

Shriram EPC

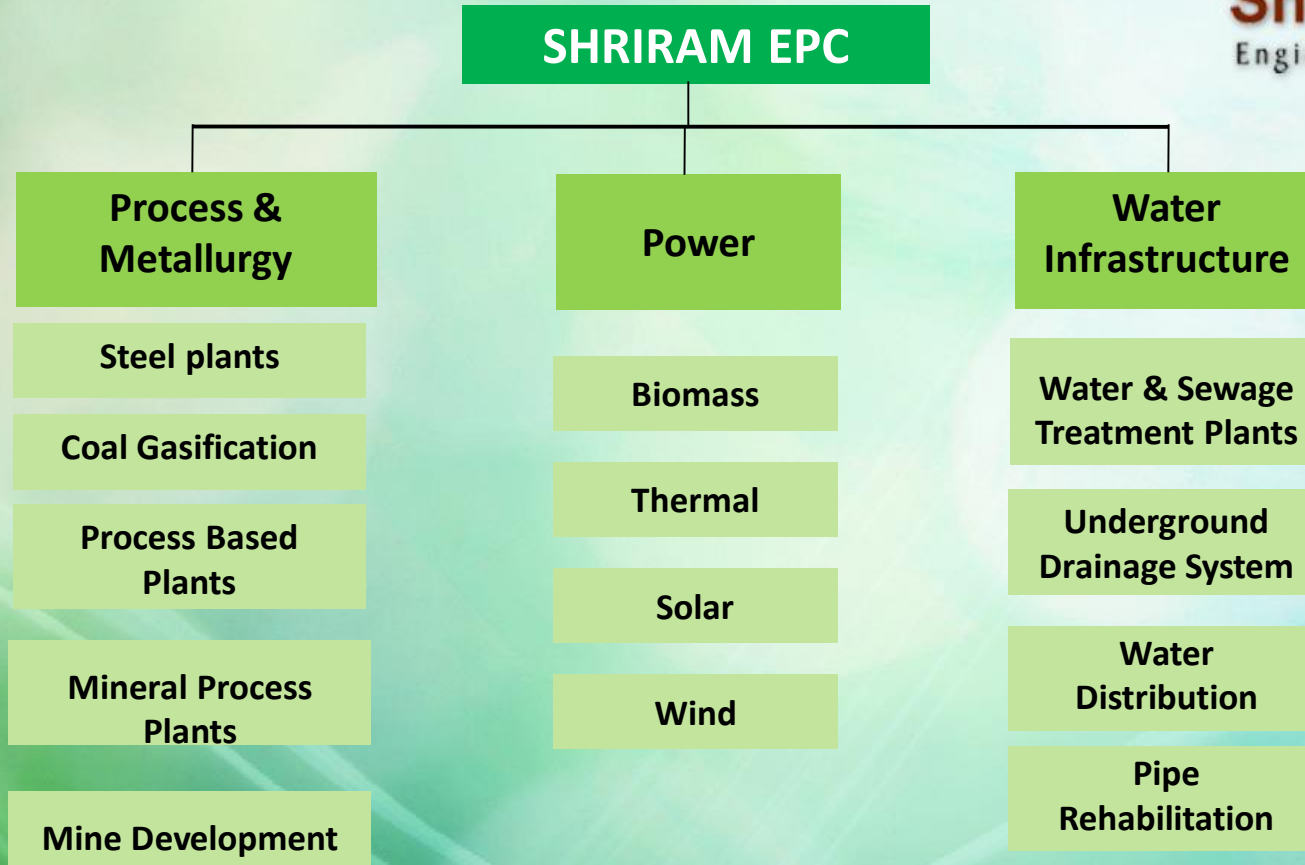
Presentation to AGM
10th September 2014



Company Snapshot

- Incorporated in 2000 with headquarters in Chennai
- High-end engineering services company providing EPC & Turnkey solutions
- Manpower & Infrastructure
 - 680 employees
 - 520 engineers & technical staff
 - Offices in Kolkata and Delhi

Business Areas



Process & Metallurgy



Power



Water Infrastructure



Current status

- Order book of Rs 2030 crores
- Includes only active projects which are financially closed
- Major orders in
 - Process and metallurgy
 - Municipal services

Status of industry

- Past 3-4 years have been the worst ever for the infra industry
- Projects have been delayed or stalled all across India
- Cash flow from customers (especially private sector) has been very poor
- New investment decisions have been very slow

Outlook

- With new government, outlook is better
- Focus on implementation of projects a positive
- Development of smart cities will open up opportunities for us
- Focus on sanitation and water is very positive for Shriram EPC

Company specific issues

Basra project

- Company had taken a 235 million USD project for Basra (Iraq) governorate.
- Project was to be secured 100% by an LC from the governorate of Basra
- Project was unilaterally cancelled by the governor in January 2014
- Company has gone to court in Basra as well as the Madras High court for relief

Company specific issues

Basra project....

- The legal position is very strong.
- The Government of India has been very supportive in our case
- The developments were previous to the recent unrest/fighting in Iraq so all personnel had returned to India

Company specific issues

Abhijeet project

- Company was executing an order for 50 MW Solar Thermal power project in Rajasthan for Abhijeet group
- Project was suspended as bankers withdrew support due to certain government actions
- Currently the project is expected to revive as Government actions may be reversed.

Company specific issues

Debt Restructuring

- Due to the tight financial situation, company approached banks to restructure its debt
- The scheme has been approved by the CDR Empowered Group in the third week of August
- Most of the bankers have approved the proposal
- Board will be reviewing this and we will come to shareholders for necessary approvals

Company specific issues

Debt Restructuring...

- Promoters have infused Rs 160 crores towards equity contribution
- This is in addition to around 120 crores before the CDR cutoff date

Way forward

- Market looks like it will improve
- Projects in the following areas are active
 - Municipal services - Tamilnadu, Karnataka and Rajasthan
 - Steel plants and related activities
 - Power is reviving
- New project flow is encouraging

Thank You