



RPP INFRA PROJECTS.

ONE OF INDIA'S
MOST PROFITABLE RURAL
INFRASTRUCTURE PLAYERS

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 BIG IDEA EXPLAINED

- **Fastest growing spaces:** Civil construction works. Irrigation and water supply. Power plants and projects. Highways, roads and bridges
- **Fastest growing states:** Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Kerala
- **Safest customer:** The government
- **Most profitable:** 17% margin, 2014-15.



CATERING TO SOME OF THE LARGEST STATES IN INDIA

Tamil Nadu

Fourth largest state of India

8% of India's GDP

GSDP grew at a CAGR of 16.3 per cent (2004-05 to 2013-14)

Per capita GSDP nearly 48% higher than the national average

Karnataka

Ninth largest state of India

GSDP grew average 15.2%

(2004-05 to 2013-14)

Per capita GSDP nearly 29% higher than the national average

Andhra Pradesh

Tenth largest state of India

GSDP grew average 15.2% (2004-05 to 2013-14)



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.



OUR FINANCIAL GROWTH OVER THE YEARS

From a turnover of Rs. **144.55** crore in 2009-10 to Rs. **265.94** crore in 2014-15

From an operating profit of Rs. **14.74** crore in 2009-10 to Rs. **38.49** crore in 2014-15

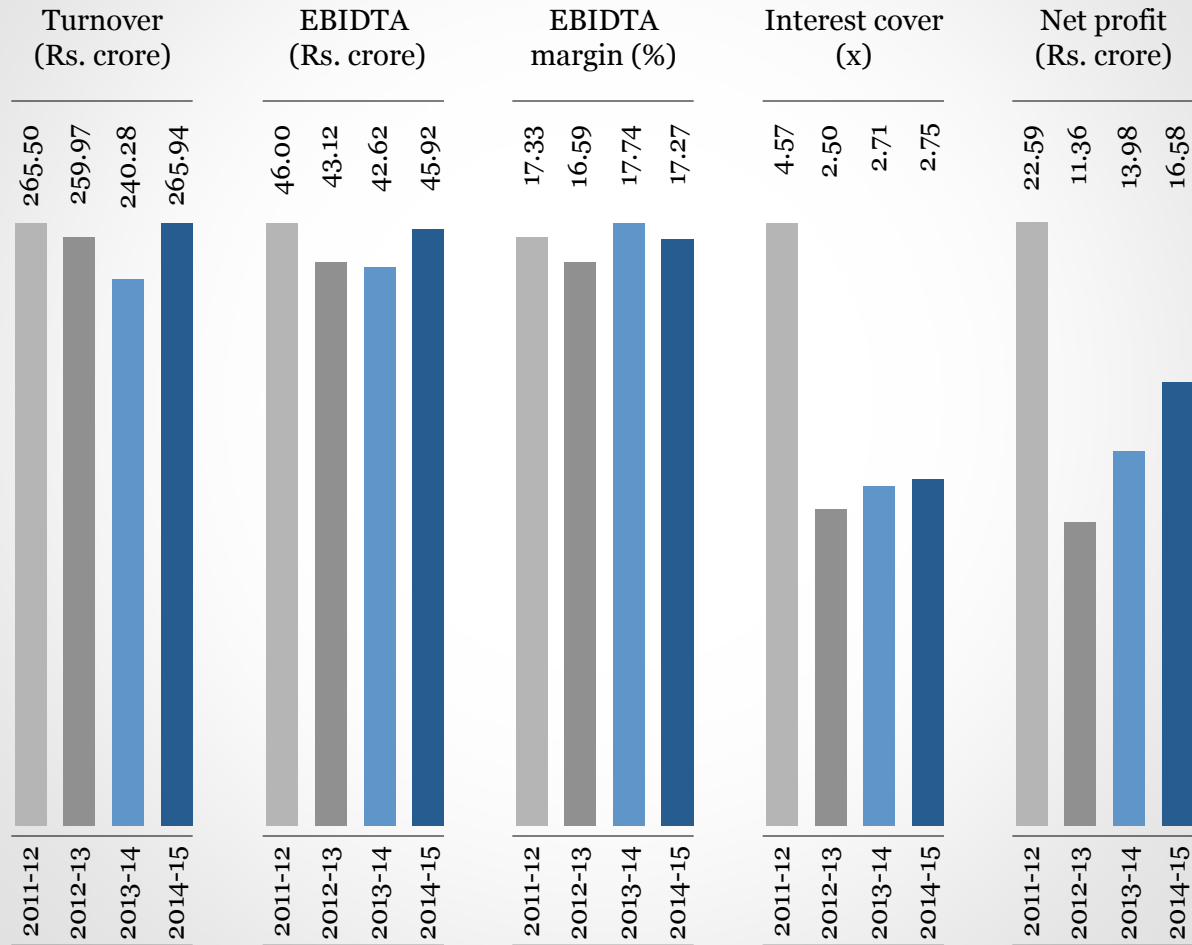
From a cash profit of Rs. **10.72** crore in 2009-10 to Rs. **24.02** crore in 2014-15

From a net profit of Rs. **7.27** crore in 2009-10 to Rs. **16.58** crore in 2014-15

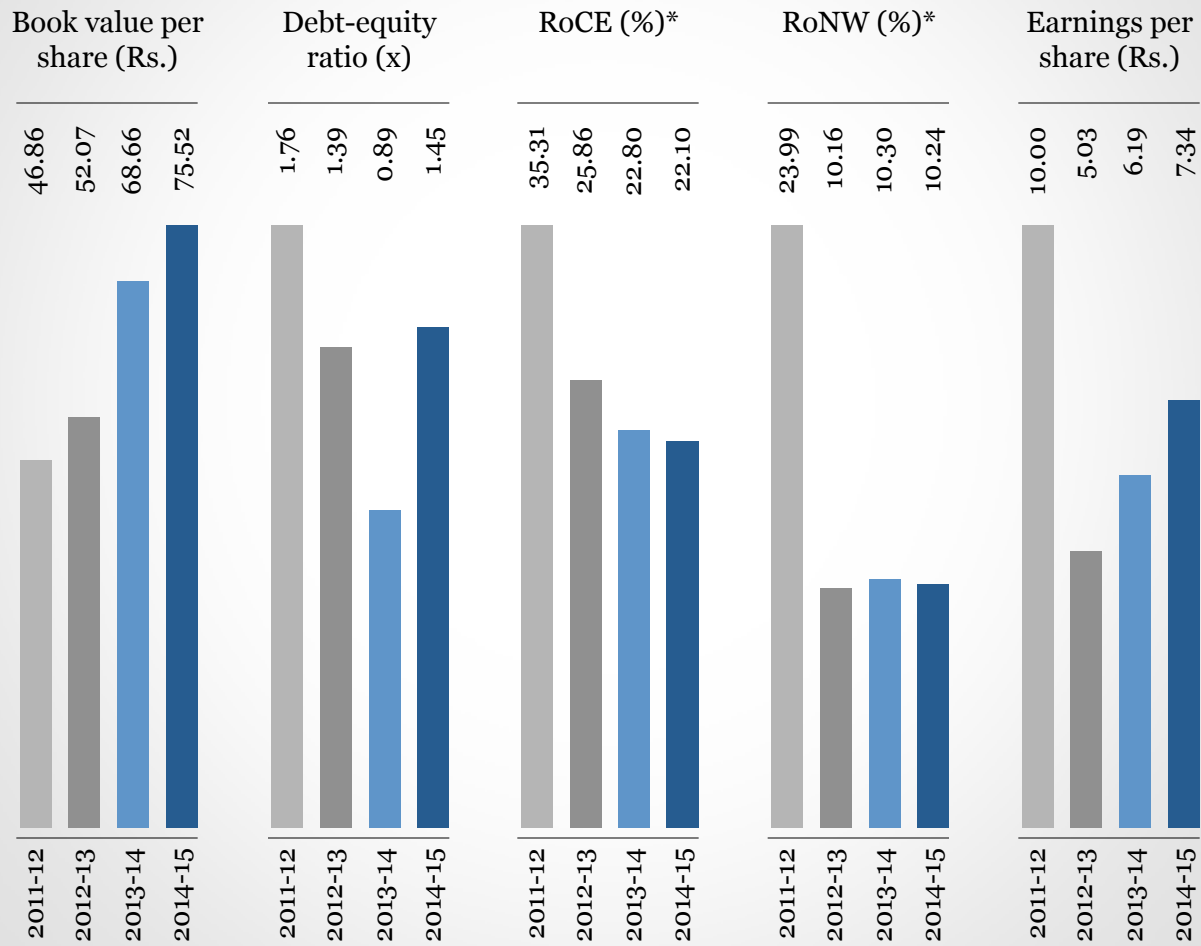
From earnings per share (EPS) of Rs. **5.27** in 2009-10 to Rs. **7.34** in 2014-15

From book value per share of Rs. **14.88** in 2009-10 to Rs. **75.52** in 2014-15

OUR FINANCIAL JOURNEY *contd...*



contd... OUR FINANCIAL JOURNEY



* Based on average

RPP INFRA HAS BEEN ONE OF INDIA'S MOST PROFITABLE RURAL INFRASTRUCTURE COMPANIES

EBIDTA
margin

17.27%

in 2014-15
(industry average
15%)

EBIDTA margin
never below

15%

in the last
four years

Order
book

40%

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

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, Build-Operate-Transfer and Annuity

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 international consortium partners (Hunan-Delaware & Owl Groups) 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 608.31 crore order book as on 30 July 2015

OUR BALANCE SHEET AS ON 31 MARCH 2015

1

Topline

Profitable

Rs **16.58** crore PAT
and
Rs **24.02** crore cash
profit in 2014-15

Revenue growth

10.67%

2

Margins

EBIDTA margin

17.27%

Net margin

6.13%

3

Indebtedness

Debt-equity ratio

1.45
as on
31 March 2015

Average cost of debt

16.07%

**FOCUS ON
SPECIFIC VERTICALS**

1

Civil construction (Building projects):
13.42% of revenues, 2014-15

2

Irrigation and water supply projects:
19.12% of revenues, 2014-15

3

Infrastructure and road projects:
67.46% of revenues, 2014-15

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 July 2015)

Bad debts negligible (0.33% of turnover, 2014-15)

Predictable receivables cycle (90 days, 2014-15)

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

EXPERIENCE TENURE

1

Infrastructure:

Completed 20
projects till date

2

Industries:

Completed 15
projects till date

3

Water and irrigation:

Completed 15
projects till date

4

Building:

Completed 20
projects till date

PROJECTS EXPERIENCE

Power Projects Civil work

- Udupi Project, Karnataka
- Apgenco Project, Andhra Pradesh
- Pykara Project, Tamil Nadu
- Chemplast Project, Tamil Nadu

Infrastructure

- TNRSP Road works, Tamil Nadu
- Elcot – (SEZ), Coimbatore
- Thirunelveli – PMGSY Rural Roads, Tamil Nadu

Industries

- Gantry Girder of 40MT capacity for BHEL-TRICHY
- Textile Park, Komarapalayam
- Circulating Water System and Fire Protection System for M/s. Neyveli Lignite Corporation

Water & Irrigation

- Construction of Surplus Regulator Across Vaipar River, Virudhunagar District, Tamil Nadu
- CWSS to 175 Rural habitations in Palani & Thoppampatti Unions in Dindigul District
- Chemplast Sanmar-Mettur- Waste Water Treatment Plant Construction
- SIPCOT Industrial Growth Centre, Perundurai
- New Tirupur Area Development Corporation Ltd

Building

- 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

43

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)





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



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

Hunan Construction Engineering Group Corporation (HNCEG)

- Large state-owned enterprise.
- Developed comprehensive capabilities in building and installation, road and bridge construction, survey and design, scientific research, personnel training, advanced professional education, equipment manufacturing and real estate development.
- More than 218,000 employees who are technical personnel of various specialties.
- Large enterprise with assets of RMB 6 billion and a production capacity of over RMB 60 billion.
- Figured consecutively among the front rank of the top 500 enterprises in China for 11 years and the top 60 of Chinese contractor and construction designers for 10 years.
- Has established projects in more than 30 countries

Delamore & Owl Group of Companies

- Clients comprise government, non-government and privately-owned entities in more than 30 countries
- Verticals of presence comprise aviation, agriculture and agro commodities, commodity trading, consultancy, construction, ICT, infrastructure, environment and energy, healthcare, financial services and mining, among others.

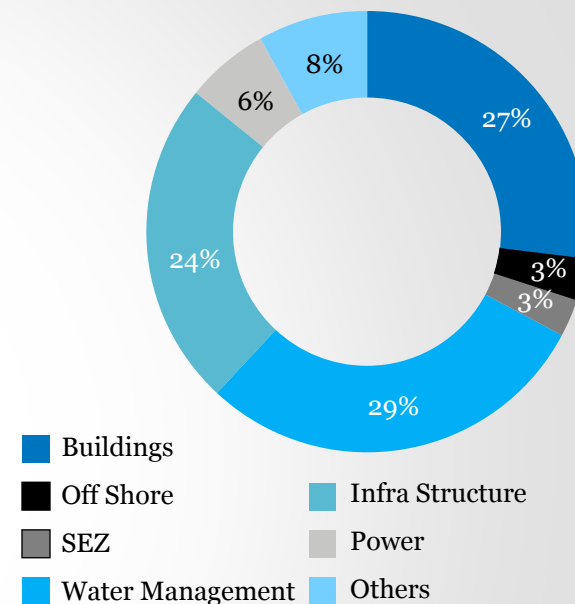


AWARDS AND RECOGNITION

- 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).

OUR GROWING ORDER BOOK

Sector / Vertical	Order Book (in Rs. crore)	%
Buildings	165.20	27.29%
Off Shore	17.11	2.83%
SEZ	16.10	2.66%
Water Management	173.14	28.60%
Infra Structure	146.51	24.20%
Power	36.00	5.95%
Others	51.26	8.47%
TOTAL	605.32	100.00%



Order in First Lowest

1 TWAD	Pipeline work at Kulithalai, Karur	4,200.00
2 TNCSC	Construction of Scientific godown – various places in Tanjore	1,345.00
3 NLC	Construction of 154 Nos. quarters including Electrification job – NTPL township in Tuticorin	2,900.00
4 MP-PWD	Cement concrete Road	8,300.00

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

Infrastructure investments for the 12th Plan pegged at USD 1.3 trillion

Indian government pushing for reforms leading to more infrastructure projects

The government created a Rs 20,000 crore infrastructure development fund

The govt allocated Rs 50,000 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 37,000-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. 576.34 crore (as on 31st March 2015) with projects in power, 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 26 concurrent operational sites in 4 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 high-margin construction spaces (RCC roads 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 20 years in construction industry
- Trustee in the Erode District Builder's Association Engineering Collage

Mrs. A.Nithya

*Joint Managing
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

Mr. A.N. Vasu Rao

Independent Director

- Bachelor of commerce from Mysore University and ICAI from ICAI, New Delhi.
- Over 32 years of experience in Various sectors Such as Power, Sugar, Steel, Communication and Education

INDEPENDENT DIRECTORS

Mr. A. P. C. Krishnamoorthy
Independent Director

- An advocate by profession with a B.Com degree
- Over 34 years of experience as a practicing council in the Bar
- Practicing advocate in both Civil and Criminal cases

Mr. K.Natarajan
Independent Director

- Bachelor Degree in Commerce.
- Over 22 years of experience in International business and development.
- Having experience in Indonesian coal mines.

Mr. S Swaminathan
Independent Director

- A Bachelor degree in Mechanical Engineering from Regional Engineering collage, Trichy (RECT), ICWA(Inter)
- Has four decades of experience in the various facets
- Held senior positions with challenging responsibilities from Green field start-ups to Global Revenue responsibilities
- Has also worked with leading Investment banking company in the middle east.
- Worked on M&A assignments involving Technology Companies in India and abroad
- Well versed with practices in Strategic Planning, Business Process Analysis, Enterprise Resource Planning, Marketing, Vendor Management and Customer Acquisition.

S A F E H A R B O R S T A T E M E N T

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