

# Shriram EPC Ltd

Presentation to AGM  
15<sup>th</sup> September 2016

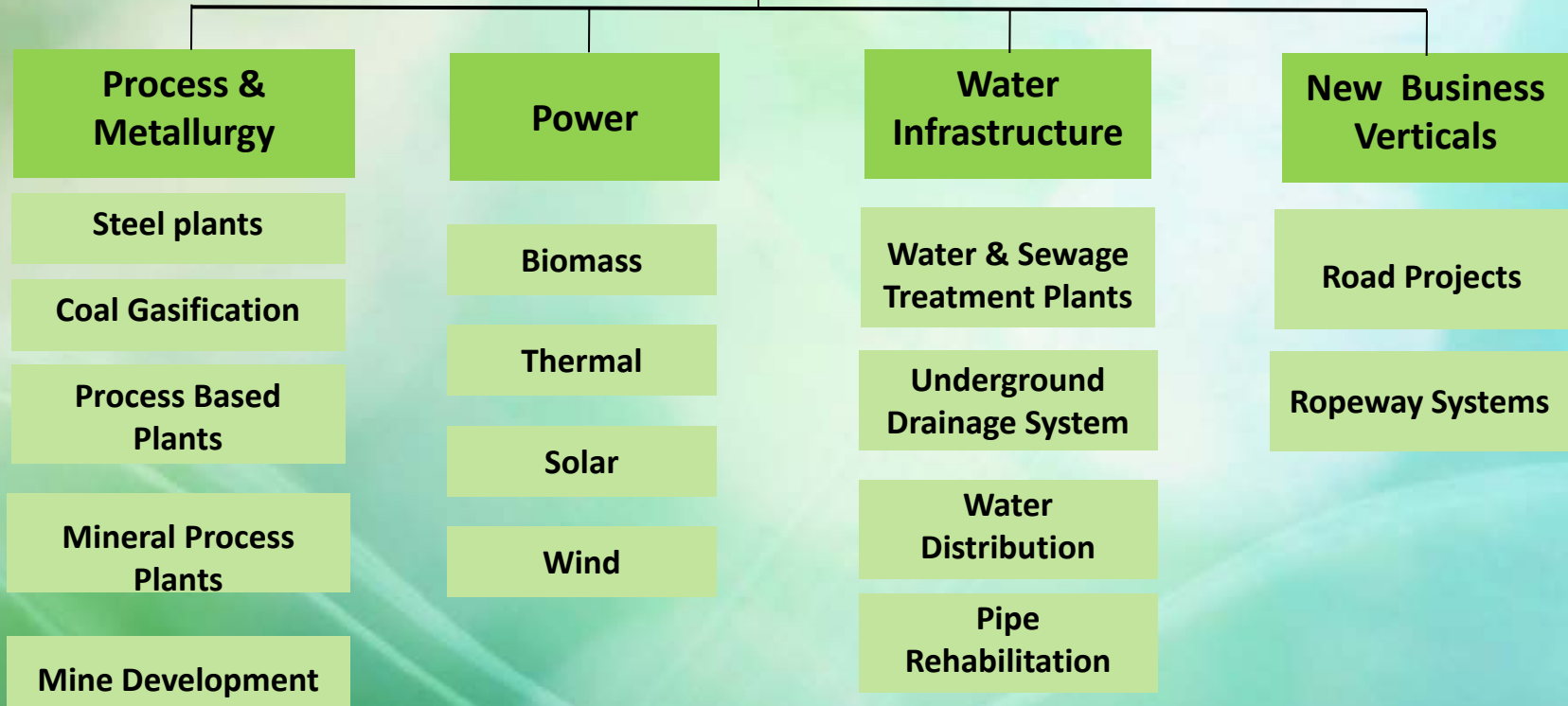


# Company Snapshot

- Incorporated in 2000 with headquarters in Chennai
- High-end engineering services company providing EPC & Turnkey solutions
- Executing about 60 projects across India
- Manpower & Infrastructure
  - 457 employees
  - 335 engineers & technical staff

# Business Areas

## SHRIRAM EPC



# Process & Metallurgy



# Power



# Water Infrastructure



# Industry Outlook

- The infrastructure sector has had a difficult few years
- Signs of revival with new projects
- Global growth continues to remain weak (2.4% in FY 16)
- Falling commodity prices especially steel affecting our key customers.
- Significant uptick expected in water and waste water under AMRUT and Swach Bharat schemes.
- Mining projects are beginning to accelerate.

# Update on Basra project

- The Basra project in Iraq was cancelled in 2014 and the Company has taken legal recourse and obtained injunction against invocation of BG in Iraq as well as in India.
- Company has filed a legal case in Iraq for compensation towards cost incurred on the project.
- Company has also filed a claim with ECGC for the expenditure incurred on the project as well as for the loss of profit upon cancellation of the contract.



# Update on Abhijeet project

- The 50 MW Solar Thermal power project in Rajasthan for Abhijeet group got suspended on account of financial issues of the client.
- Lenders have taken over the project assets and are in the process of finding a suitable investor to take over and complete the project.
- Company has gone for arbitration with the client for settlement of dues.
- As a matter of abundant caution, Company has already provided an amount of Rs 67 Cr during FY 15-16.

# Corporate Debt Restructuring (CDR)

- During FY 14-15, Company restructured its debts and was provided various reliefs and concessions
- During FY 15-16, Company converted Funded Interest Term Loan (FITL) of Rs 260 Cr and Working Capital Term Loan of Rs 78 Cr into equity.
- The company settled the right to recompense towards sacrifice by lenders to the tune of Rs 147 Cr by issue of equity to the lenders.
- During FY 16-17, The banks have, in principle agreed to convert the balance WCTL of Rs 1282 Cr into equity. The final approval process is ongoing
- Company will issue equity to the promoters on preferential basis to the tune of Rs 265 Cr as approved by the lenders.
- Once this is completed, the Company will have improved networth, sustainable debt and substantial reduction in interest outgo compared to the previous years.

# Order Book

- The current order book is Rs 2213 Cr as on June 30, 2016
- Includes only active projects which are financially closed excluding stalled projects
- Primarily orders are in
  - Process and metallurgy
  - Water and Municipal services
  - Roads

# Order book -overseas

- Shriram EPC FZE, a 100% subsidiary of SEPC, has won an order in Oman for putting up 1.2 MTPA steel mill (balance of plant) from MISCO for USD 230 Million (Rs 1500 Cr)
- The project is for a period of 32 months
- SEPC has experience of executing similar project for SAIL in India.
- The turnover will reflect in the consolidated results of SEPC over the next 2 years

# Outlook

- Company is pursuing various international tenders for water projects in Tanzania, Malawi, Ghana and Uganda. These international projects will have better EBITDA margins and augur well for the Company.
- The domestic tenders in pipeline for water projects alone are more than Rs 25000 Cr in the next one year.
- Company has taken initiative to explore new areas of business in ropeways, mining, road etc.
- Secured order for road project in Jharkhand for Rs 300 Cr

Thank You