



Investors Update Q2 Sep'09



key figures Q2 30th September'09

4,546
million revenues

670
million EBITDA

108
million net profit

-1.7%
decline in revenues

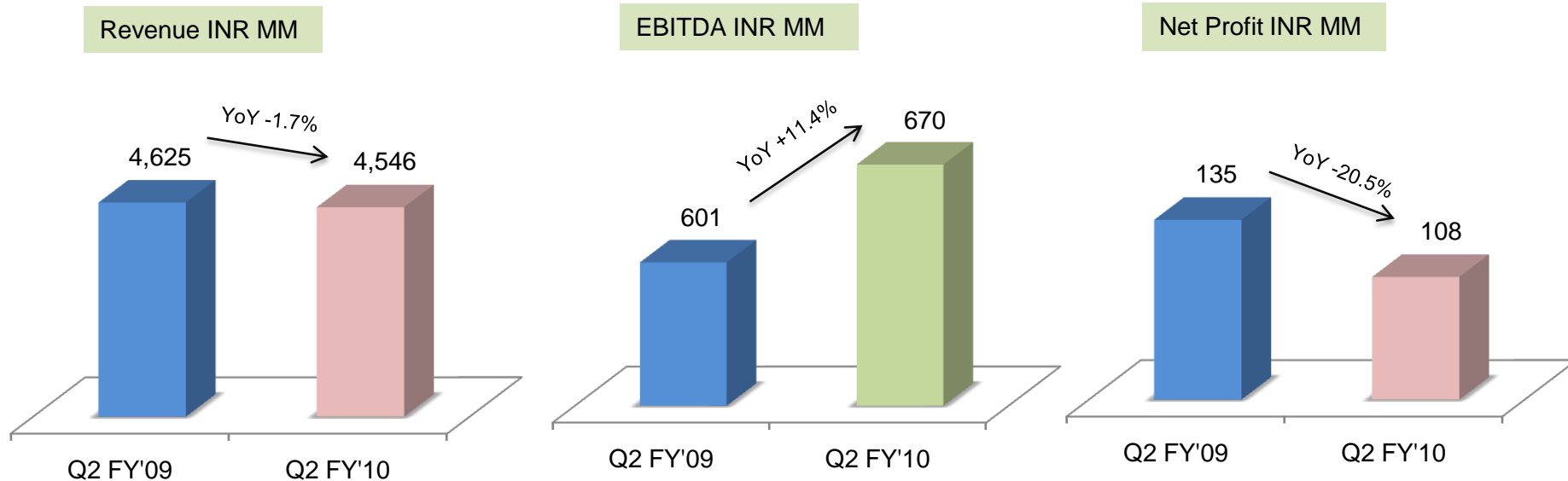
+11.4%
growth in EBITDA

-20.5%
decline in net profit

14.7%
EBITDA margin

2.4%
net profit margin

Performance Review



❑ **Net Revenues** were down by INR 79MM from INR 4,625MM in Q2 FY'09 to INR 4,546MM in Q2 FY'10, graphing a downward trend of 1.7%

- Driven primarily by reduction in turnover of engineering division where the order book position was low in FY'09 due to recession in domestic as well as international market

❑ **EBITDA** was up INR 69MM from INR 601MM in Q2 FY'09 to INR 670MM in Q2 FY'10, growing at 11.4% YoY

- EBITDA grew primarily due to backward integration for Steel and D I Pipe plant. Further, the benefit of captive power plant is also helping in achieving better EBITDA margins
- EBITDA margin improved from 13.0% in Q2 FY'09 to 14.7% in Q2 FY'10

❑ **Net Profit** declined from INR 135MM in Q2 FY'09 to INR 108MM in Q2 FY'10, falling by 20.5%

- The decline was primarily driven by increase in depreciation and interest cost as a result of capitalization of Phase III during last fiscal

Consolidated Income Statement (Q2)

<i>Figures in INR million</i>	Q2 FY'09	Q2 FY'10	YoY Growth
Total Revenues	4,625	4,546	-1.7%
Other Operating Income	-	-	
Increase (Decrease) in Stock	(109)	210	
Material Costs	(3,022)	(3,040)	
Employee remuneration	(139)	(122)	
Other Expense	(754)	(925)	
EBITDA	601	670	11.4%
Depreciation & Amortization	(98)	(190)	
EBIT	504	480	-4.7%
Finance Charges	300	319	6.4%
Profits Before Tax (PBT)	203	160	-21.1%
Taxation Charges	68	53	
Net profits	135	108	-20.5%
Extra Ordinary Items (Net of Tax Expense)	-	-	
Profit after Prior Period Adjustment	135	108	-20.5%
Basic Weighted Avg. shares (MM)	11.48	11.48	
Basic EPS (INR)	11.12	9.37	

Key Ratios

Return ratios	Q2 FY'09	Q2 FY'10
EBITDA margin	13.0%	14.7%
EBIT margin	10.9%	10.6%
Net Profits margin	2.9%	2.4%

Consolidated Income Statement (Q1 – Q2)

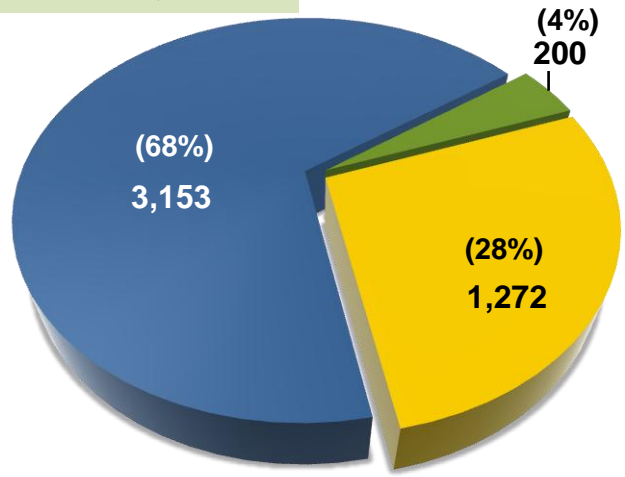
<i>Figures in INR million</i>	H1 FY'09	H1 FY'10	YoY Growth
Total Revenues	8,474	8,948	5.6%
Other Operating Income	-	-	
Increase (Decrease) in Stock	496	437	
Material Costs	(6,276)	(6,261)	
Employee remuneration	(254)	(246)	
Other Expense	(1,173)	(1,391)	
EBITDA	1,267	1,487	17.4%
Depreciation & Amortization	(193)	(378)	
EBIT	1,074	1,109	3.3%
Finance Charges	599	697	16.4%
Profits Before Tax (PBT)	475	412	-13.3%
Taxation Charges	158	135	
Net profits	316	277	-12.3%
Extra Ordinary Items (Net of Tax Expense)	0.2	-	
Profit after Prior Period Adjustment	316	277	-12.3%
Basic Weighted Avg. shares (MM)	11.48	11.48	
Basic EPS (INR)	27.52	24.13	

Key Ratios

Return ratios	H1 FY'09	H1 FY'10
EBITDA margin	15.0%	16.6%
EBIT margin	12.7%	12.4%
Net Profits margin	3.7%	3.1%

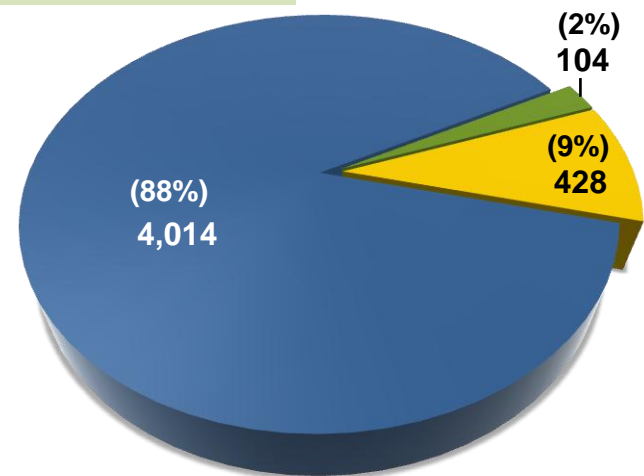
Revenue Breakdown

Q2 FY'09 – INR 4,625 MM



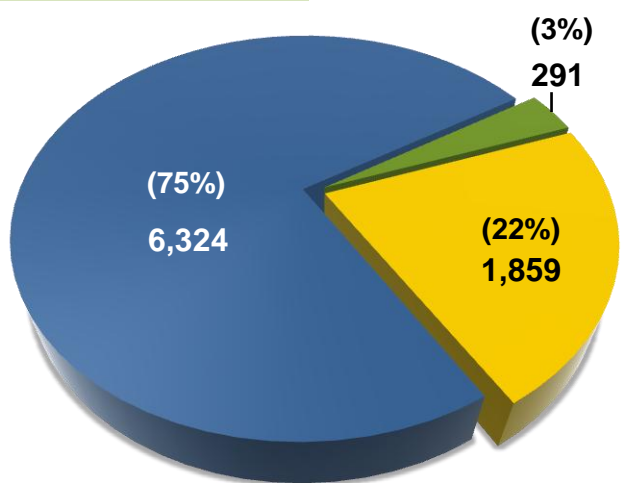
■ Engineering ■ Steel ■ Electric Vehicles

Q2 FY'10 – INR 4,546 MM



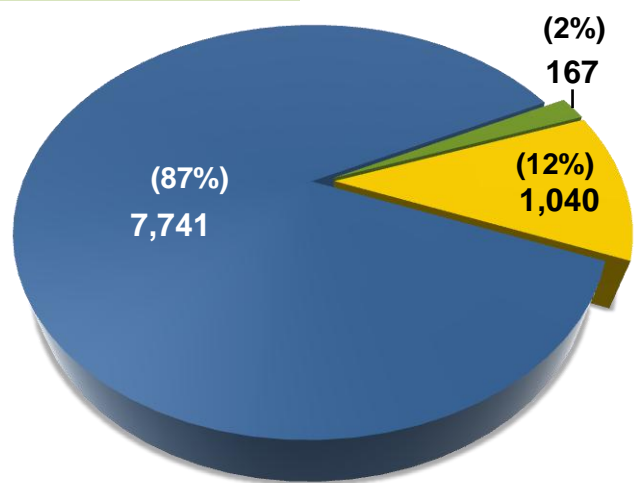
■ Engineering ■ Steel ■ Electric Vehicles

H1 FY'09 – INR 8,474 MM



■ Engineering ■ Steel ■ Electric Vehicles

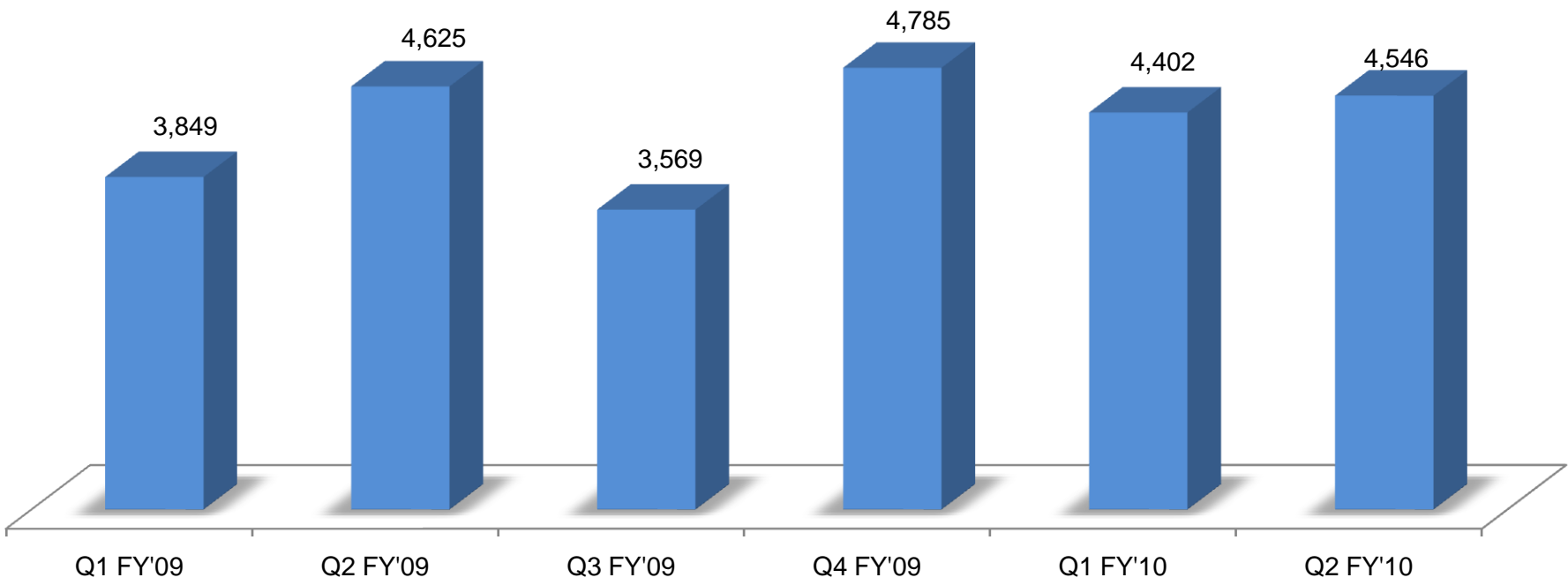
H1 FY'10 – INR 8,948 MM



■ Engineering ■ Steel ■ Electric Vehicles

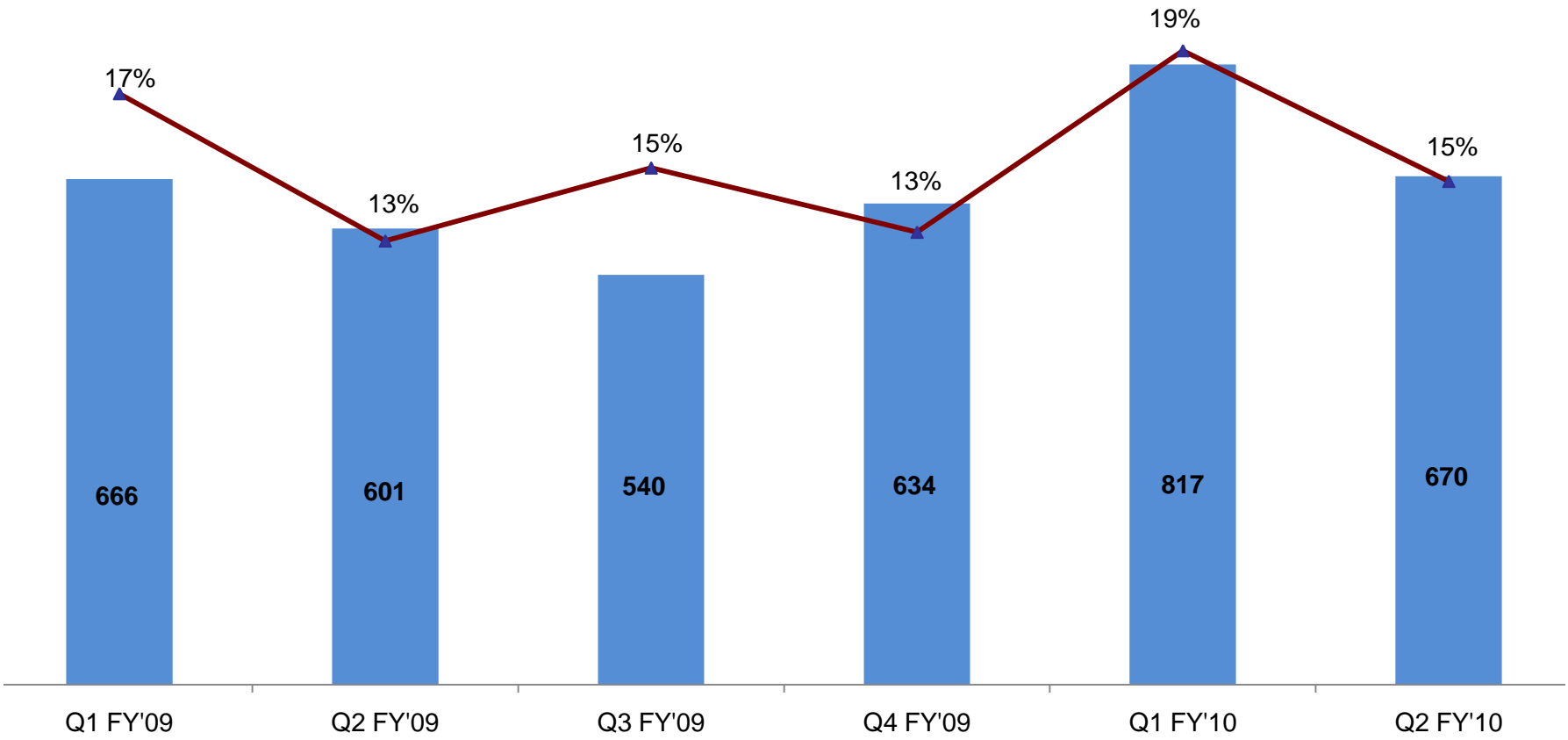
Consolidated Revenues

Revenues = INR MM



Operating Income (EBITDA)

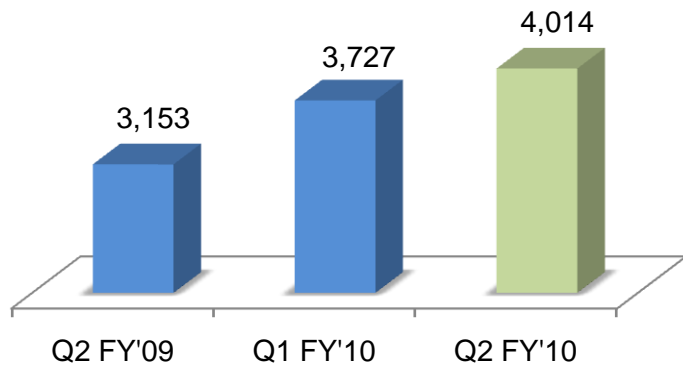
EBITDA = INR MM
 EBITDA Margin = %age





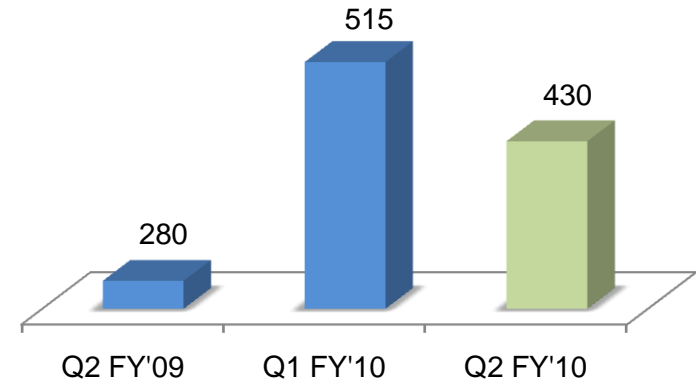
Special Steel Segment

Revenues INR MM



- ❑ **Revenues** increased from INR 3,153MM in Q2 FY'09 to INR 4,014MM in Q2 FY'10, graphing an upward trend of 27.3% YoY
- ❑ Increased 7.7% QoQ
- ❑ Revenues growth was driven by sales of increased quantity in steel and D I Pipes

EBIT INR MM

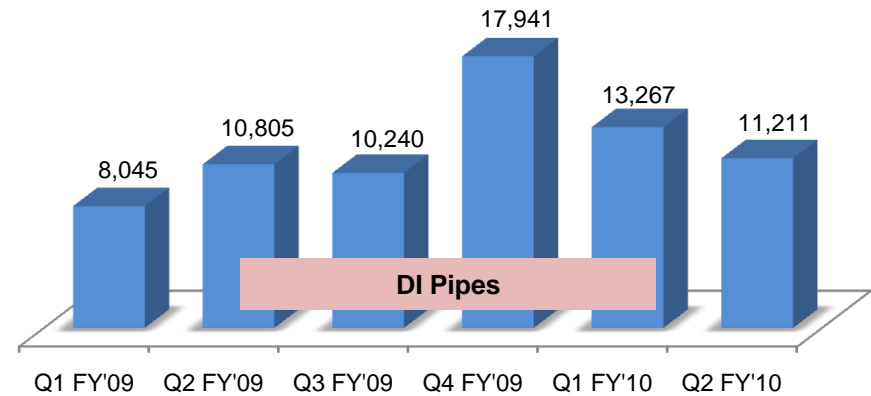
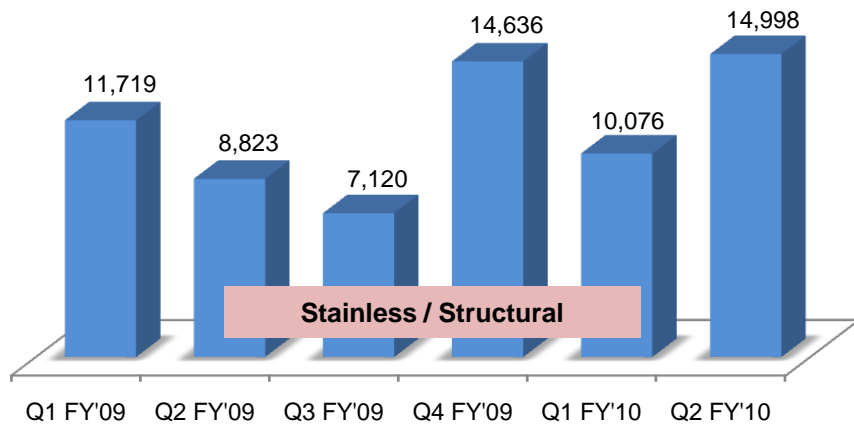
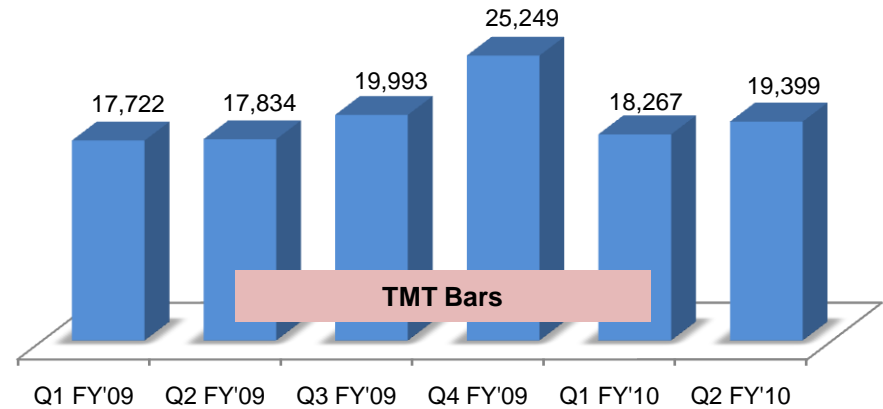
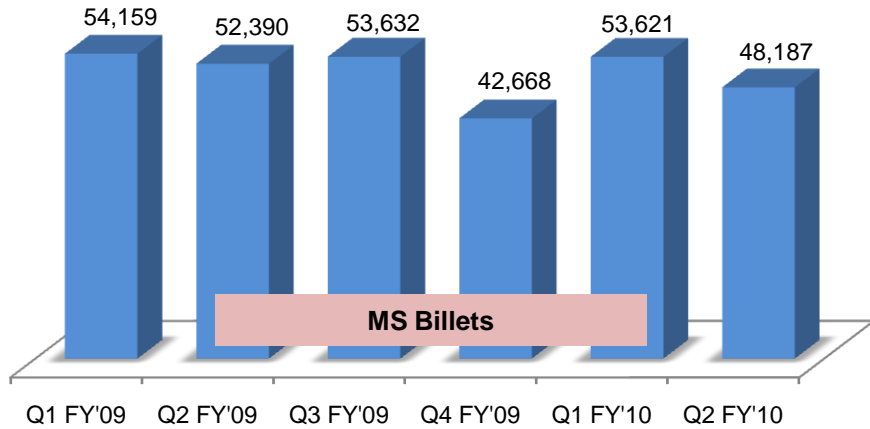


- ❑ **EBIT** increased from INR 280MM in Q2 FY'09 to INR 430MM in Q2 FY'10, growing at 53.6% YoY
- ❑ Declined 16.5% QoQ



Production – Steel Segment

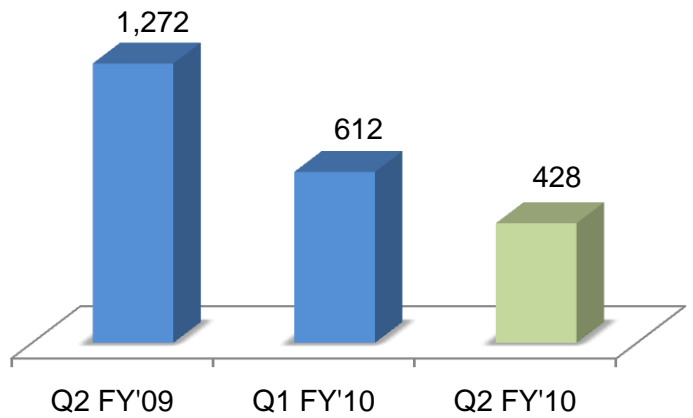
Metric tonnes





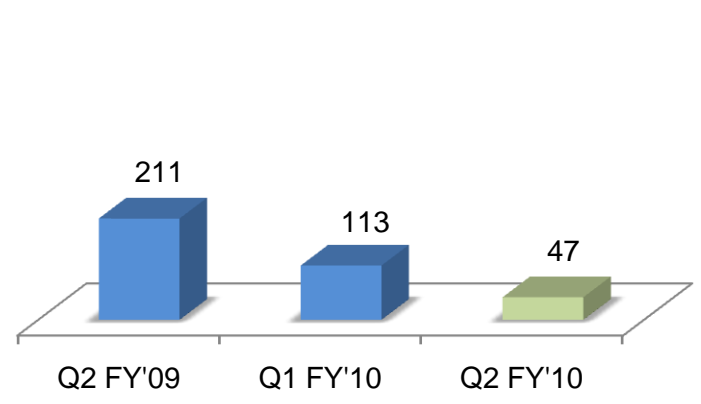
Engineering & Product Segment

Revenues INR MM



- ❑ **Net Revenues** decreased from INR 1,272MM in Q2 FY'09 to INR 428MM in Q2 FY'10, graphing a downward trend of 66.4%.
- ❑ Declined by 30.1% QoQ

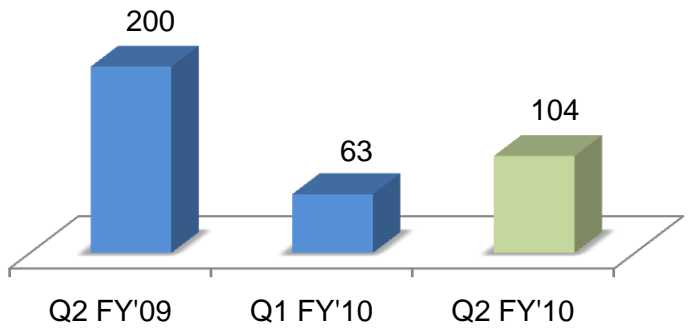
EBIT INR MM



- ❑ **EBIT** decreased from INR 211MM in Q2 FY'09 to INR 47MM in Q2 FY'10, declining by 77.7% YoY
- ❑ Declined by 58% QoQ

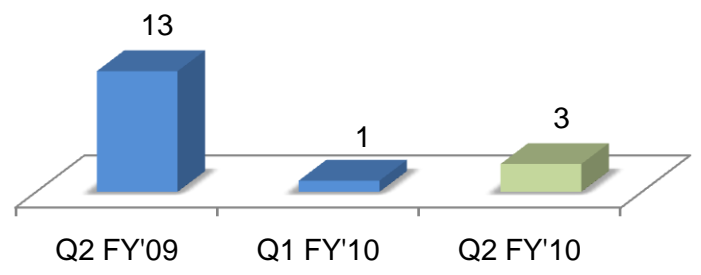
Electric Vehicle Segment

Revenues INR MM



- ❑ **Net Revenues** decreased from INR 200MM in Q2 FY'09 to INR 104MM in Q2 FY'10, graphing a downward trend of 48.0%
- ❑ Increased 65.1% QoQ as the company witnessed an increase in demand for electric bikes in festive season of Q2. Q3 also being a Festive season is expected to deliver a strong growth

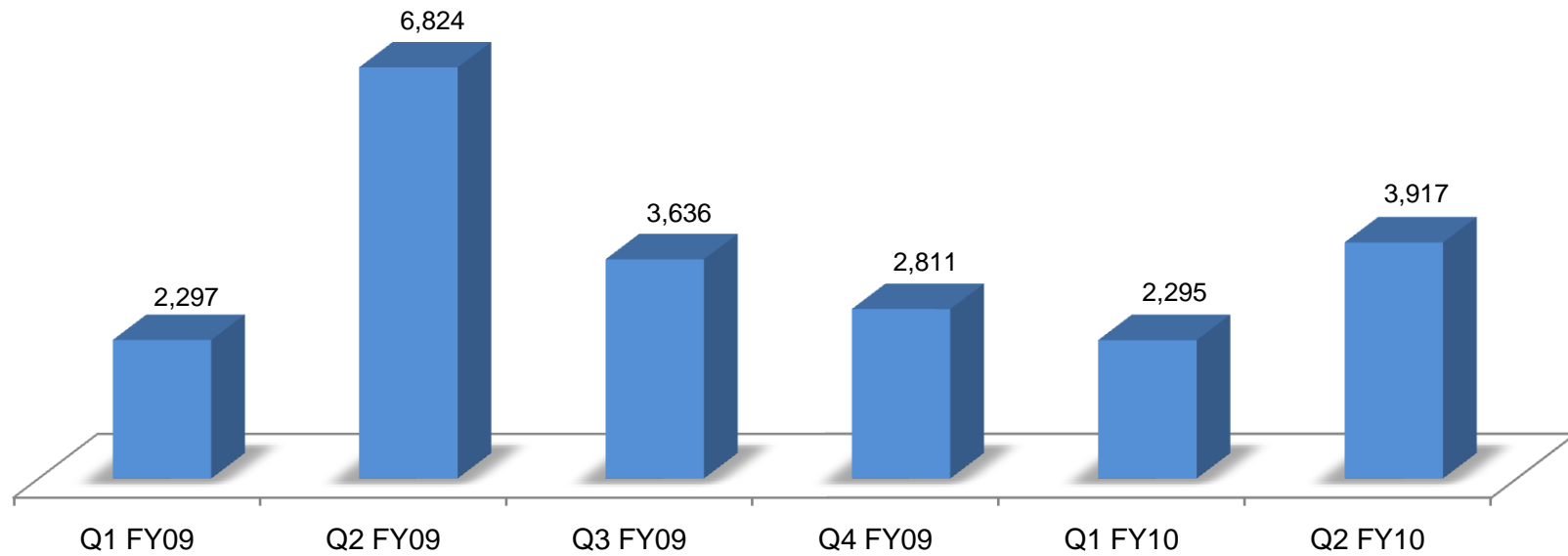
EBIT INR MM



- ❑ **EBIT** decreased from INR 13MM in Q2 FY'09 to INR 3MM in Q2 FY'10, declined by 76.9% YoY
- ❑ Increased 150.0% QoQ

Production – Electric Bikes

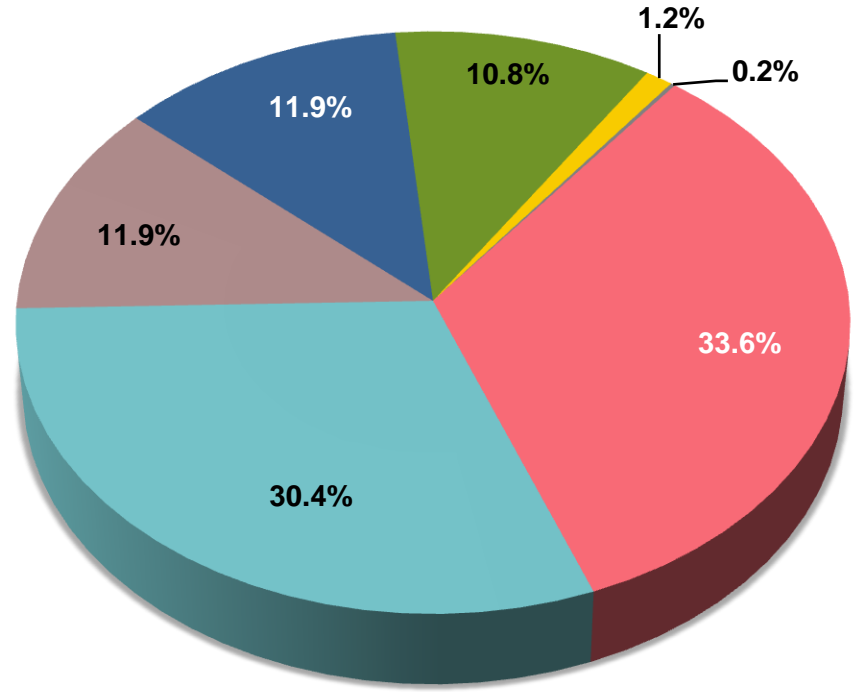
Volume



Shareholding Pattern...30 Sep'09

Shareholder Type	No. of Shares
Promoters	3,853,075
Mutual Funds	9,800
Financial Institutions	21,275
FII's	1,366,666
Body Corporates	3,489,417
Individuals	1,235,485
Trusts	1,368,333
Others	132,323
Total	11,476,374

%age Shareholding



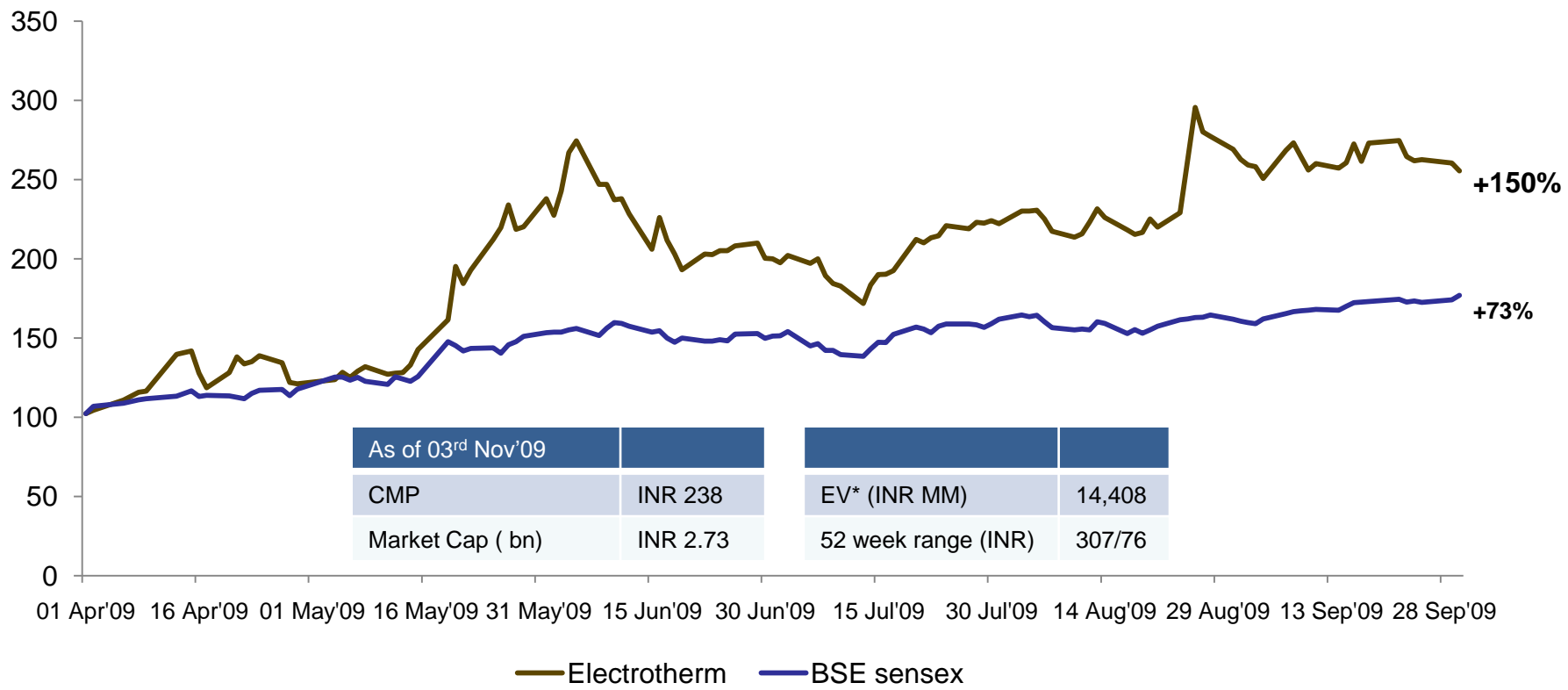
- Promoters
- Body Corporates
- Trusts
- Foreign Institutional Investors
- Individuals
- Others
- Other Institutional investors

Shareholding Pattern

Investor	Jun'08	Sep'08	Dec'08	Mar'09	Jun'09	Sep'09
Promoters (A)	29.16	32.27	32.27	33.57	33.57	33.57
Institutional Investors						
DII's	1.64	1.53	1.40	0.10	0.09	0.09
FII's	12.66	12.11	12.09	12.09	12.09	12.09
Sub Total (B)	14.30	13.64	13.49	12.19	12.18	12.18
Non Institutional Investors						
Individuals	11.90	11.52	11.47	11.60	10.87	10.77
Body Corporate	31.00	29.46	29.37	29.32	29.91	30.41
Trusts	12.48	11.92	11.92	11.92	11.92	11.92
Others	1.16	1.19	1.48	1.40	1.54	1.15
Sub Total (C)	56.54	54.09	54.24	54.24	54.25	54.25
Total	100%	100%	100%	100%	100%	100%

Outshining the Benchmark Index

Stock performance 1st Apr'09 – 30th Sep'09



Return Analysis (%)

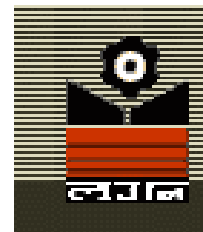
In %	6 Months	3 Months	2 Months	1 Month
Electrotherm	+150%	+96%	+62%	(16%)
BSE Sensex	+73%	+46%	+19%	(2%)

* Balance sheet as of FY'09

Clients We Serve



Hill Metals





Thank You

Bhavesh Jain
Electrotherm India Ltd
bvj@electrotherm.com
+91 2717 234 553

TapanJindal
ARC Financial Services
tapan@arc-fs.com
+91 11 4562 2127

Forward Looking Statements

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

Important Disclaimer

The information provided herein is not intended to be an offer to buy or sell, or a solicitation of an offer to buy or sell, any of the securities. Any expression of opinion obtained from or based upon sources believed to be reliable but is not necessarily complete and its accuracy can not be guaranteed. Opinions expressed herein reflect the opinion of ARC Financial Services Private Limited and are subject to change without any notice.

The company expressly disclaims all warranties, expressed or implied as to the accuracy, reliability or completeness of any investment information, research, opinion, advice or any other information provided and will not accept any liability, what so ever, with respect to the use of this document or its contents. This document shall not form the basis of and should not be relied upon in connection with any contract or commitment what so ever. The user of this document agree that any decisions made by him/her on the basis of the information provided by ARC Financial Services are done so independently, at his/her own discretion and risk and that such decisions are based on the user’s evaluation and his/her financial circumstances. The user will not hold nor seek to hold ARC Financial Services or any of its officers, directors, employees, agents, subsidiaries or affiliates liable for any trading losses or cost of damages threatened, suffered or incurred consequent upon your reliance on the information. This document is not to be reported or copied or made available to others without prior permission of ARC Financial Services Private Limited.