

## Tecpro Systems Limited: Q1FY2012 Financial Results Highlights

Net Sales up 40% to ₹ 349.76 crore

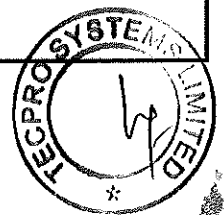
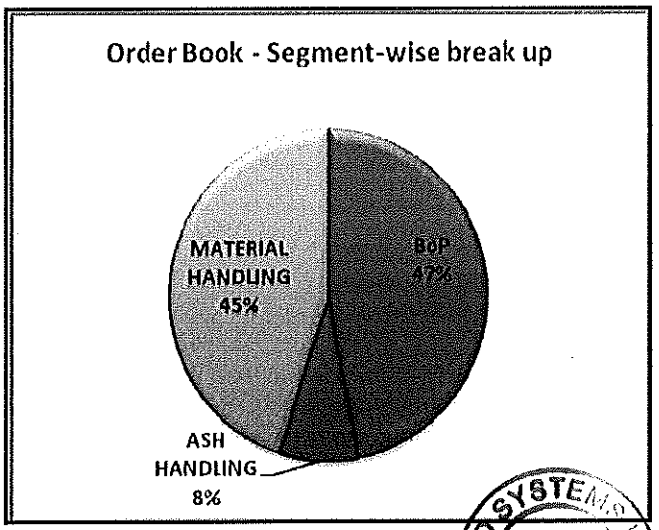
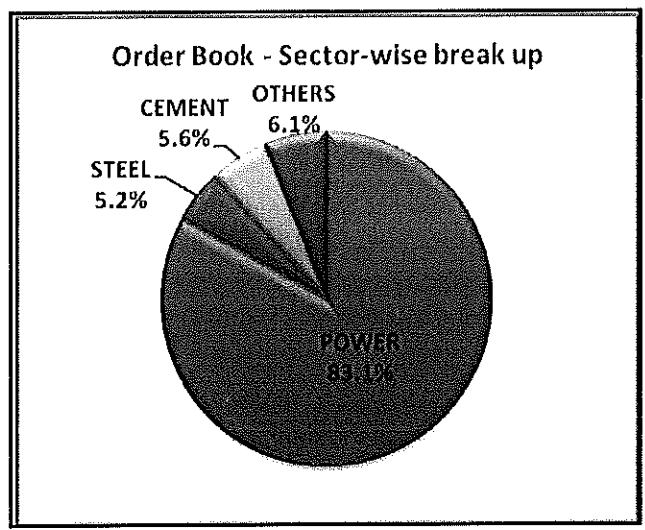
PAT up 275% to ₹ 5.38 crore

Gurgaon, August 12, 2011: Tecpro Systems Limited (Tecpro Systems), a leading Engineering, Procurement and Construction ("EPC") Company providing comprehensive range of services in Coal handling and Ash handling, Balance of Plant (BoP) packages for Power Sector and Material Handling to Steel, Cement, Ports, Mining and other industries in Infrastructure sector, has announced its results for the first quarter ended June 30, 2011.

### Order Book Details

- Strong order backlog of ₹ 4,222 crore as on June 30, 2011 providing robust revenue visibility
- Order inflows stood at ₹ 201 crore for the quarter ended June 30, 2011
- BoP contributes 47%, Material Handling 45% and Ash Handling 8% of total order backlog

### Order Book Breakup



Commenting on the results, Mr. Amul Gabrani, Vice-Chairman & Managing Director, Tecpro Systems said, "We have begun the year on a steady note bagging several new orders this quarter. It is very encouraging to see the large number of live enquiries across all our service verticals. We will aggressively step up our marketing efforts to book more jobs and maintain the growth momentum in our order book position.

We constantly strive to explore newer avenues and expand our product portfolio. We are excited about our exclusive collaboration with Advanced Conveyor Technologies Inc (AC-Tek) of USA, to jointly market our combined expertise on overland conveyor projects and look forward to bag orders in this space soon. We are also very optimistic about our foray into the Waste Heat Recovery space, and will focus our efforts on winning more orders in collaboration with Nanjing Triumph Kaineng Environment and Energy Company Ltd (NTK) of China. Additionally, in order to plug the gaps in our portfolio we are looking at acquiring Ambika Projects (India) Pvt Ltd in Chennai to foray into the water treatment business which we have been looking at for a while. All such collaborations and acquisitions will help Tecpro Systems overcome strong entry barriers and provide advanced technology to its clients.

I believe that Tecpro Systems' strong in-house design and engineering capabilities give it a competitive advantage over other infrastructure and construction/contracting companies. We are all set to deliver another robust performance this year with expectations of over 35%-40% growth in top line, on the back of our very strong order backlog and ability to win new orders on a regular basis. Our horizons are vast and outlook progressive. We will continue with even greater enthusiasm in our endeavours and stronger commitment to leverage our competitive advantages, create new opportunities, traverse new boundaries and deliver greater value to shareholders."

#### Operational Review

During the quarter the Company bagged orders worth ₹ 127 crore from Tata Projects Limited for complete stock house for 3.0 MTPA integrated steel plant at Nagarnar, Chhattisgarh Project. Tecpro Systems will undertake design, engineering, manufacturing, supply, erection and commissioning of complete stock house on lumpsum divisible basis for 3.0 MTPA integrated steel plant. The completion date will be twenty four months from the date of issue. During the quarter under review, the company also received orders from Nagarjuna Construction worth ₹ 31 crore and SAIL worth ₹ 11.55 crore. The Company also expects to win orders in WHR segment moving forward. All its projects under execution are progressing smoothly and are on track as per their schedule.

In addition to the proposal of acquisition of a Chennai based company, Ambika Projects (India) Pvt Limited in the business of water treatment plants, the company is also considering the proposal for incorporation of a 100% subsidiary of the Company in Indonesia to tap the opportunities available in the bulk material handling and mining sectors.



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The order book position of the Company is very strong and the order backlog as on June 30, 2011 stood at ₹ 4,222 crore which provides good revenue visibility for the next few years. Tecpro Systems remains very confident of winning new orders on a timely basis.

BoP contributed 47%, while Material Handling and Ash handling segments accounted for 45% and 8% respectively of the total order backlog. The Order inflows for the quarter stood at ₹ 201 crore.

### Financial Review

#### P&L Perspective

- Tecpro Systems reported a steady performance this quarter with sales revenues on a standalone basis at ₹ 349.76 crore, up 40% compared to ₹ 250.21 crore in Q1 FY2011
- Total expenditure for the quarter stood at ₹ 311.09 crore, up 33.56% compared to ₹ 232.92 crore in the corresponding quarter last year
- EBITDA for Q1 FY2012 stood at ₹ 41.34 crore, representing an increase of 109.68% over the corresponding quarter last year, mainly driven by an increase in sales growth and improved operational efficiency
- EBITDA margins for the three month period stood at 11.82% as compared to 7.88% in the corresponding quarter of the last year
- PBT for Q1 FY2011 stood at ₹ 7.99 crore, an increase of 265.71% compared to the same period last year
- Net profit for the quarter ended June 30, 2011 stood at ₹ 5.38 crore, up 274.82% compared to ₹ 1.44 crore in the corresponding quarter last year
- EPS for the quarter was at ₹ 1.07 per share, up 234.38% compared to ₹ 0.32 per share in Q1 FY2011



## Impressive Clientele

Key players in Clientele	
NTPC	Jindal Stainless Limited
Tata Power	JSW Steel
Reliance Energy	Bhushan Steel Limited
JSW Energy	Grasim Industries
BHEL	ACC Limited
LancoInfratech	Nirma Limited
Adani Power	Chambal Fertilizers & Chemicals
UltraTech Cement	SAIL
Hindalco	Jindal Steel & Power
Tata Projects	Dhariwal Infrastructure

## Outlook

The Indian business and economic environment still remains encouraging and the company is excited with the opportunities at hand. Needless to say that the country's power sector is poised for an exciting growth phase marked with significant capacity additions in generation, transmission and distribution, a supportive regulatory environment and renewed emphasis on rural electrification, nuclear and renewable sources of energy. Power projects and other infrastructure development activities, industrial growth, continued government focus on infrastructure spending and pick-up in private investments would be the key drivers of growth for companies providing Material Handling solutions for the core sectors of the economy.

With the tremendous growth potential in the industry to be unravelled in the coming years, Tecpro Systems is well positioned to harness its internal strengths, carry out its ambitious expansion plans and focus its presence in the power and infrastructure sector and capitalize on the exponential opportunities that exist. Tecpro Systems will continue with its aggressive bidding strategy to book new orders and ensure continuous accretions to its order book giving the business a robust visibility.

Tecpro Systems possesses high-end engineering skills and has a leading edge across all its service offerings. The company intends to sustain its operational excellence by constantly upgrading its manufacturing facilities and expanding its range of products. The estimated capital expenditure for the next two years stands at ₹ 500 - 600 million annually to be utilised to expand production capacity and 8 design centres across India, which would enable the company to enhance its capability to execute projects in a timely manner and improve profitability.

The company will continue to acquire expertise in associated business verticals through technological tie-ups and inorganic growth. Through its recent collaboration agreement with Nanjing Triumph



Environment and Energy Company Ltd (NTK), China for Waste Heat Power Recovery Projects, the Company has entered into WHR space. There are only a few players executing order in this segment. The future outlook for sector is very encouraging and Tecpro Systems is expected to secure many more orders in this space in the coming years.

Going forward, the Company intends to move towards delivering more value-added engineering services and improve its manufacturing and project execution capabilities. The emphasis would be on larger turnkey projects in Material Handling & Ash Handling systems in Ultra Mega Power Projects, BoP Projects, WHR Projects and to bid for EPC of larger Power Plants to leverage economies of scale.

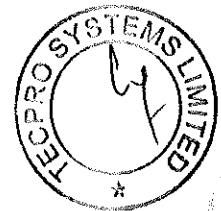
Tecpro Systems has witnessed tremendous growth in its order book position over the past five years. The Company will continue to bid aggressively to book new orders, and execute all its awarded orders effectively and in a timely manner. The Company is expected to grow at a rapid pace in the future and strengthen its leadership position.



## About Tecpro Systems

Since the commencement of its operations in 2001, Tecpro has been instrumental in executing more than 1,000 material handling orders. The Company designs, engineers, manufactures, sells, commissions and services a range of systems and equipment to provide turnkey projects for the core infrastructure related sectors like power, steel, cement and other industries. In order to expand its scope of services, Tecpro Systems integrated the ash handling business of Tecpro Ashtech Limited (TAL), previously known as Mahindra Ashtech Limited, with its existing material handling operations by way of amalgamation. Today, Tecpro Systems has in-house capabilities for providing comprehensive solutions in material and ash handling systems.

The Company has ventured into various complimentary businesses across different divisions of the power sector with a vision to build an integrated business serving the sector. As per CEA records, Tecpro received the highest number of orders for coal handling plants during the Eleventh Five-Year Plan (2007-2012). The company also forayed into the EPC segment for thermal power projects in 2007, in which it managed the erection and commissioning of the boiler, turbine and generator (BTG) packages along with undertaking the engineering, design, supply and commissioning of other equipment and services. Leveraging its capabilities in coal and ash handling, the Company has also taken up turnkey BoP contracts in the thermal power generation sector. The business undertaken by the company broadly comprises four segments viz. material handling solutions, ash handling solutions, BoP/EPC contracts and other businesses such as supply of air pollution control equipment.



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