

# RPP INFRA PROJECTS

ONE OF THE INDIA'S MOST PROFITABLE RURAL INFRASTRUCTURE PLAYERS



**Investor Presentation**

**November 2017**

# Robust Financial Performance

---

**Revenue**

**EBITDA**

**PAT**

**Rs. 220  
Crore**



**Rs. 33  
Crore**



**Rs. 14  
Crore**



**+ 29% YoY**

**+ 22 % YoY**

**+ 22 % YoY**

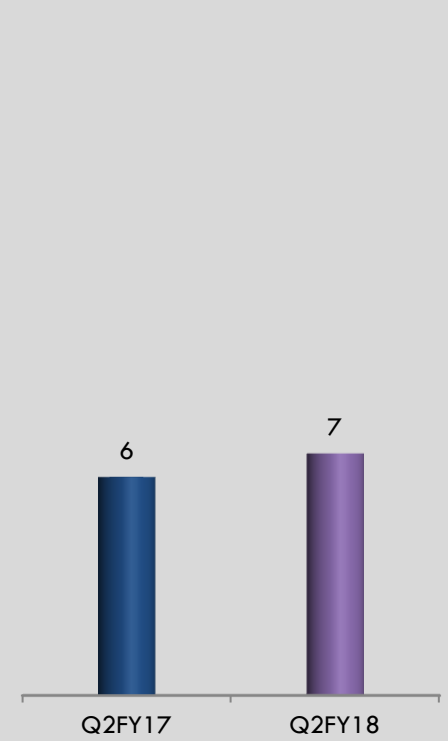
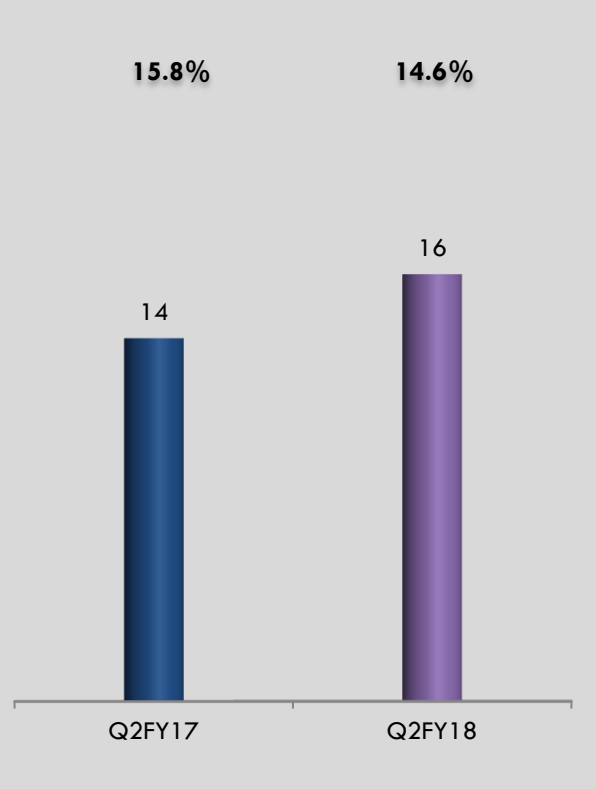
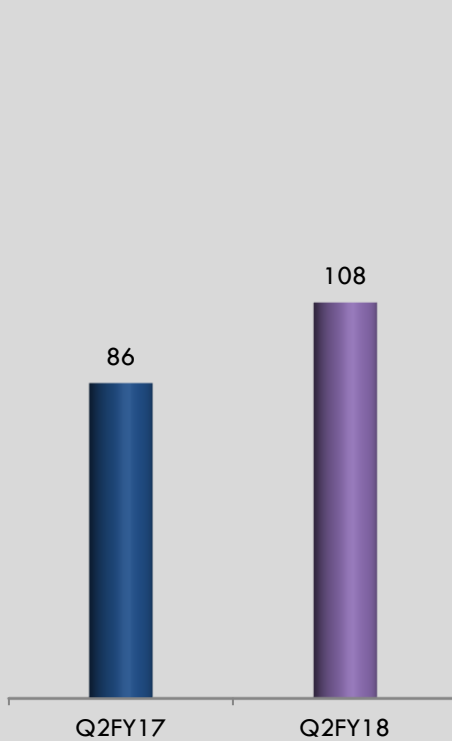
---

**H1FY18**

---

# Q2FY18 Performance Highlights

Revenue (Rs. Cr)	EBITDA (Rs. Cr) EBITDA Margin (%)	PAT (Rs. Cr)
------------------	--------------------------------------	--------------



# Strong Order Inflow

Order Inflow of Rs. 349 Crore (YTD H1FY18)

Tamilnadu Civil  
Supplies Corporation  
worth of  
**Rs. 51 Crore**

KSPH&IDCL  
(Karnataka State  
Police Housing and  
Infrastructure  
Development  
Corporation  
Limited) worth of  
**Rs. 51 Crore**

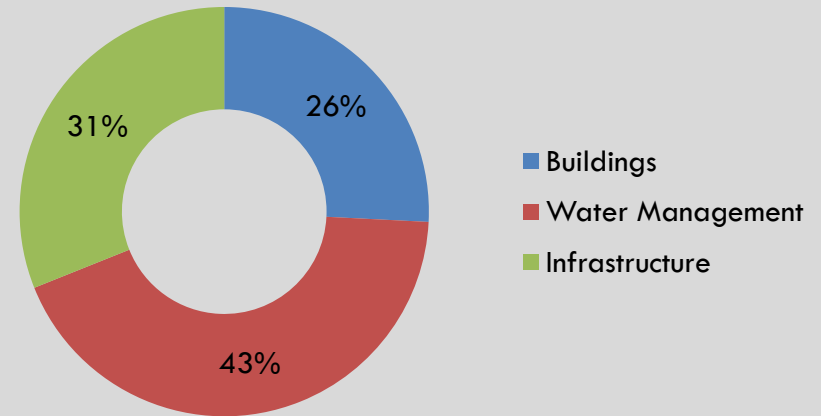
TWAD Board  
(Tamilnadu Water  
Supply &  
Drainage Board)  
worth of  
**Rs. 190 Crore**

TNSAMB  
(Tamilnadu State  
Agriculture  
Marketing Board)  
worth of  
**Rs. 19 Crore**

Sumitomo Electric  
Industries Limited  
worth of  
**Rs. 39 Crore**

# Growing Order Book

Sector / Vertical	Order Book (in Rs. crore)	%
Buildings	269	26%
Water Management	450	43%
Infrastructure	324	31%
<b>TOTAL</b>	<b>1,044</b>	<b>100%</b>

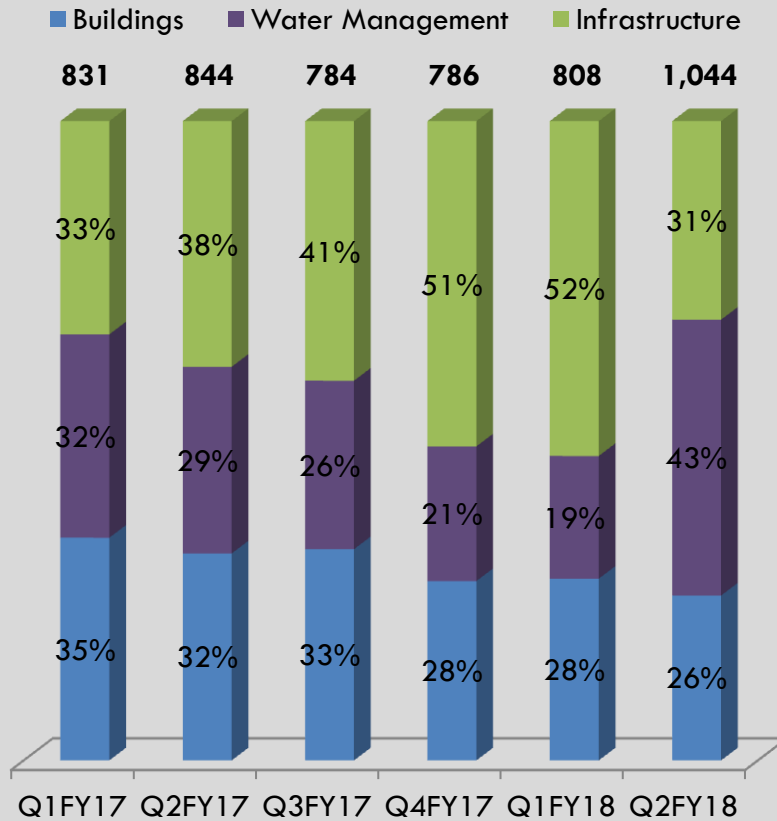


Tenders in First Lowest in Cores			
PWD	Tamilnadu	Canal Lining Tanjore District	17
Karnataka Slum Development Board	Karnataka	Affordable Housing	89

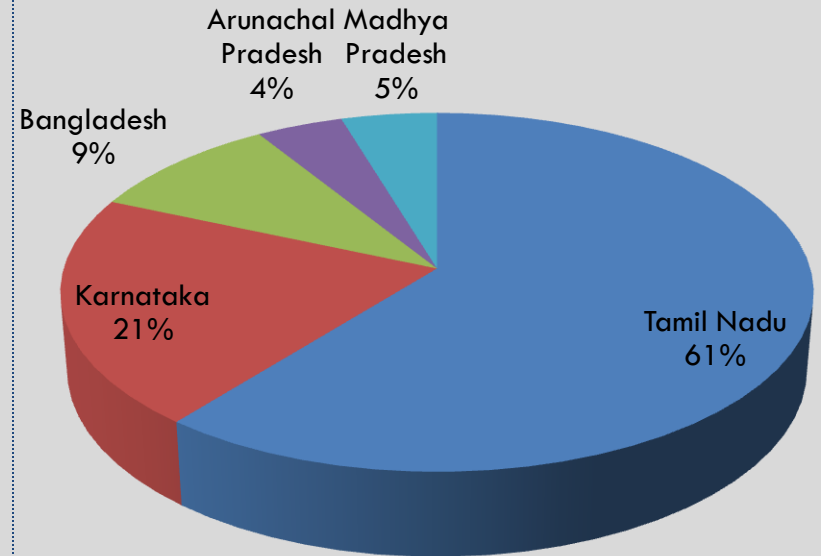
**Tenders in First Lowest of Rs.106 Crore**

# Diversified Order Book

## Order Book Trend



## Geographical Break Up



## Q2 & H1 FY18- Profitability Highlights

Rs. Crore	Q2FY18	Q2 FY17	YoY	H1FY18	H1FY17	YoY
<b>Revenue from Operations</b>	<b>108</b>	<b>86</b>	<b>25.9%</b>	<b>220</b>	<b>171</b>	<b>29.3%</b>
Other Income	2	1		3	1	
<b>Total Income</b>	<b>110</b>	<b>86</b>	<b>27.4%</b>	<b>224</b>	<b>171</b>	<b>30.5%</b>
Raw Material & Fuel Costs	82	67		172	135	
Employee Cost	2	2		5	3	
Other Cost	9	4		14	6	
<b>EBITDA</b>	<b>16</b>	<b>14</b>	<b>16.3%</b>	<b>33</b>	<b>27</b>	<b>21.8%</b>
<b>EBIDTA margin (%)</b>	<b>14.6%</b>	<b>15.8%</b>		<b>15.1%</b>	<b>16.0%</b>	
Depreciation	2	1		3	2	
Interest	4	4		10	8	
<b>Profit Before Tax</b>	<b>10</b>	<b>9</b>	<b>15.6%</b>	<b>20</b>	<b>17</b>	<b>18.9%</b>
Tax	3	3		6	5	
<b>Profit After Tax</b>	<b>7</b>	<b>6</b>	<b>10.7%</b>	<b>14</b>	<b>12</b>	<b>21.7%</b>
<b>PAT Margin (%)</b>	<b>6.1%</b>	<b>7.0%</b>		<b>6.5%</b>	<b>6.9%</b>	
EPS (Rs)	2.9	2.6		6.4	5.2	

# Balance Sheet Highlights

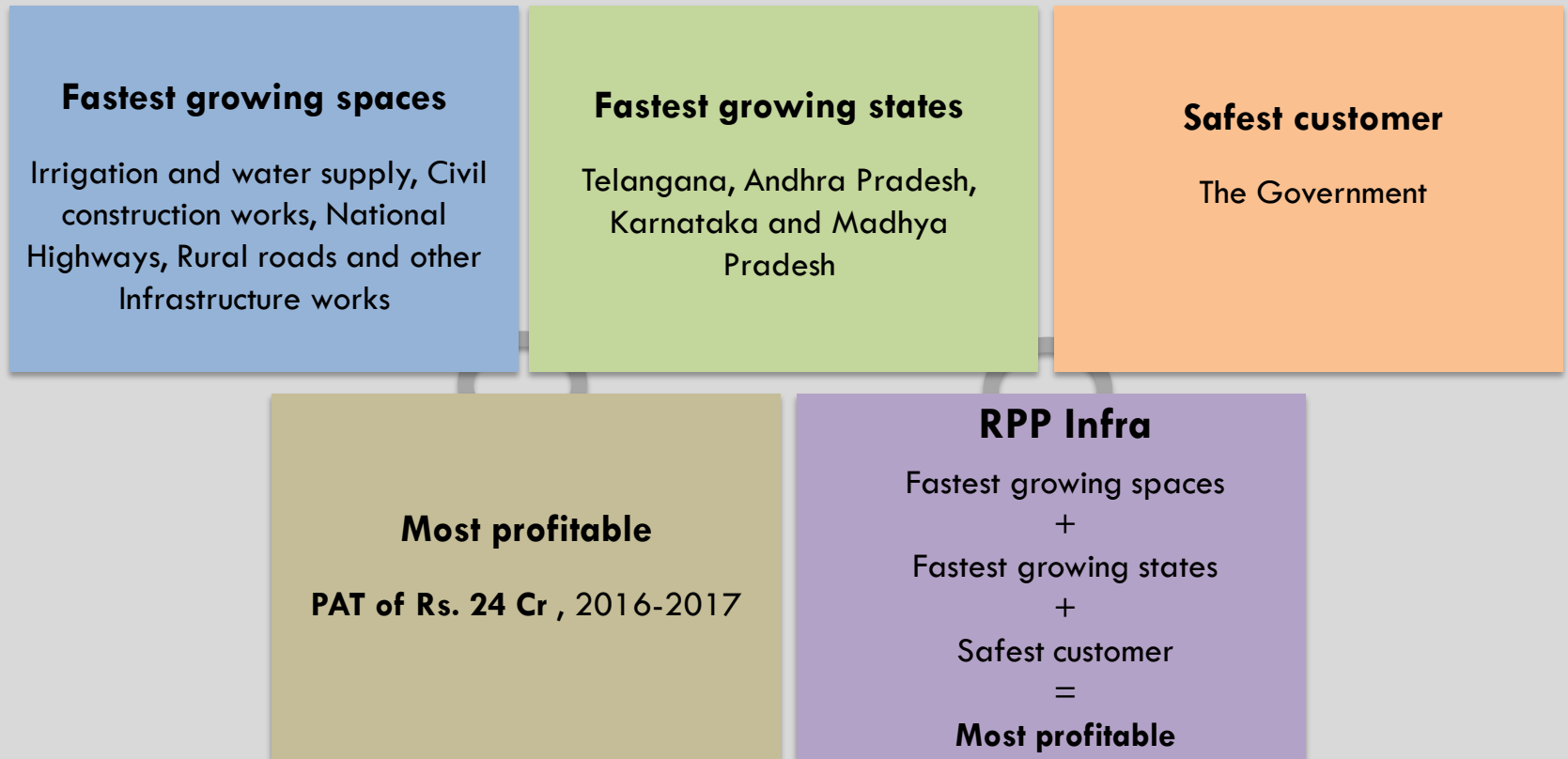
Rs. Cr	Sep-17	Mar-17
<b>Shareholder's Funds</b>	<b>188</b>	<b>175</b>
Share capital	23	23
Reserves & Surplus	165	152
<b>Non-current liabilities</b>	<b>17</b>	<b>19</b>
Long term borrowings	16	17
Long-Term Provisions	1	1
Other Financial Liabilities	0	2
<b>Current liabilities</b>	<b>279</b>	<b>264</b>
Short Term Borrowings	70	58
Trade Payables	94	139
Other Current liabilities	109	67
Short-term provisions	6	0
<b>Total Equities &amp; Liabilities</b>	<b>483</b>	<b>458</b>

Rs. Cr	Sep-17	Mar-17
<b>Non-current assets</b>	<b>35</b>	<b>35</b>
Fixed assets	32	32
Non-current Investments	1	1
Long-term loans & advances		0
Other non-current assets	2	0
Deferred tax Assets (net)	1	1
<b>Current assets</b>	<b>448</b>	<b>423</b>
Inventories	11	4
Trade receivables	169	223
Cash & Cash equivalents	76	0
Short-term loans & Advances	146	149
Other Current Assets	46	46
<b>Total Assets</b>	<b>483</b>	<b>458</b>



# RPP Infra Project's Space

---



# Catering to some of the largest states in India

## Tamil Nadu

- 11<sup>th</sup> largest state of India
- GSDP grew average 13% in 2016-2017

## Andhra Pradesh

- 8<sup>th</sup> largest state of India
- GSDP grew average 10.5% in 2016-2017

## Telangana

- 12<sup>th</sup> largest state of India
- GSDP grew average 9.2% in 2016-2017

## Karnataka

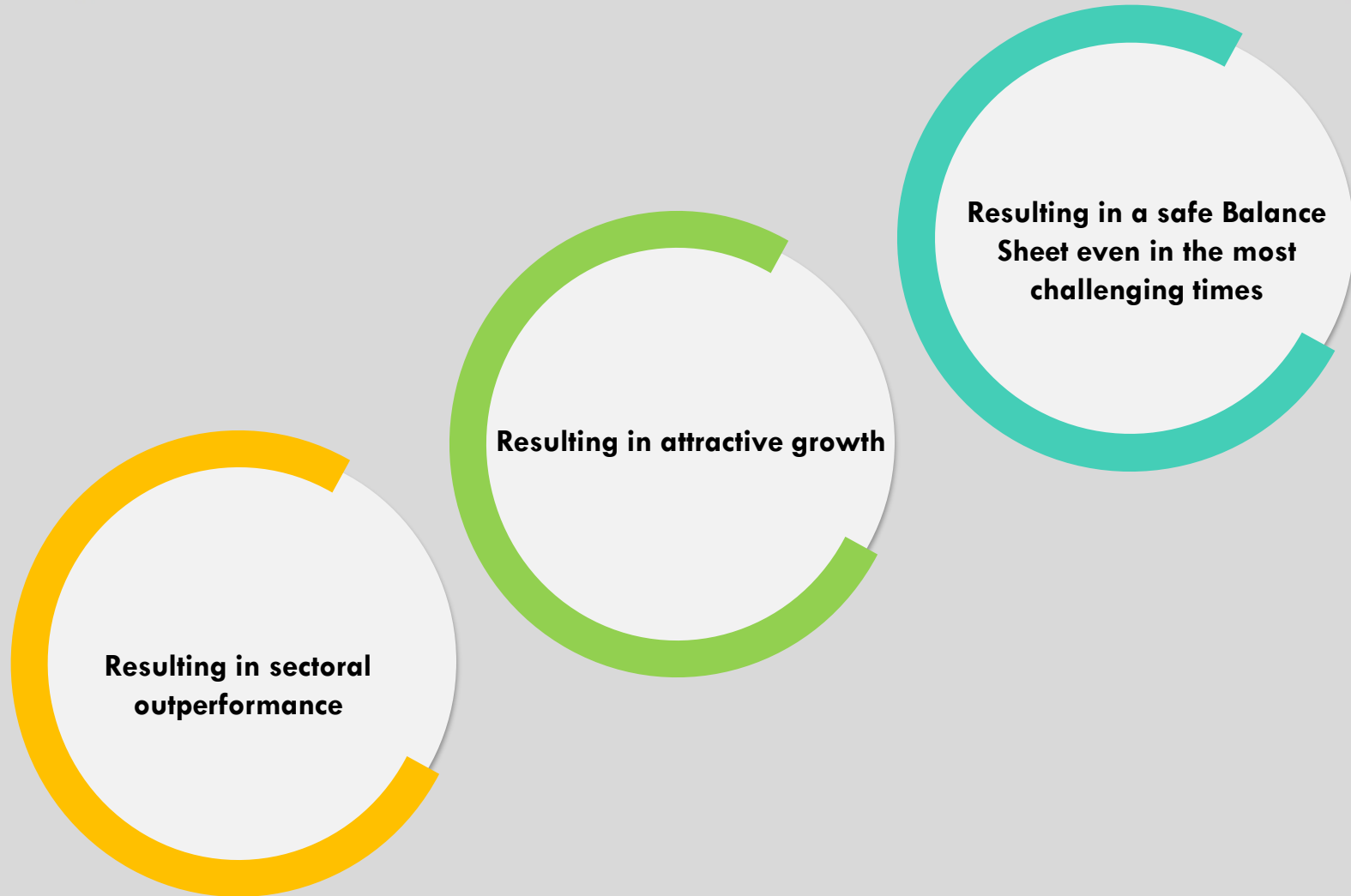
- 9<sup>th</sup> largest state of India
- GSDP grew average 15.2% in 2016-2017
- Per capita GSDP ~29% higher than the national average

## Madhya Pradesh

- 2<sup>nd</sup> largest state of India
- GSDP grew average 21.15% 2016-2017
- Per capita GSDP ~20.1% higher than national average

# **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. **52.89** 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

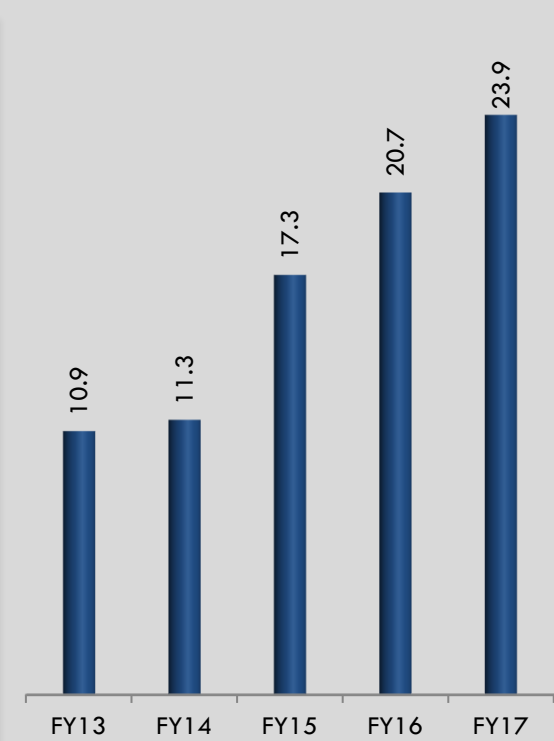
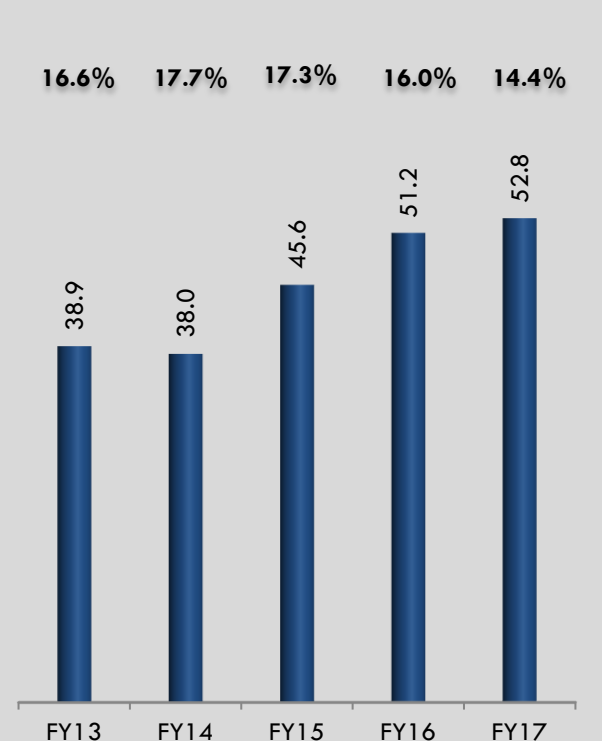
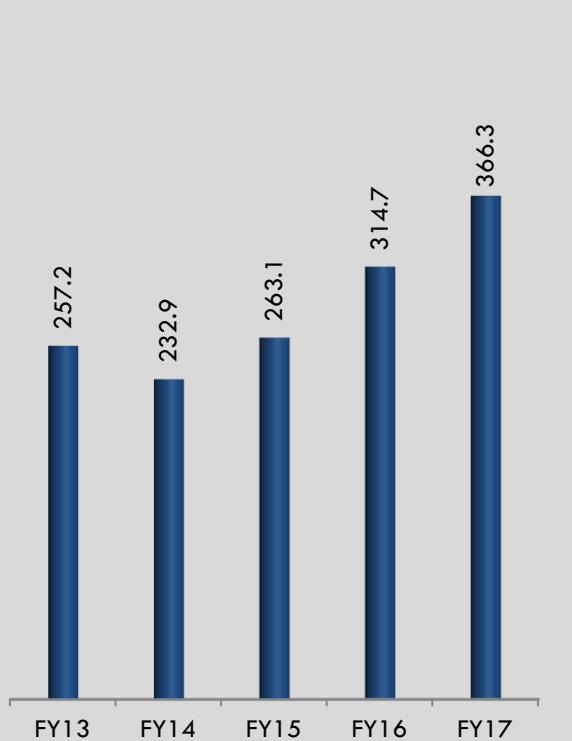
From earnings per share (EPS) of Rs. **5.27** in 2009-10 to Rs. **10.56** in 2016-17

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

---

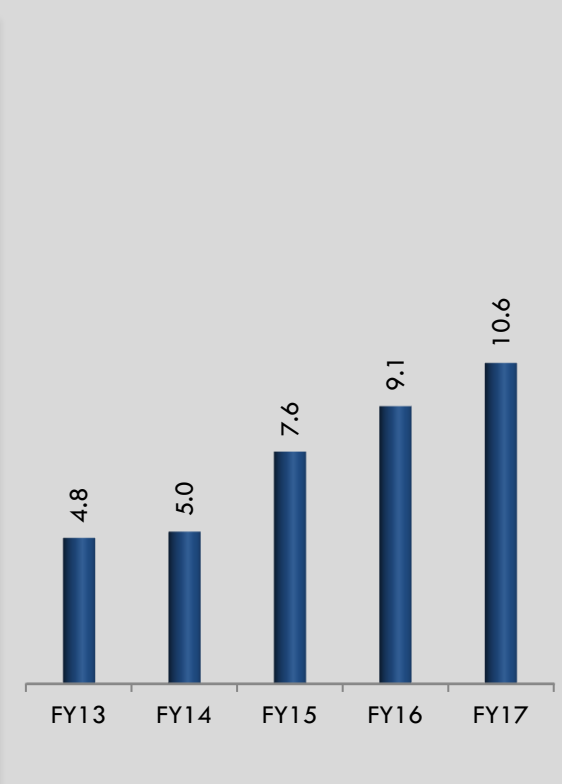
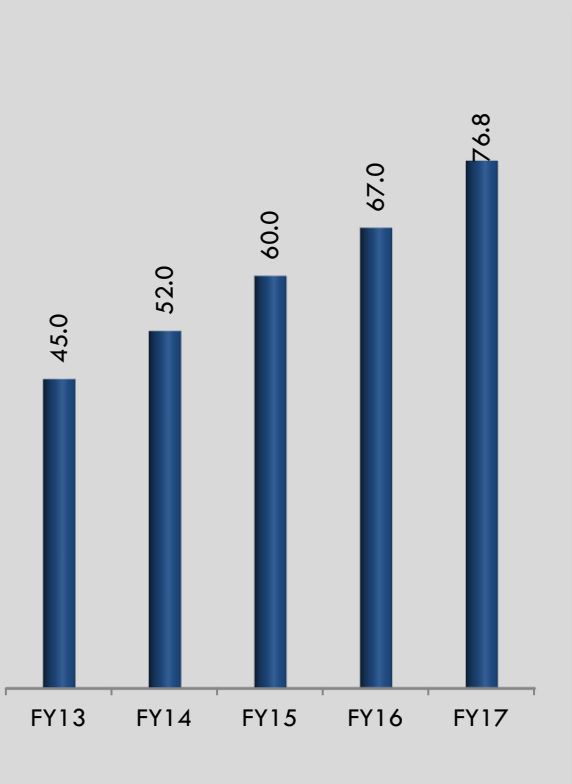
# Our financial journey *contd...*

Revenue (Rs. Cr)	EBITDA (Rs. Cr) EBITDA Margin (%)	PAT (Rs. Cr)
------------------	--------------------------------------	--------------



contd... **Our financial journey**

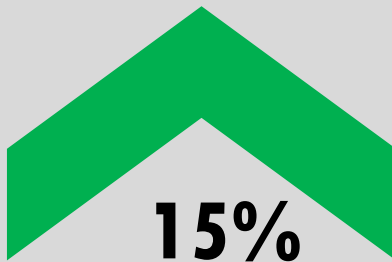
Book Value Per Share (Rs.)	RONW (%)	EPS (Rs.)
----------------------------	----------	-----------



# One of the most profitable rural infrastructure companies

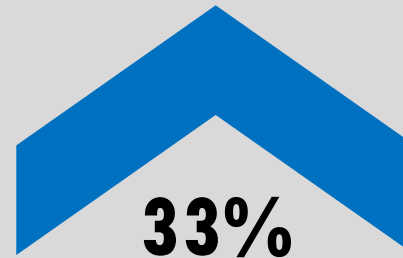
---

**EBIDTA margin  
Sustainable at**



in the last  
Five years

**Order book**



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

---



**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)

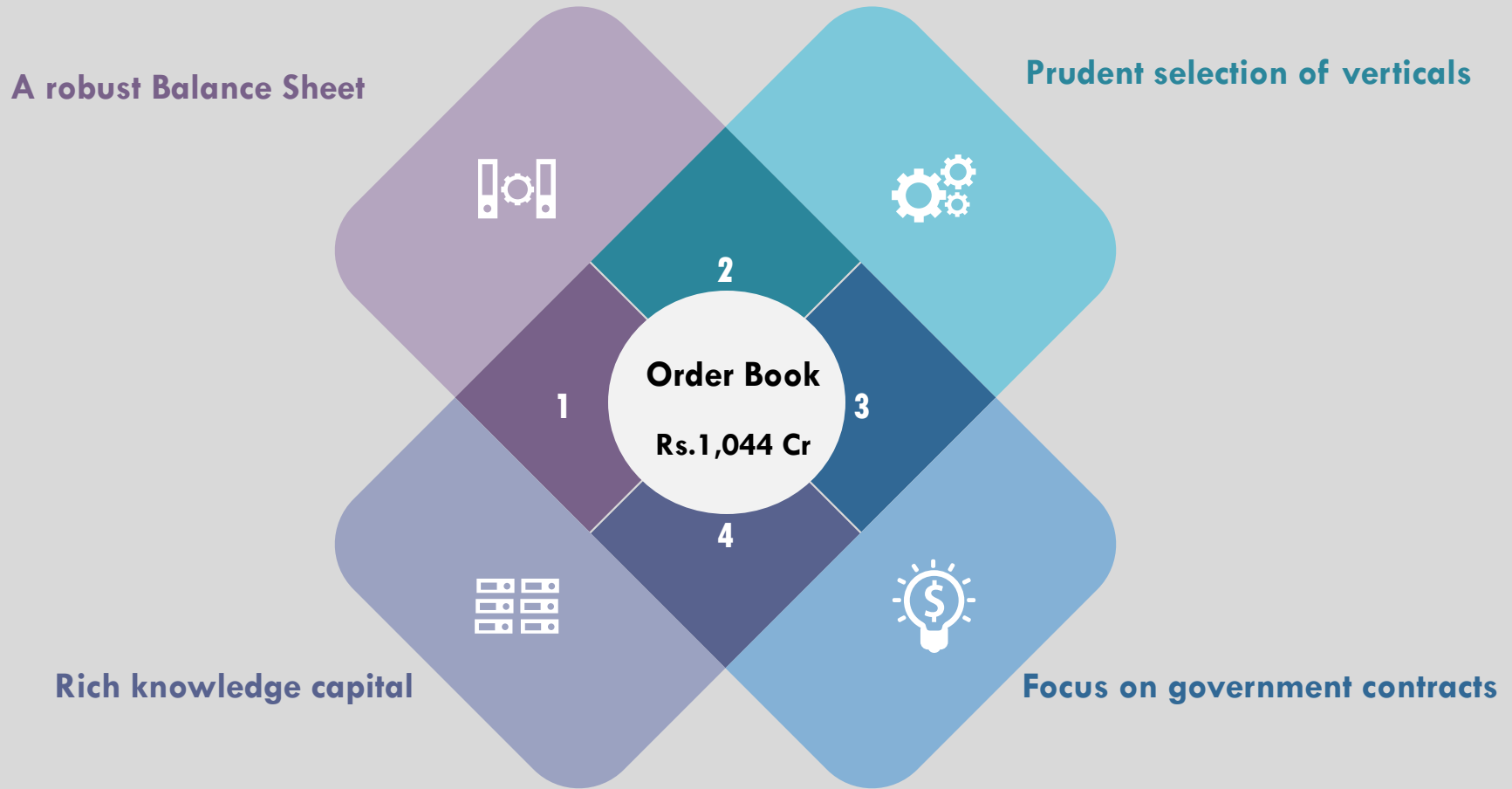
## Scale

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 (31<sup>st</sup> March 2017)*

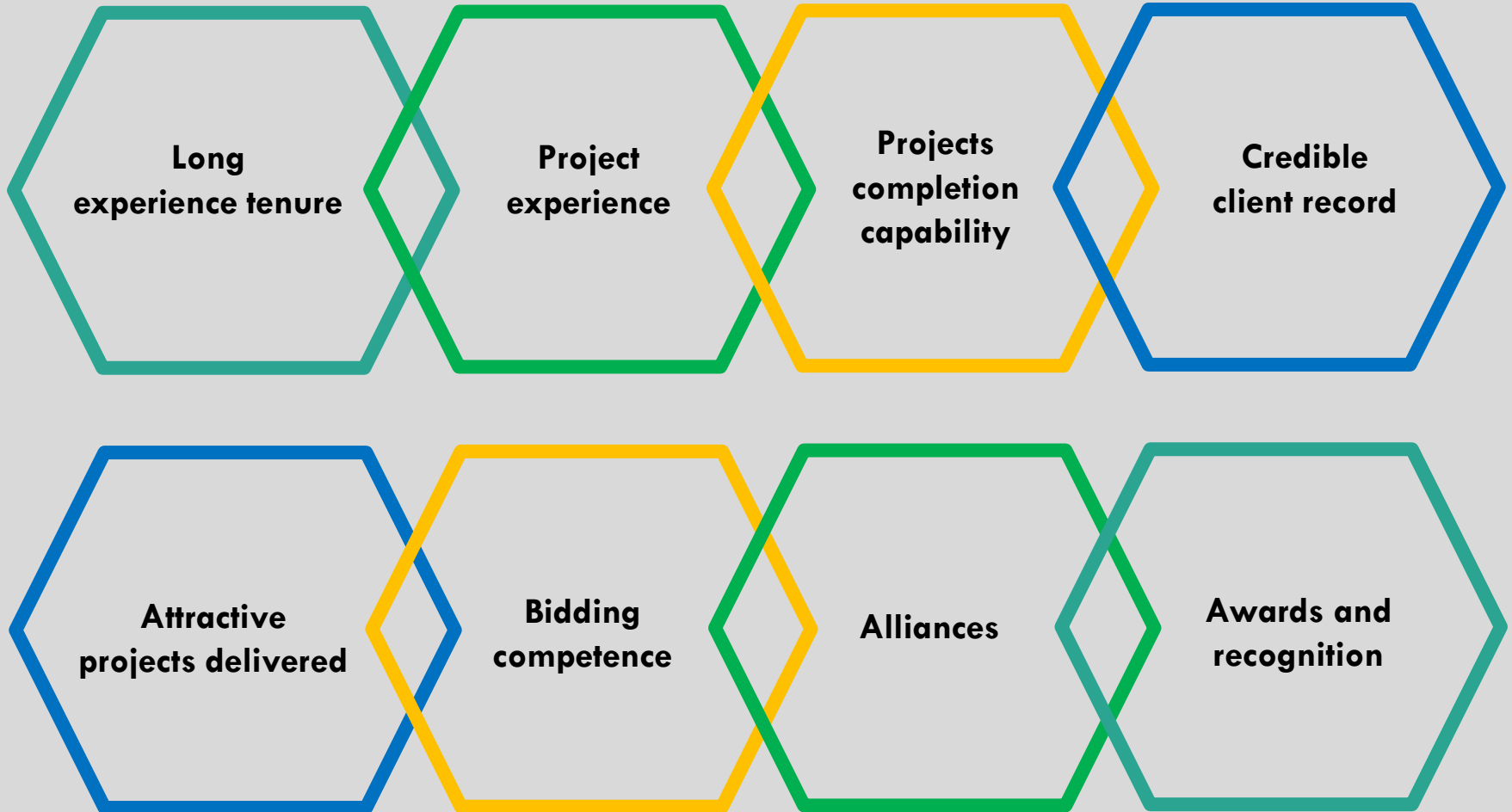
*Bad debts (0.8% of turnover, 2016-17)*

*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"> <li>▪ Sub Station at KPTCL, Karnataka</li> <li>▪ Udupi Project, Karnataka</li> <li>▪ Apgenco Project, Andhra Pradesh</li> <li>▪ Pykara Project, Tamil Nadu</li> <li>▪ Chemplast Project, Tamil Nadu</li> </ul>	<ul style="list-style-type: none"> <li>▪ Atomic Energy- Kalpakkam ( Phase I &amp; II)</li> <li>▪ Strom Water Drains to Chennai Corporation</li> <li>▪ Truck Parking Yard at Manjampakkam, Chennai</li> <li>▪ TNRSP Road works, Tamil Nadu</li> <li>▪ Elcot – (SEZ), Coimbatore</li> <li>▪ Tirunelveli – PMGSY Rural Roads, Tamil Nadu</li> <li>▪ ELCOT- Tirunelveli, Tiruchy</li> </ul>	<ul style="list-style-type: none"> <li>▪ BHEL- Tirchy , TN</li> <li>▪ MRPL, Mangalore, KA</li> <li>▪ MSEZ, Mangalore , KA</li> <li>▪ Neyveli Lignite Corporation, TN</li> <li>▪ Textile Park, Komarap alayam</li> <li>▪ Circulating Water System and Fire Protection System for M/s. Neyveli Lignite Corporation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Construction of Contour Canal for 49.30 Kms at Udumalpet.</li> <li>▪ CWSS to 312 Habs at Eddapaddy Rural Areas in Salem, Tamil Nadu</li> <li>▪ Second Vaigai Water Supply Schemes at Madurai</li> <li>▪ Construction of Surplus Regulator Across Vaipar River, Virudhunagar District, Tamil Nadu</li> <li>▪ CWSS to 175 Rural habitations in Palani &amp; Thoppampatti Unions in Dindigul District</li> </ul>	<ul style="list-style-type: none"> <li>▪ Civil Supply Godown at Various Places 45000 MT</li> <li>▪ 1000Nos of Houses for IDP's in Sri Lanka</li> <li>▪ Auditorium at Chennai Corporation.</li> <li>▪ Ampa Center One in Nelson Manickam Road, Chennai</li> <li>▪ Anna institute of Management – Chennai.</li> <li>▪ Paddy Market Complex</li> <li>▪ Construction of 161 PC/HC Qtrs with Development works for TSP VII BN at Pochampalli, Krishnagiri District</li> </ul>

# 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

---





## 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. 1,044 as on 30<sup>th</sup> September 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

## **Mr. Vijay Agarwal**

*Independent Director*

- Holds a Fellow of Chartered Accountants of India
  - Also involved in NPO's and urban & education
  - Several years of experience in Tax Advisory Services
-





## LET'S CONNECT

---

**RPP INFRA PROJECTS LIMITED**  
CIN: L45201TZ1995PLC006113

**Mr. K. JAYANTHAR**  
[secretary@rppi.com](mailto:secretary@rppi.com)



**STELLAR IR ADVISORS PVT. LTD.**  
CIN: U74900MH2014PTC259212

**Mr. VIKASH VERMA / Mr. ABHISHEK BHATT**  
[vikash.verma@stellar-ir.com](mailto:vikash.verma@stellar-ir.com) / [abhishek@stellar-ir.com](mailto:abhishek@stellar-ir.com)



---

[www.rppi.com](http://www.rppi.com)

---