

RPP INFRA PROJECTS

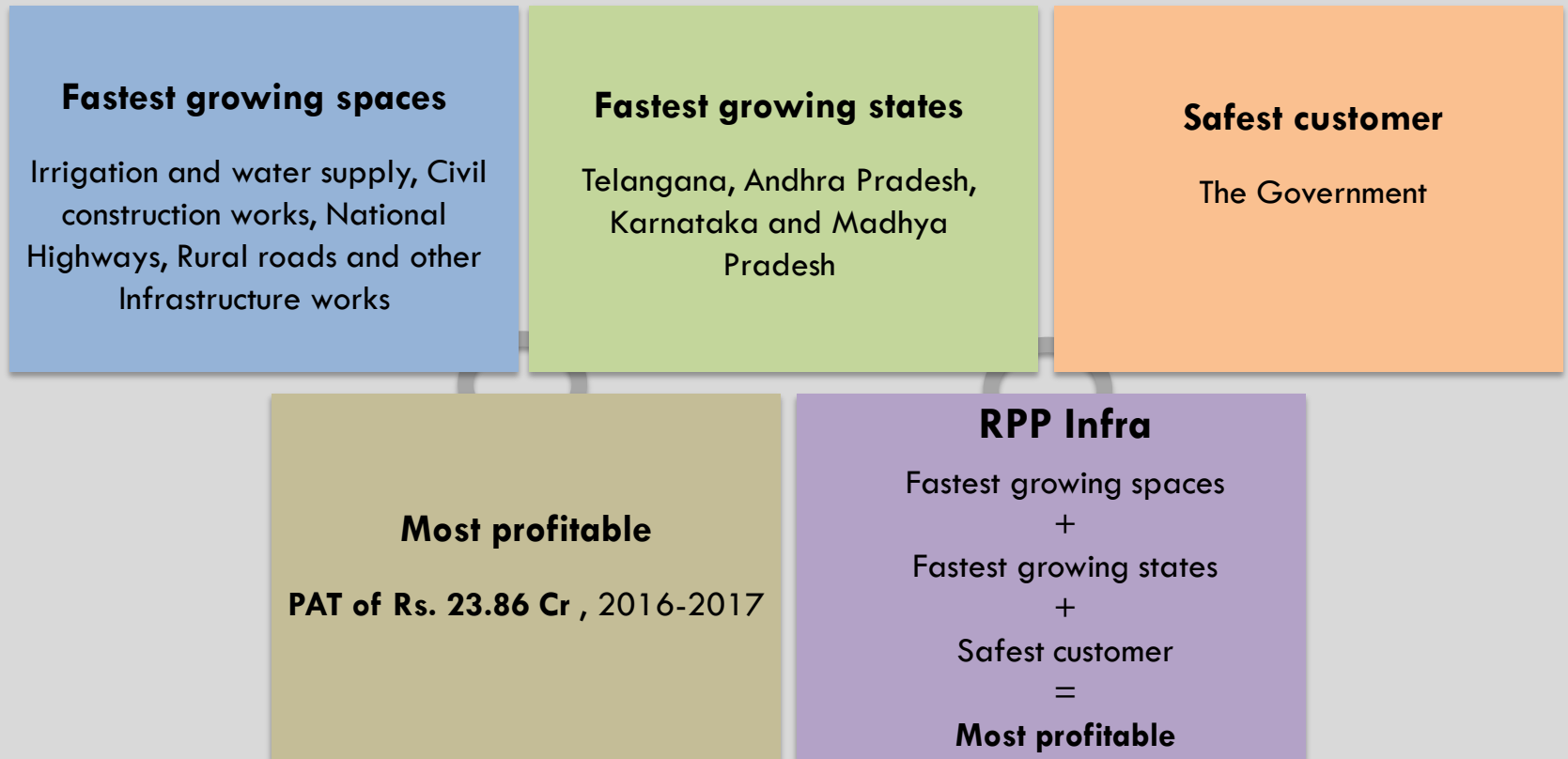
ONE OF THE INDIA'S MOST PROFITABLE RURAL INFRASTRUCTURE PLAYERS



Investor Presentation

May 2017

RPP Infra Project's Space



Catering to some of the largest states in India

Andhra Pradesh

- 8th largest state of India
 - GSDP grew average 10.5% in 2016-2017
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Telangana

- 12th largest state of India
 - GSDP grew average 9.2% in 2016-2017
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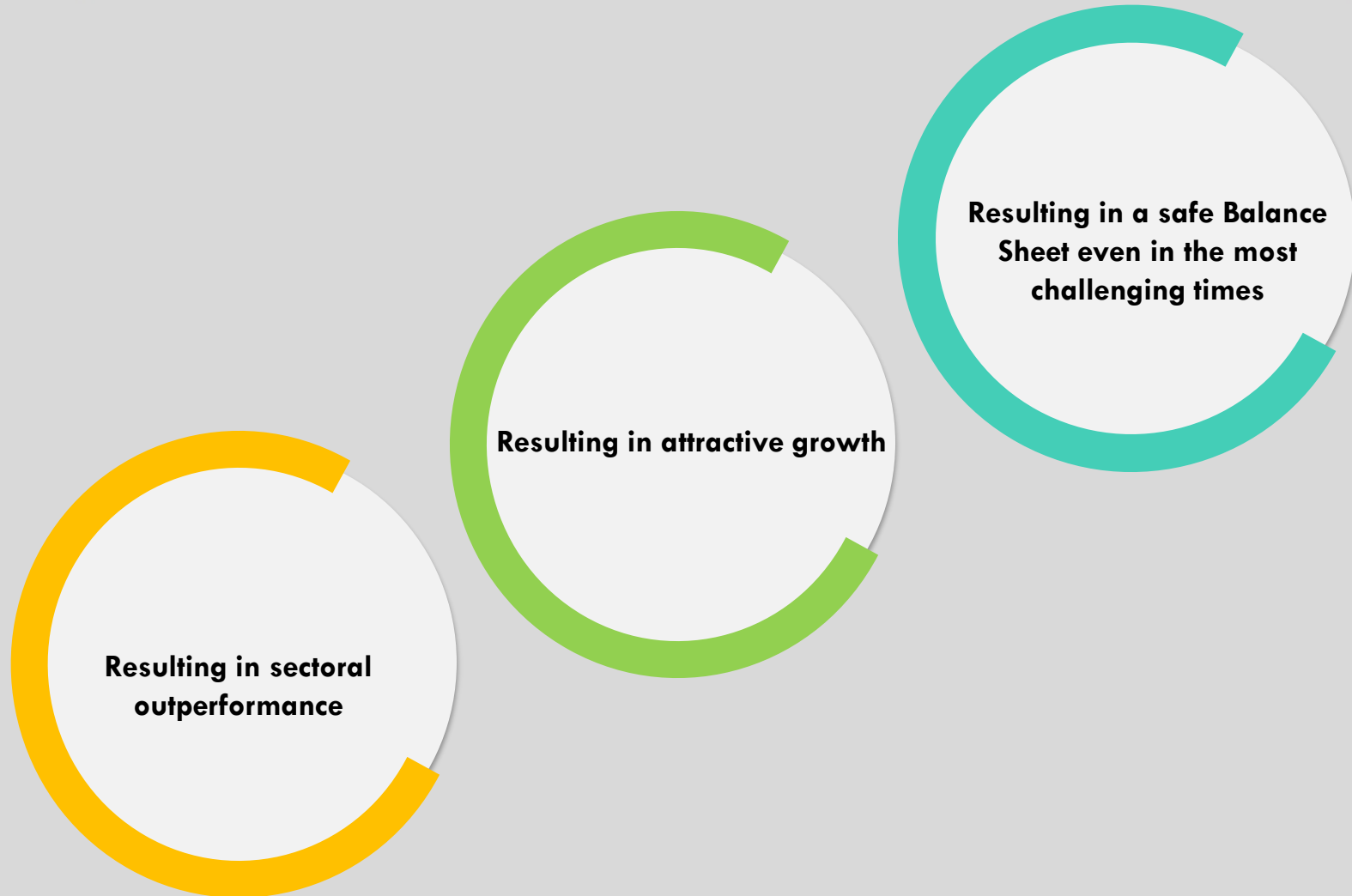
Karnataka

- 9th largest state of India
 - GSDP grew average 15.2% in 2016-2017
 - Per capita GSDP ~29% higher than the national average
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Madhya Pradesh

- 2nd largest state of India
 - GSDP grew average 21.15% 2016-2017
 - Per capita GSDP ~20.1% higher than national average
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This strategic focus has worked in the past



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**)
 - **Pradhan Mantri Awaas Yojana**: Target to complete 1cr houses by 2019
 - **Micro Irrigation Fund in NABARD** : Initial corpus of Rs 5,000 cr
 - **NTR Special Housing** for HudHud Cyclone victims
 - **Rural Development** & Panchayat Raj
 - **Smart Cities Mission**
 - District Rural Development Agency (**DRDA**)
 - Pradhan Mantri Gram Sadak Yojana (**PMGSY**)
-

Our financial growth over the years

From a turnover of Rs. **144.55** crore in 2009-10 to Rs. **366.34** crore in 2016-17

From an operating profit of Rs. **14.74** crore in 2009-10 to Rs. **72.89** crore in 2016-17

From a cash profit of Rs. **10.72** crore in 2009-10 to Rs. **28.90** crore in 2016-17

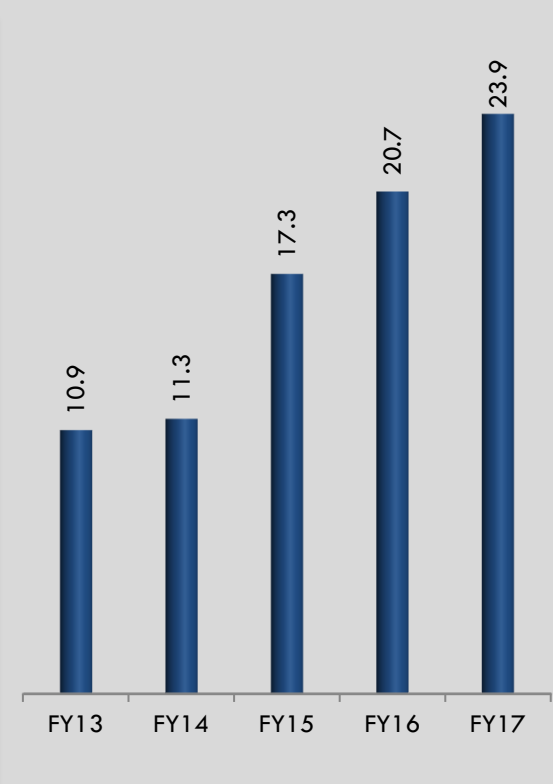
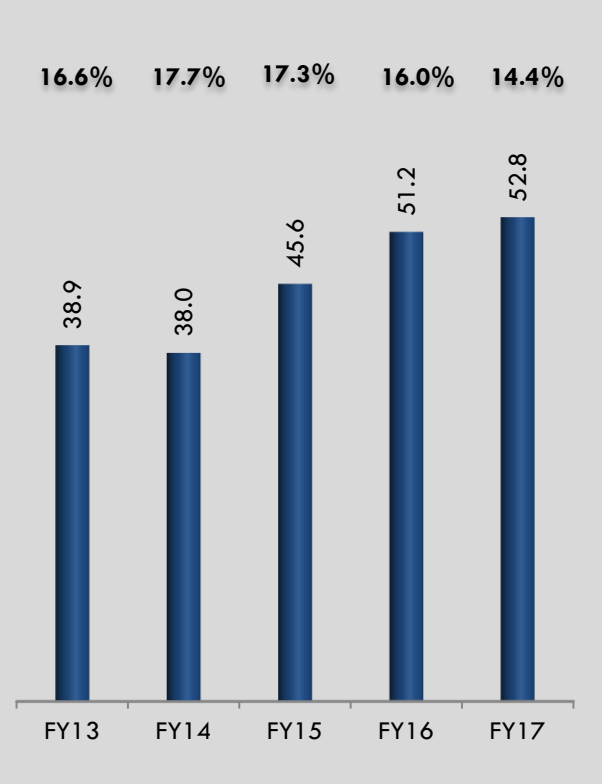
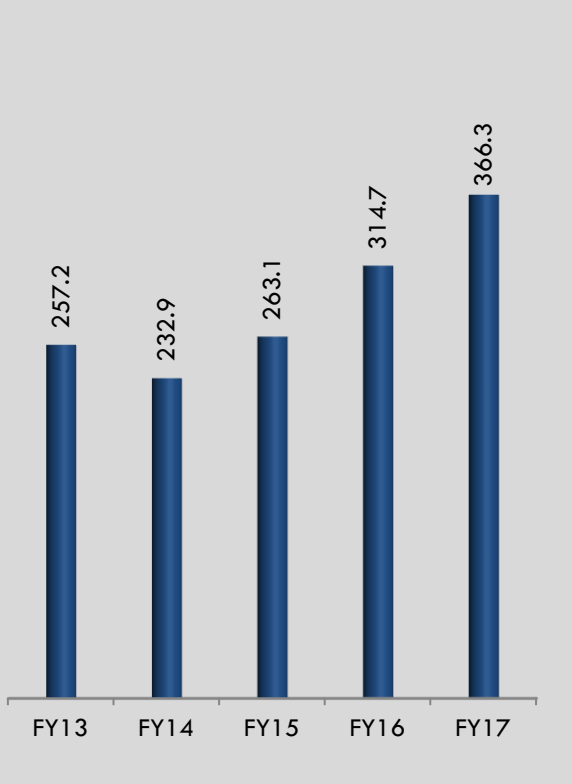
From a net profit of Rs. **7.27** crore in 2009-10 to Rs. **23.86** crore in 2016-17

From earnings per share (EPS) of Rs. **5.27** in 2009-10 to Rs. **10.56** in 2016-17

From book value per share of Rs. **14.88** in 2009-10 to Rs. **76.77** in 2016-17

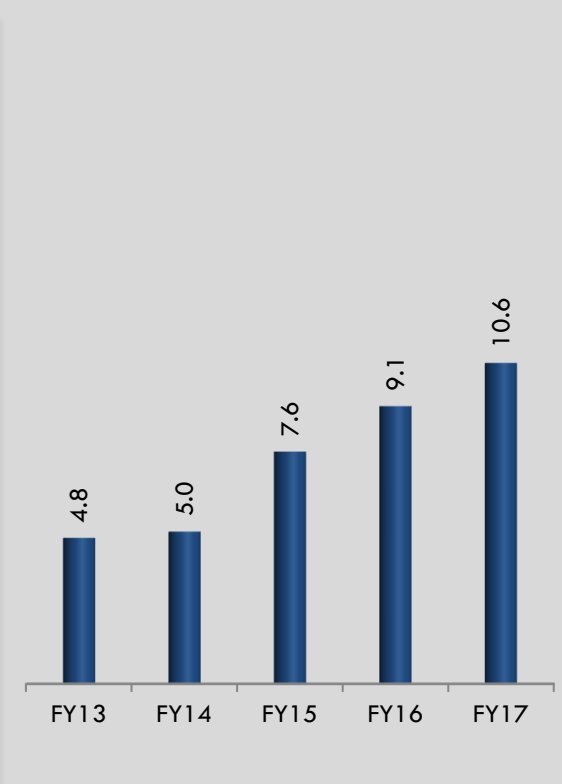
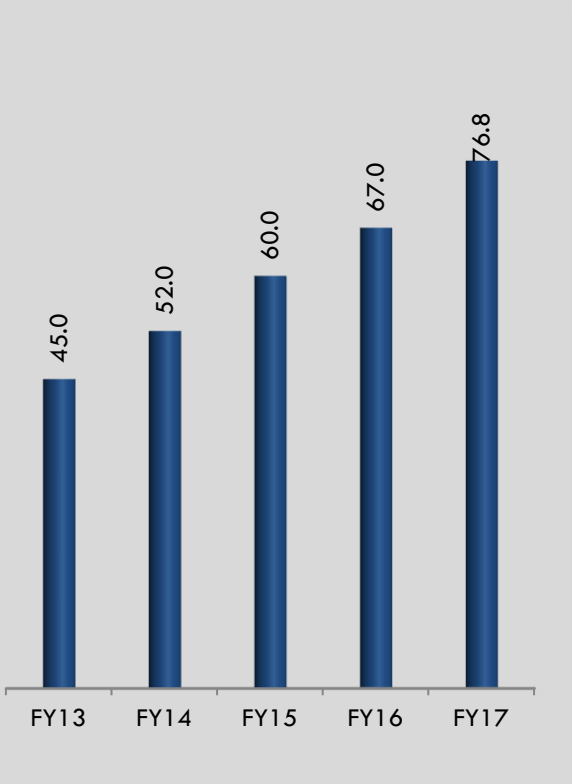
Our financial journey *contd...*

Revenue (Rs. Cr)	EBITDA (Rs. Cr) EBITDA Margin (%)	PAT (Rs. Cr)
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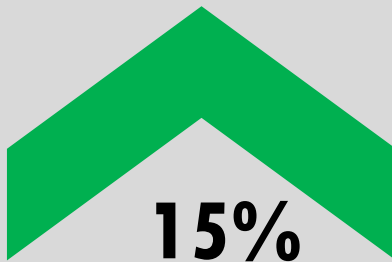
contd... **Our financial journey**

Book Value Per Share (Rs.)	RONW (%)	EPS (Rs.)
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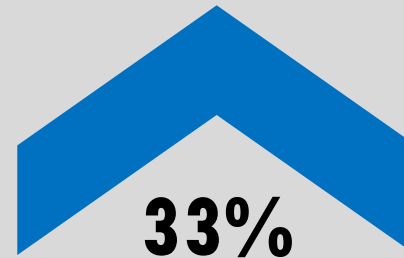
One of the most profitable rural infrastructure companies

**EBIDTA margin
Sustainable at**



in the last
Five years

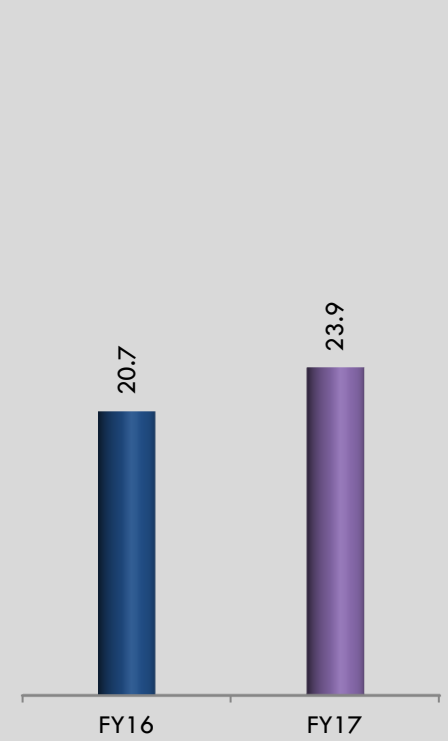
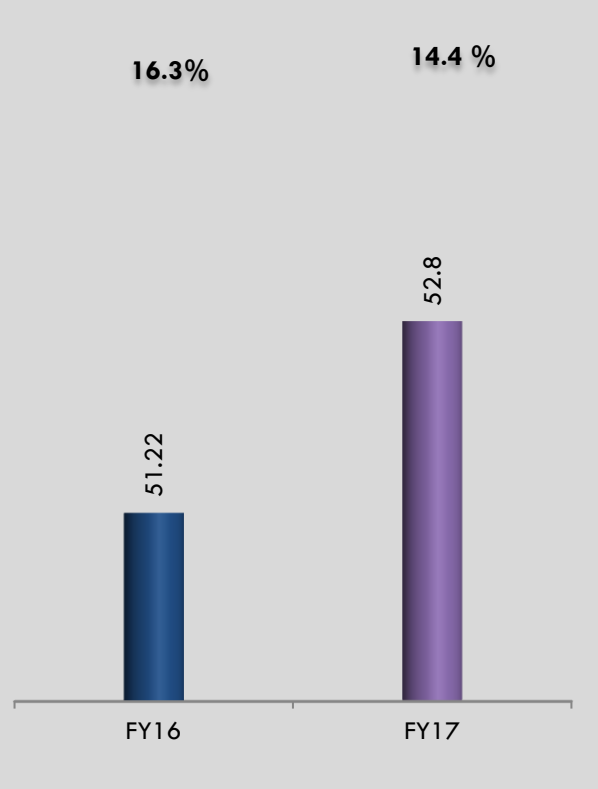
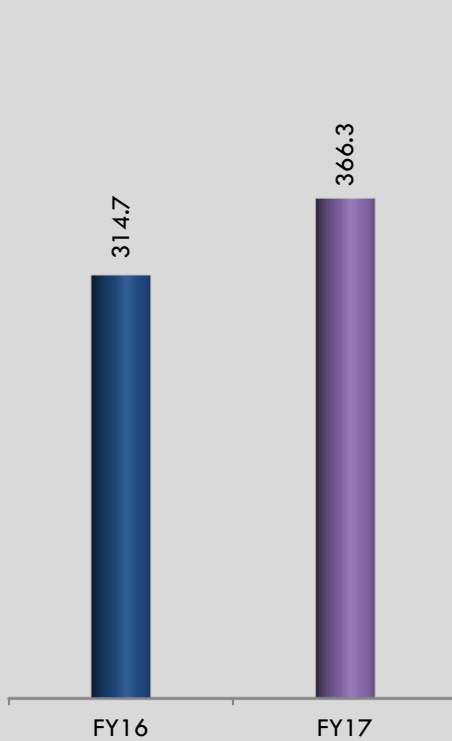
Order book



of order book focused on
generating EBIDTA in excess of 14%

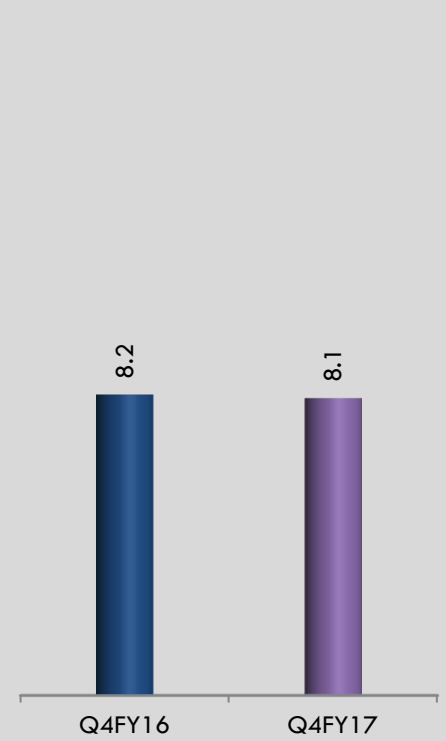
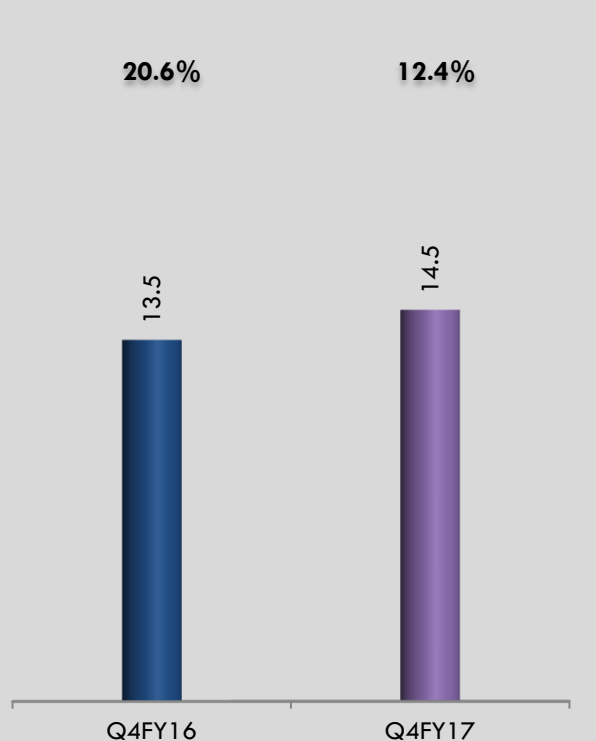
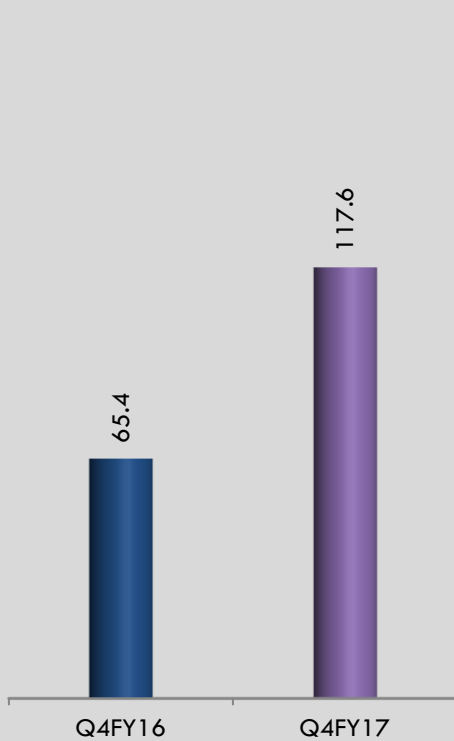
FY17 Performance Highlights

Revenue (Rs. Cr)	EBITDA (Rs. Cr) EBITDA Margin (%)	PAT (Rs. Cr)
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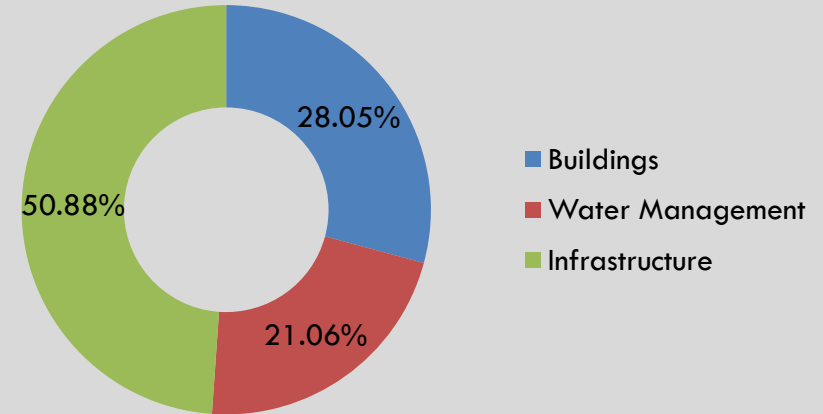
Q4FY17 Performance Highlights

Revenue (Rs. Cr)	EBITDA (Rs. Cr) EBITDA Margin (%)	PAT (Rs. Cr)
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Our Growing Order Book

Sector / Vertical	Order Book (in Rs. crore)	%
Buildings	229.52	28.05
Water Management	172.36	21.06
Infrastructure	416.36	50.88
TOTAL	818.24	100.00



Tenders in First Lowest			
Tamilnadu Civil Supplies Corp	TN	Construction of Scientific godown of 40,000 MT capacity at Nagapatinam	50.28
Bgle Corp	Karnataka	Storm water Drain and Concrete road formation	70.00
Tangedco	Tamilnadu	Kundah Pumbed Storage – Hydo Electric Project	340.00

Tenders in First Lowest of Rs.460.28 Cr

Q4 & FY17- Profitability Highlights

Rs. Crore	Q4 FY17	Q4 FY16	FY17	FY16
Revenue from Operations	117.59	65.39	366.34	314.68
Raw Material & Fuel Costs	95.47	46.44	293.44	249.14
Employee Cost	2.10	1.18	6.40	5.53
Other Cost	6.69	5.31	16.61	13.73
EBITDA	14.53	13.49	52.84	51.22
EBIDTA margin (%)	12.35% *	20.63%	14.42%	16.28%
Other Income	1.35	1.13	3.11	2.42
Depreciation	1.33	1.22	5.04	4.85
Interest	4.13	4.53	16.25	18.56
Profit Before Tax	9.22	7.83	31.71	25.29
Exceptional Items	0.15	0.09	0.15	-2.52
Tax	0.96	-0.48	7.69	7.15
Profit After Tax	8.11	8.21	23.86	20.67
PAT Margin (%)	6.89%	12.57%	6.51%	6.57%
EPS (Rs)	3.59	3.64	10.56	9.14

* EBIDTA margin of Q4FY17 is lower than FY17 due to the Bad debts provision of Rs.3 crore and other provisions around Rs.0.50 crore for Q4 FY17 quarter. It consumed 3% EBITDA Margin. However Overall EBITDA Margin neutralized to 14.42%

Balance Sheet Highlights

Rs. Cr	Mar-17	Mar-16
Shareholder's Funds	207.5	186.9
Share capital	22.6	22.6
Reserves & Surplus	184.9	164.3
Non-current liabilities	17.5	14.6
Long term borrowings	16.8	14.3
Long-Term Provisions	0.6	0.3
Current liabilities	259.3	190.1
Short Term Borrowings	57.7	59.0
Trade Payables	131.1	84.5
Other Current liabilities	61.2	37.6
Short-term provisions	9.4	9.0
Total Equities & Liabilities	484.3	391.6

Rs. Cr	Mar-17	Mar-16
Non-current assets	53.8	48.1
Fixed assets	32.7	29.0
Non-current Investments	0.4	0.3
Long-term loans & advances	1.5	1.2
Other non-current assets	17.9	16.6
Deferred tax Assets(net)	1.2	0.9
Current assets	430.5	343.5
Inventories	4.2	3.2
Trade receivables	238.0	167.8
Cash & Cash equivalents	40.5	25.0
Short-term loans & Advances	64.9	56.6
Other Current Assets	82.9	90.9
Total Assets	484.3	391.6

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



Margin outperformance the result of a Distinctive Business Model

Spaces

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

Regional

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

Solutions

Design to implementation in civil construction segment; higher margins

Synergic

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

Contracts

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

Sub-contraction

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

Complexity

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

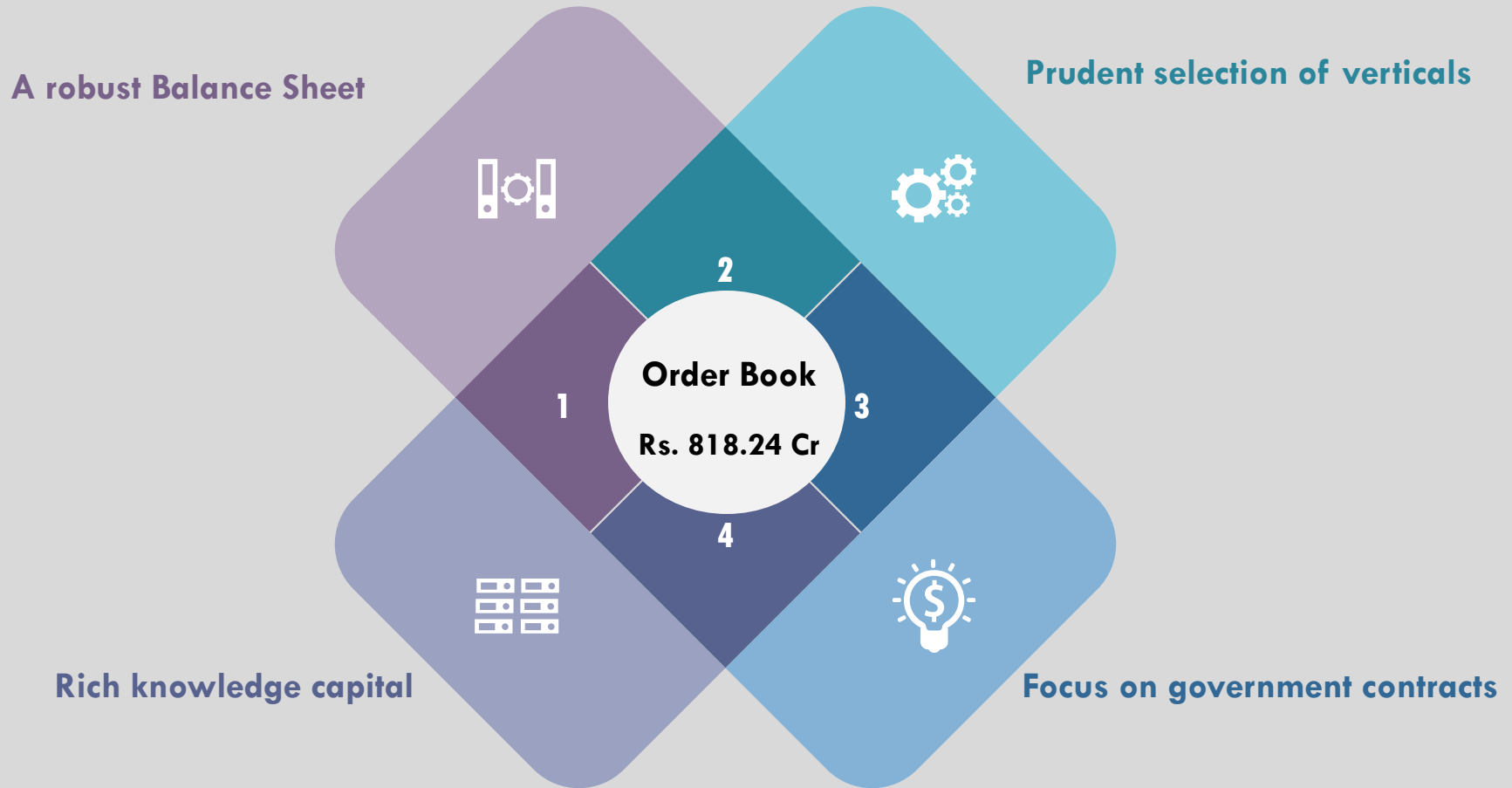
Scale

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

Alliances

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

4 Principal Elements of Business Model



Focus on Specific Verticals

1

Civil construction (Building projects):
28.05% of revenues, 2016-17

2

Irrigation and water supply projects:
21.06% of revenues, 2016-17

3

Infrastructure and road projects:
50.88% of revenues, 2016-17

Focus on Government Projects

Government Contracts

Government largest infrastructure spender in India

Growing delegation of spending from centre to States

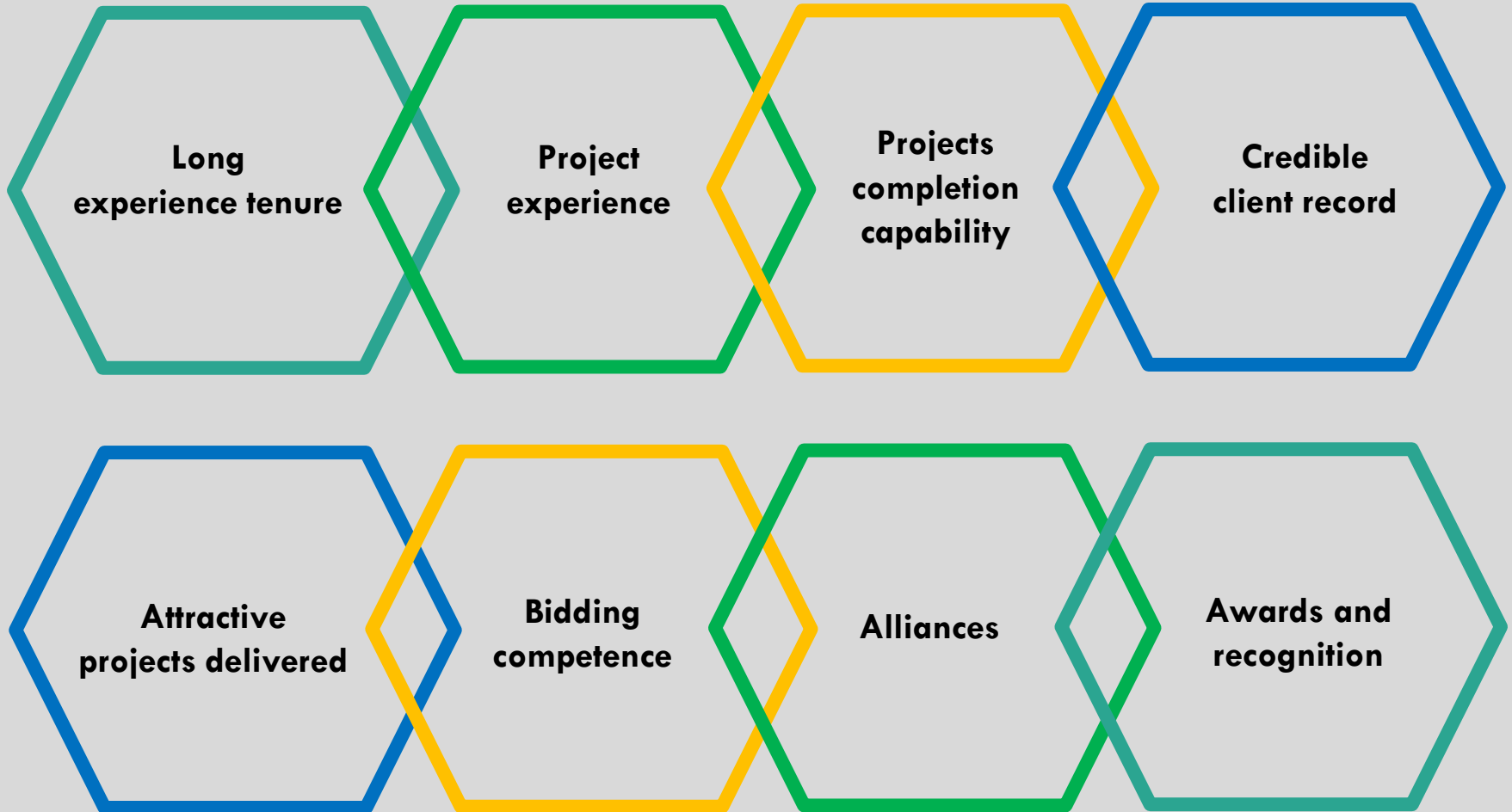
States spending larger amounts in most areas of the company's presence

Government contracts accounted for 100% of order book (31st March 2017)

Bad debts (0.8% of turnover, 2016-17)

Predictable receivables cycle (90 days, 2016-17)

Knowledge Capital



Projects Experience

Power Projects Civil work	Infrastructure	Industries	Water & Irrigation	Building
<ul style="list-style-type: none"> ▪ Sub Station at KPTCL, Karnataka ▪ Udupi Project, Karnataka ▪ Apgenco Project, Andhra Pradesh ▪ Pykara Project, Tamil Nadu ▪ Chemplast Project, Tamil Nadu 	<ul style="list-style-type: none"> ▪ 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, Tiruchy 	<ul style="list-style-type: none"> ▪ BHEL- Tirchy , TN ▪ MRPL, Mangalore, KA ▪ MSEZ, Mangalore , KA ▪ Neyveli Lignite Corporation, TN ▪ Textile Park, Komarap alayam ▪ Circulating Water System and Fire Protection System for M/s. Neyveli Lignite Corporation 	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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 availability **Rs. 30Cr**

SBU-based business, resulting in project control



90 Engineers

150 Employees

Aggregate experience of **1500** Person - years



Credible client record who work on Government Contracts



SIEMENS





Bidding Competence

- Focus on projects that represent challenges, niceness and attractive margins
- Bidding competence (25% strike rate in Southern states & 10% in non-Southern states)
- Accurate project modelling



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

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

01



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

02



Indian government pushing for reforms leading to more infrastructure projects

03



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

04



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

05



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

06



Govt allocated Rs 27,000 crore road development (Pradhan Mantri Gram Sadak Yojana) for 2017-18; allocated Rs 90,000 crore for Smart City & urban rejuvenation projects

A Quick Recap

6 Points that are Fast -Tracking RPP INFRA'S Growth

01

Order Book of Rs. 818.24 as on 31st March 2017

Conscious avoidance of BOT & private sector-awarded projects

02

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

03

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

04

Quicker project completion and minimal asset idling

05

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

06

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) & 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 RPP/PIPL
-

Board of 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
-



LET'S CONNECT

RPP INFRA PROJECTS LIMITED
CIN: L45201TZ1995PLC006113

Mr. K. JAYANTHAR
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STELLAR IR ADVISORS PVT. LTD.
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