabad Tel: (079) 32998056		
Disclaimer: The information contained in this report is obtained from reliable sources and is directed at institutional investors. In no circumstances should it be considered as an offer to sell/buy or, a solicitation of any offer to, buy or sell the securities or commodities mentioned in this report. No representation is made that the transactions undertaken based on the information contained in this report will be profitable, or that they will not result in losses. SPA and/or its representatives will not be liable for the recipients' investment decision based on this report.		