

Shriram EPC Ltd

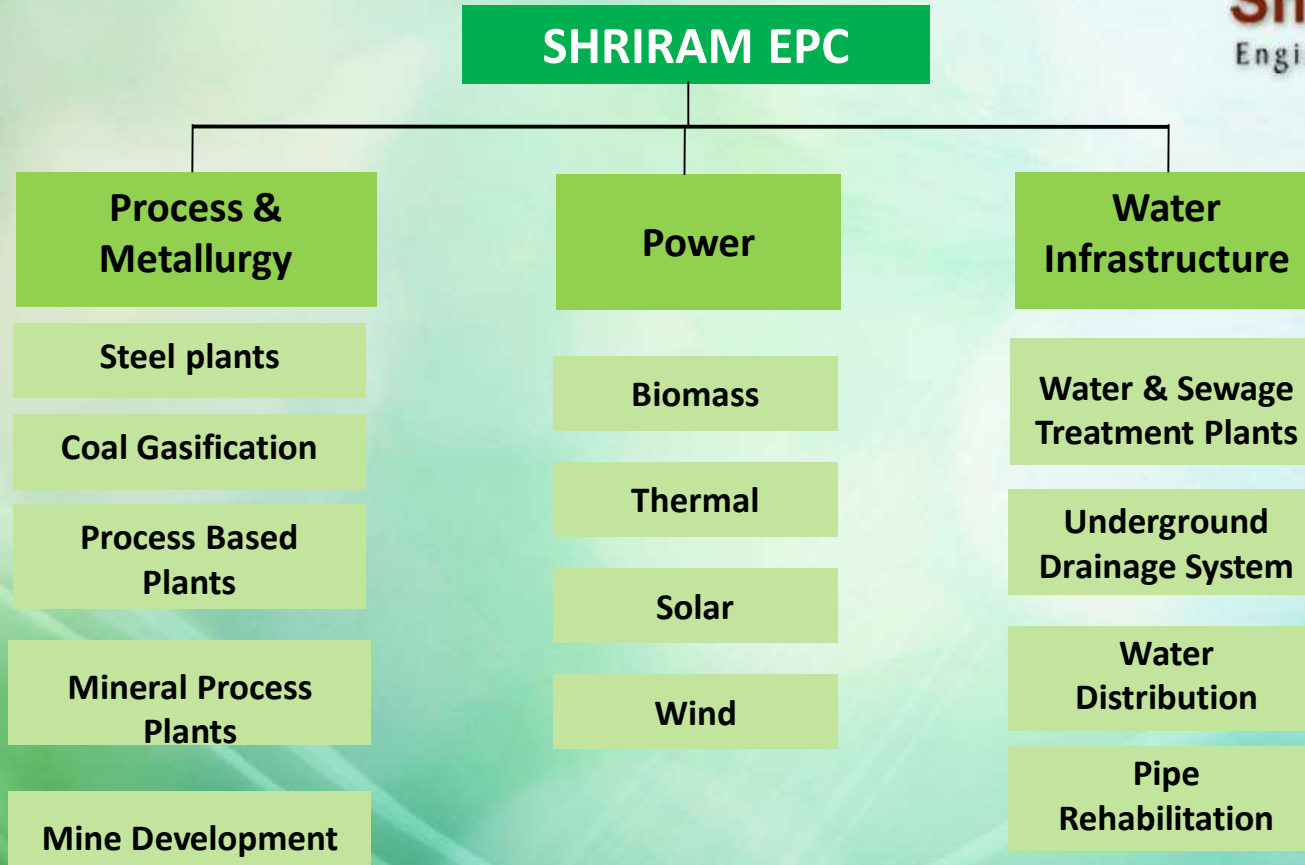
Presentation to AGM
24th September 2015



Company Snapshot

- Incorporated in 2000 with headquarters in Chennai
- High-end engineering services company providing EPC & Turnkey solutions
- Manpower & Infrastructure
 - 590 employees
 - 425 engineers & technical staff
 - Office in Kolkata

Business Areas



Process & Metallurgy



Power



Water Infrastructure



Current status

- Order book of over Rs.1600 crores
- Includes only active projects which are financially closed
- Primarily orders in
 - Process and metallurgy
 - Municipal services

Status of industry

- The infra industry is going through extremely tough times
- Projects have been delayed all across India
- Hardening of interest rates and extended working capital cycle
- New Private investment decisions have been very slow
- Government infra spending has not yet recovered

Company specific issues

Basra project

- Company had taken a 235 million USD project for Basra (Iraq) governorate.
- Project was secured 100% by an LC from the governorate of Basra
- Project was unilaterally cancelled by the governor in January 2014
- Claim has also been lodged with ECGC

Company specific issues

Abhijeet project

- Company was executing an order for 50 MW Solar Thermal power project in Rajasthan for Abhijeet group
- Project suspended as bankers withdrew support
- Lenders appointed M/s SBI Caps to find a suitable investor to take over the project.
- SBI Caps is in the process of preparing a tender to float in the near future.
- The issue is expected to be resolved before the current financial year

Company specific issues

Debt Restructuring

- The company restructured its debts during the FY 2014-15.
- The process took around 6 months which resulted in the lower sales as bank limits were not available
- Promoters infused Rs 210 crores towards equity contribution
- Bankers have decided to convert their Funded interest term loan and sacrifice amount as per the norms of the CDR Cell
- This will reduce liability as well as improve the Networth of the Company
- The promoters have also additionally infused Rs.389 crores, which have been used to redeem the preference shares and repay the unsecured loan of Rs.89 crs

Outlook

- Gradual increase in economic activity is expected in 2015.
- Medium term to long term growth prospects look positive
- Focus on sanitation and water is very positive for Shriram EPC
- Entering new lines of business
- International market- Middle East and Africa look promising

Outlook

- Government capex in some states has returned
- Municipal services
 - Telengana, Andhra Pradesh, Delhi
- Mining
- Power- State electricity boards and NTPC
- Solar

Thank You