



RPP Infra Projects

One of India's
most profitable rural
infrastructure players



Investor Presentation
November 2016

Construction + Infrastructure building

There is just one big idea behind what RPP Infra intends to communicate

Fastest growing spaces

+

Fastest growing states

+

Safest customer

=

Most profitable



RPP Infra's Space

- **Fastest growing spaces:** Irrigation and water supply, Civil construction works, National Highways, Rural roads and other Infrastructure works
- **Fastest growing states:** Telangana, Andhra Pradesh, Karnataka and Madhya Pradesh
- **Safest customer:** The Government
- **Most profitable:** 16% margin, 2015-2016



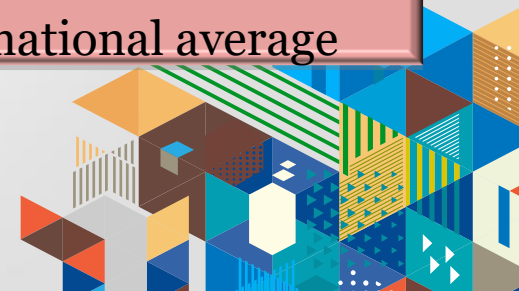
CATERING TO SOME OF THE LARGEST STATES IN INDIA

Telangana Twelfth largest state of India
GSDP grew average 9.2% in 2015-2016

Andhra Pradesh Eight largest state of India
GSDP grew average 10.5% in 2015-16

Karnataka Ninth largest state of India
GSDP grew average 15.2% in 2015-16
Per capita GSDP nearly 29% higher than the national average

Madhya Pradesh Second largest state of India
GSDP grew average 21.15% 2015-16
Per capita GSDP nearly 20.1% higher than national average



THIS STRATEGIC FOCUS HAS WORKED IN THE PAST

Resulting in
sectoral
outperformance

Resulting in
attractive growth

Resulting in a safe
Balance Sheet even
in the most
challenging times



NEW PLAN FOR EMERGING INDIA

- Atal mission for rejuvenation and urban transformation(AMRUT)
- Madhya Pradesh Local Area Development Scheme
- Integrated Rural Development Program
- Jawaharlal Nehru National Urban Renewal Mission (JnNURM)
- Indira Awaas Yojana
- NTR Special Housing for HudHud Cyclone victims
- Rural Development & Panchayat Raj
- Smart Cities Mission
- District Rural Development Agency (DRDA)



OUR FINANCIAL GROWTH OVER THE YEARS

From a turnover of Rs. **144.55** crore in 2009-10 to Rs. **314.69** crore in 2015-16

From an operating profit of Rs. **14.74** crore in 2009-10 to Rs. **45.45** crore in 2015-16

From a cash profit of Rs. **10.72** crore in 2009-10 to Rs. **31.32** crore in 2015-16

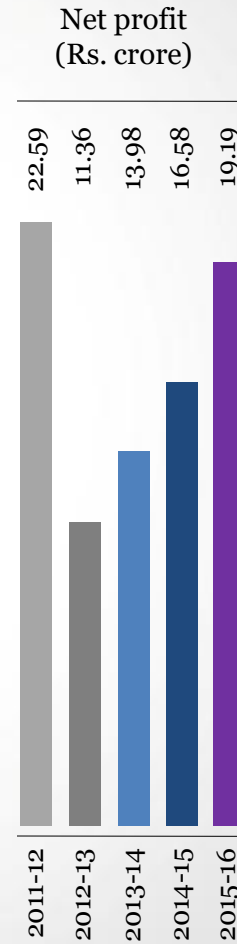
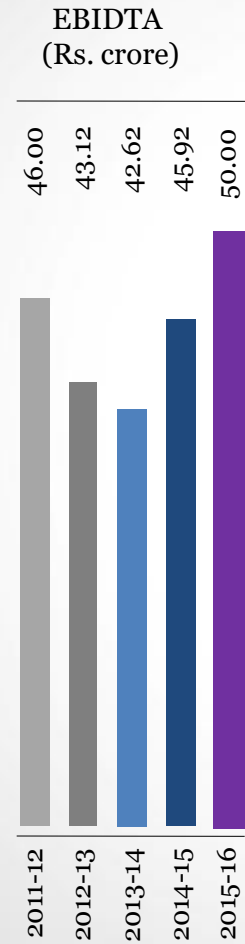
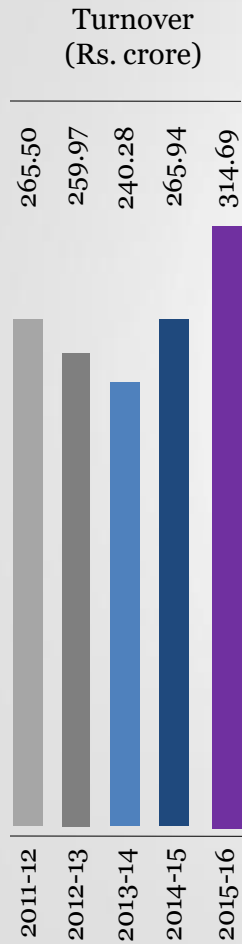
From a net profit of Rs. **7.27** crore in 2009-10 to Rs. **19.19** crore in 2015-16

From earnings per share (EPS) of Rs. **5.27** in 2009-10 to Rs. **8.49** in 2015-16

From book value per share of Rs. **14.88** in 2009-10 to Rs. **82.70** in 2015-16



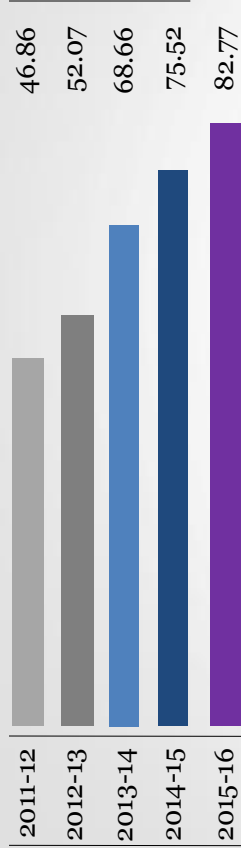
Our financial journey *contd...*



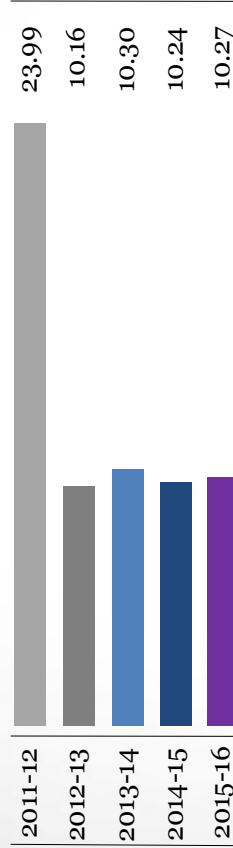
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Our financial journey

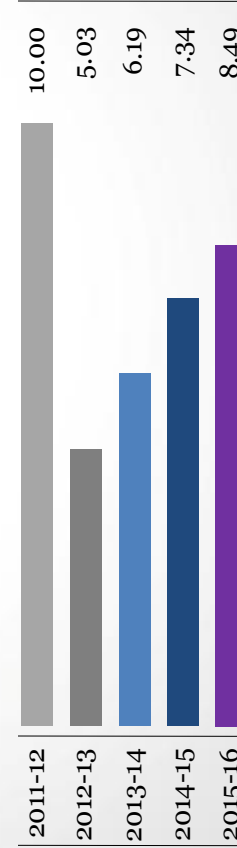
Book value per share (Rs.)



RoNW (%)



Earnings per share (Rs.)



RPP Infra has been one of India's most profitable rural infrastructure companies

EBIDTA
margin

16.02%

in 2015-16
(industry average
15%)

EBIDTA margin
never below

15%

in the last
Five years

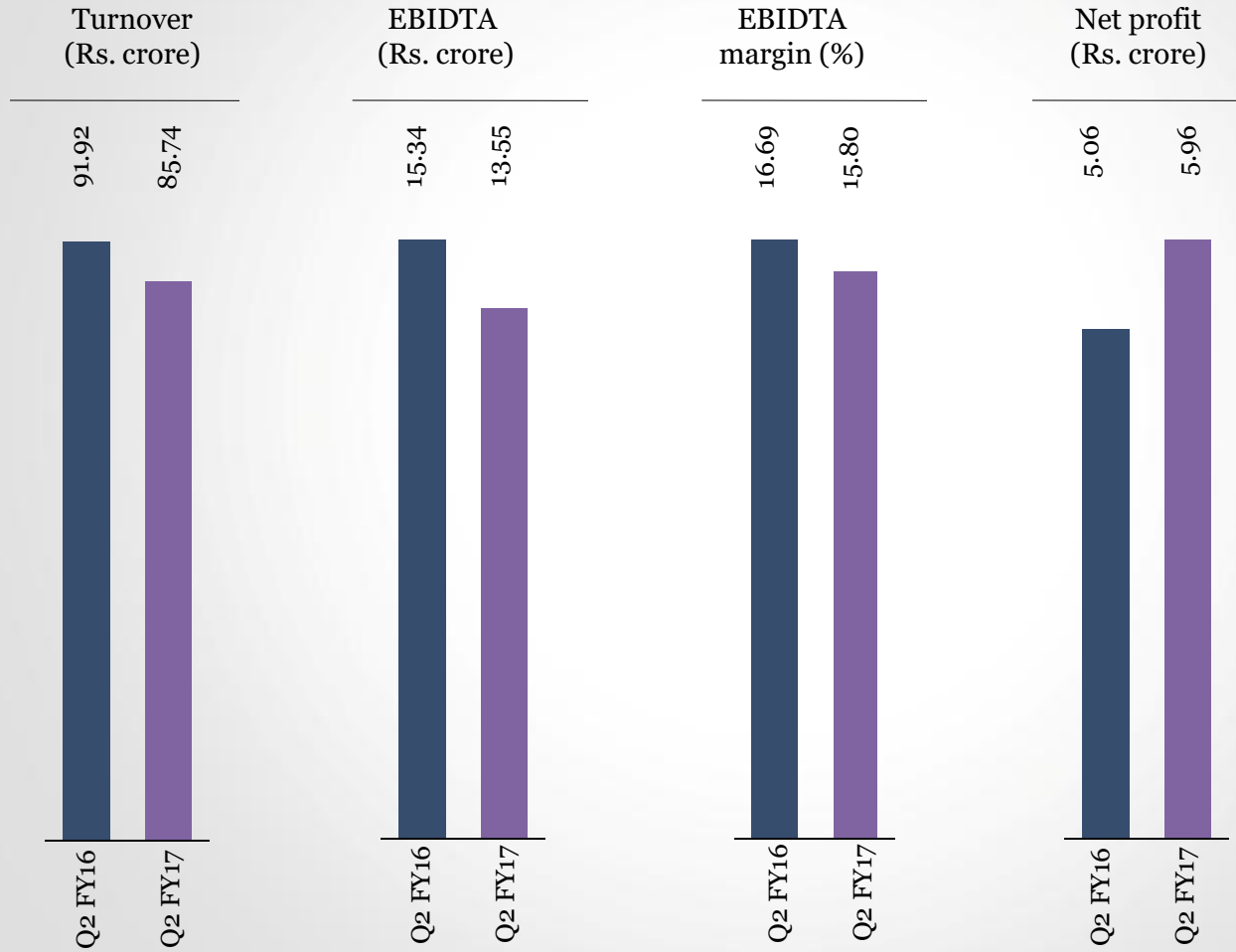
Order
book

33%

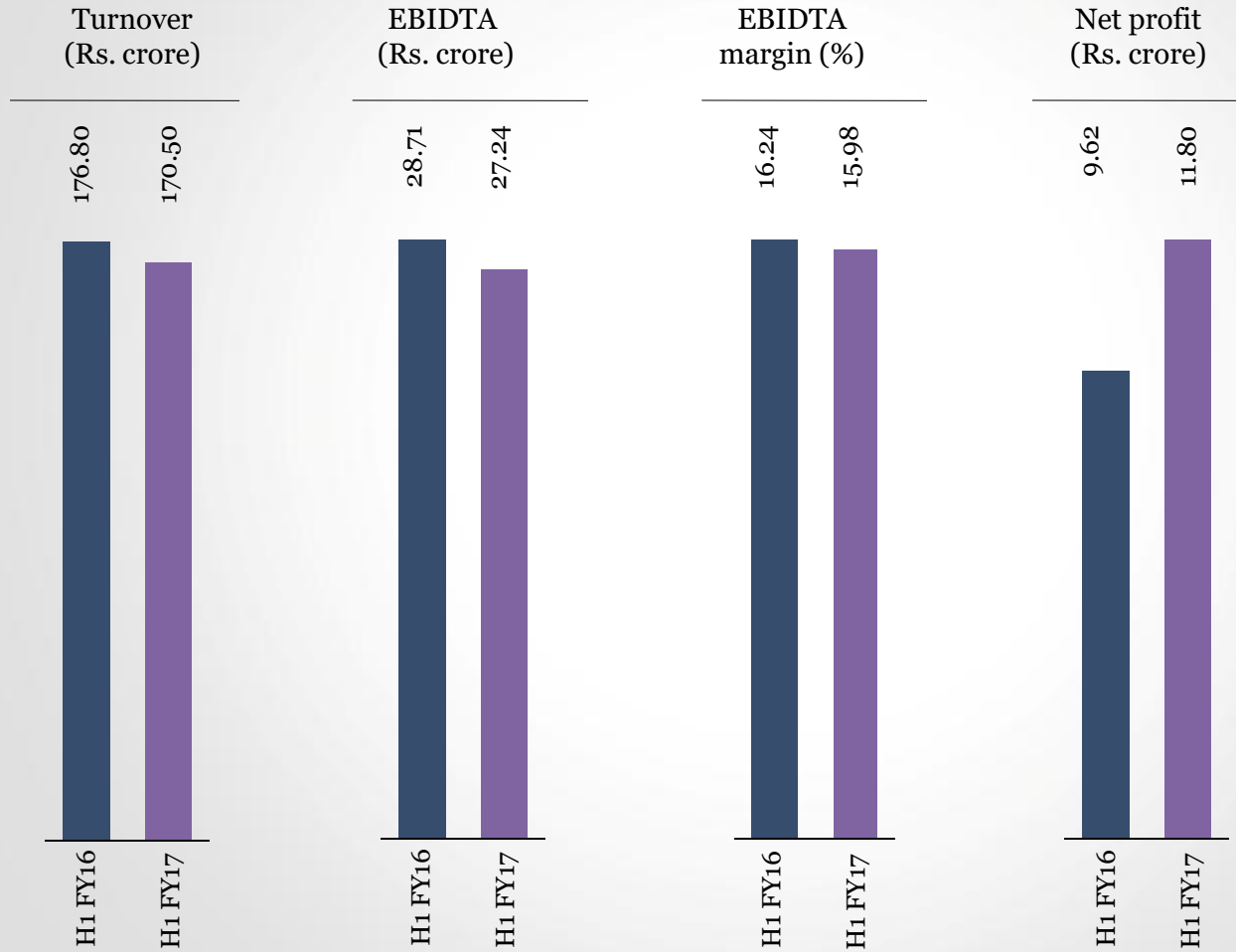
of order book focused on
generating EBIDTA in
excess of 14 per cent



Q2 FY17 PERFORMANCE

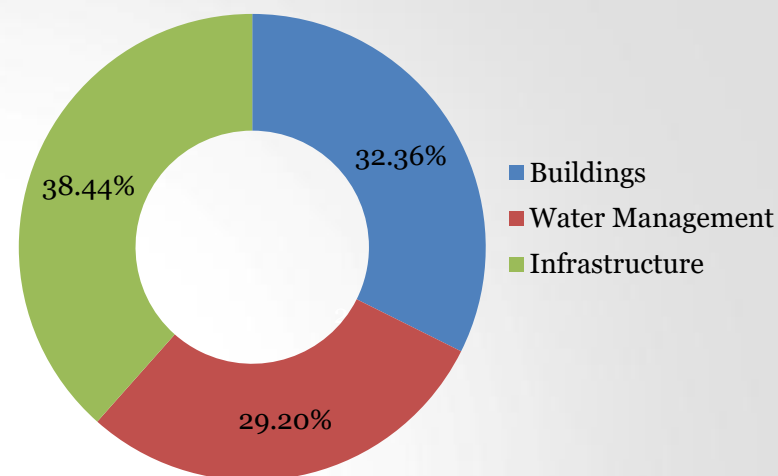


H1 FY17 PERFORMANCE



OUR GROWING ORDER BOOK

Sector / Vertical	Order Book (in Rs. crore)	%
Buildings	273.15	32.36%
Water Management	246.39	29.20%
Infra Structure	324.36	38.44%
TOTAL	843.91	100.00%



Works in Pipeline

TN Civil Supplies Corp	Construction of scientific godown of 40,000 MT capacity at Nagapatinam	50.28 Cr.
Urban Water Supply - Karnataka	Construction & rehabilitation of Reservoir & other works at GR premises, Mysore under Amruth	25.62 Cr.
Karanata Slum Board	Construction of 795 Ground floor Dwelling units including infra structure work at Mysore city	46.24 Cr .
Power Grid Corp, Bangladesh	Construction of substation to Power Grid Corporation ,Bangladesh, Consortium with siemens India	90.00 Cr



Q2 & H1 FY17 - Financial Highlights

Rs. Crore	Q2 FY17	Q2 FY16	H1 FY17	H1 FY16
Revenue from Operations	85.74	91.92	170.50	176.80
Raw Material & Fuel Costs	67.02	75.43	134.90	143.23
Employee Cost	1.62	1.35	2.86	2.74
Other Cost	4.06	2.69	6.43	5.38
EBITDA	13.55	15.34	27.24	28.71
EBITDA margin (%)	15.80%	16.69%	15.98%	16.24%
Other Income	0.51	0.28	0.93	0.65
Depreciation	1.13	1.12	2.47	2.46
Interest	3.90	4.61	7.91	10.20
Profit Before Tax	8.52	9.61	16.86	16.05
Exceptional Items	0.00	-2.61	0.00	(2.61)
Tax	2.56	4.56	5.06	6.43
Profit After Tax	5.96	5.05	11.80	9.62
PAT Margin (%)	6.95%	5.49%	6.92%	5.44%
EPS (Rs)	2.64	2.21	5.22	4.26



Balance Sheet Highlights

	Sep-16	Mar-16
Shareholder's Funds	163	151
Share capital	23	23
Reserves & Surplus	140	128
Non-current liabilities	28	15
Long term borrowings	27	14
Long-Term Provisions	-	-
Current liabilities	243	194
Short Term Borrowings	63	56
Trade Payables	128	93
Other Current liabilities	46	36
Short-term provisions	6	9
Total Equities & Liabilities	434	360

	Sep-16	Mar-16
Non-current assets	58	54
Fixed assets	31	29
Non-current Investments	1	1
Long-term loans & advances	3	1
Other non-current assets	22	22
Deferred tax Assets(net)	1	1
Current assets	376	306
Current investments	-	-
Inventories	8	3
Trade receivables	214	148
Cash & Cash equivalents	26	25
Short-term loans & Advances	38	40
Other Current Assets	91	91
Total Assets	434	360



RPP Infra's sustainable growth in the most challenging times is the result of a robust business model



RPP Infra's margin outperformance the result of a distinctive business model

1

Spaces

Engaged in verticals that represent national priorities; verticals are proxies for 'homes', 'transportation', 'food', 'water' and 'energy' – building blocks of modern societies; what's good for India is good for RPP Infra

2

Regional

South India focus; deep terrain competence; zone outperforming national growth indices; extending into Central India

3

Solutions

Design to implementation in civil construction segment; higher margins

4

Synergic

Extended from infrastructure development (roads etc.) into SEZ development, water management, irrigation and power projects

5

Contracts

Diverse contract types – Lump sum, Design and Build, Item Rate, Percentage Rate

6

Sub-contraction

Working on sub-contraction (de-risked) with large and credible customers

7

Complexity

Focus on relatively complex niches within verticals (requiring engineering expertise and specialized equipment)

8

Scale

Focus on small projects (Rs 50-100 cr), which enhance our ability to manage projects better

9

Alliances

We engaged consortium partners (SIEMENS, RAMKY) to bid for larger and complex projects



4 principal elements of RPP Infra's business model

1

A robust Balance Sheet

2

Prudent selection of verticals

3

Focus on government contracts

4

Rich knowledge capital

Result: Rs 843.91 crore order book as on 30th September 2016

FOCUS ON SPECIFIC VERTICALS

1

Civil construction (Building projects):
23.88% of revenues, 2015-16

2

Irrigation and water supply projects:
32.62% of revenues, 2015-16

3

Infrastructure and road projects:
43.49% of revenues, 2015-16



GOVERNMENT CONTRACTS

Government largest infrastructure spender in India

Growing delegation of spending from centre to States

States spending larger amounts in most areas of the company's presence

Government contracts accounted for 100% of order book (30th September 2016)

Bad debts (0.8% of turnover, 2015-16)

Predictable receivables cycle (90 days, 2015-16)



KNOWLEDGE CAPITAL

Long
experience
tenure

1

Projects
experience

2

Projects
completion
capability

3

Credible
client record

4

Attractive
projects
delivered

5

Bidding
competence

6

Alliances

7

Awards and
recognition

8

PROJECTS EXPERIENCE

Power Projects Civil work

- Sub Station at KPTCL, Karnataka
- Udupi Project, Karnataka
- Apgenco Project, Andhra Pradesh
- Pykara Project, Tamil Nadu
- Chemplast Project, Tamil Nadu

Infrastructure

- Atomic Energy- Kalpakkam (Phase I & II)
- Strom Water Drains to Chennai Corporation
- Truck Parking Yard at Manjampakkam, Chennai
- TNRSP Road works, Tamil Nadu
- Elcot – (SEZ), Coimbatore
- Tirunelveli – PMGSY Rural Roads, Tamil Nadu
- ELCOT- Tirunelveli, Tirchy

Industries

- BHEL- Tirchy , TN
- MRPL, Mangalore, KA
- MSEZ, Mangalore , KA
- Neyveli Lignite Corporation, TN
- Textile Park, Komarapalayam
- Circulating Water System and Fire Protection System for M/s. Neyveli Lignite Corporation

Water & Irrigation

- Construction of Contour Canal for 49.30 Kms at Udumalpet.
- CWSS to 312 Habs at Eddapaddy Rural Areas in Salem, Tamil Nadu
- Second Vaigai Water Supply Schemes at Madurai
- Construction of Surplus Regulator Across Vaipar River, Virudhunagar District, Tamil Nadu
- CWSS to 175 Rural habitations in Palani & Thoppampatti Unions in Dindigul District

Building

- Civil Supply Godown at Various Places 45000 MT
- 1000Nos of Houses for IDP's in Sri Lanka
- Auditorium at Chennai Corporation.
- Ampa Center One in Nelson Manickam Road, Chennai
- Anna institute of Management – Chennai.
- Paddy Market Complex
- Construction of 161 PC/HC Qtrs with Development works for TSP VII BN at Pochampalli, Krishnagiri District



PROJECTS COMPLETION CAPABILITY

Completed most projects on schedule with no delay at the company's end

Captive equipment
(Rs./crore) availability

30

SBU-based business, resulting in project control

90
engineers and
150
employees

Aggregate experience of

1500
person-years



CREDIBLE CLIENT RECORD (WHO WORK ON GOVERNMENT CONTRACTS)





1

Bidding competence

Focus on projects that represent challenges, nicheness and attractive margins

Bidding competence
(25% strike rate in Southern states & 10% in non-Southern states)

Accurate project modeling



2

Alliances

Entered into alliances with two global companies to strengthen pre-qualification capability

Will enable the company to bid for larger projects

Will widen / deepen the company's vertical footprint



AWARDS AND RECOGNITION

- Excellence of Construction award from 'Kongu Polytechnic College, Perundurai, in the year 2004
- Award for Construction of Anna University, Chennai in the year 2005
- Excellence of construction award from 'Neyveli Lignite Corporation, Neyveli (NLC) in the year 2007
- Excellence of Construction award from the PWD Minister for Madurai Vegetable Market in the year 2009
- Excellence of Construction from Builders Association of India in the year 2010
- Listed in Forbes Asia ' 200 Best under a billion (2012)



CASE FOR NATIONAL OPTIMISM

Government focus on growing the country's construction, power, railways, roads, highways, townships and industrial structure sectors driven by focused schemes with capital allocations

Prominent nation-driving schemes comprising 'Power for All by 2022', Pradhan Mantri Gram Sadak Yojana, Pradhan Mantri Krishi Sinchai Yojana, Housing for All by 2022 and Smart City programme

Impending elections in Tamil Nadu to drive capital expenditure; Andhra Pradesh focused on developing a new state capital; robust Telangana growth story

Focus on stalled projects revival



SOME MACRO INFRASTRUCTURE NUMBERS

Andhra Government planned Rs.73,000 cr for setting up smart industrial township in 10,000 hectares involving at least 200 industries

Indian government pushing for reforms leading to more infrastructure projects

The government created a Rs 15,000 crore infrastructure development fund

The Govt. allocated Rs 45,000 crore to Pradhan Mantri Krishi Sinchai Yojana

The government earmarked Rs 1 lac crore for transmission projects in its ambitious 'Power for all by 2022' vision

The govt set 27,000-km road development target (Pradhan Mantri Gram Sadak Yojana); allocated Rs 90,000 crore for Smart City and urban rejuvenation projects

A QUICK RECAP

6 POINTS THAT ARE FAST-TRACKING RPP INFRA'S GROWTH

1

Order book of **Rs. 843.91 crore** (as on 30th Sep 2016) with projects in irrigation & Water line, Concrete roads and other EPC spaces. Conscious avoidance of BOT and private sector-awarded projects

2

Integrated business presence – conceptualise, conceive, construction and commission infrastructure assets

3

Significant presence in South India through 16 concurrent operational sites in 3 states

4

Quicker project completion and minimal asset idling.

5

Consistent margins growth on account of larger projects size, cost control, and prudent financial modeling

6

Niche presence in fast developing state **Madhya Pradesh** (RCC roads Lift Irrigation and water pipeline projects)

BOARD OF DIRECTORS

**Mr. R.P.
Arulsundaram**

*Chairman and
Managing Director*

- A Civil Engineer by qualification
- Started RPP in 1988 as a partnership firm
- Practical Experience of more than 23 years in construction industry
- Trustee in the Erode District Builder's Association Engineering Collage

Mrs. A. Nithya

Whole Time Director

- Masters degree in Business Administration (Finance) and in Software Applications
- Vast experience in Accounts & Finance, Taxation, Foreign exchange, Legal , Corporate Governance and Human Resource
- Additional Responsibilities - liaison with Bankers & Financial Institutions and Government departments

**Mr. R.P.
Muralithasan**

Director

- Bachelor's degree in Civil Engineering
- Executed several prestigious civil engineering projects for RPPIPL



INDEPENDENT DIRECTORS

Mr. K. Ravi

Independent Director

- Bachelor of Engineering from National Institute of Technology, Fellow of Institution of Engineers & Certified Maintenance and Reliability Professional
- Over 43 years of experience in engineering industry

Mr. P.R. Sundararajan

Independent Director

- Holds a Bachelor of Engineering in Civil Engineering & Masters degree in Structural Engineering
- Over 36 years of experience in engineering industry

Mr. K. Rangasamy

Independent Director

- Holds a Master Degree in Agricultural Science
- Qualified member of Indian Institute of Bankers
- Over 36 years of experience in Banking Sector



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