



# RPP Infra Projects Ltd

Thursday, 20<sup>th</sup> August, 2015

Listing Department  
**National Stock Exchange Limited,**  
Exchange Plaza, 5th Floor,  
Plot No C/1, G Block,  
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Corporate Services - Compliances,  
**Bombay Stock Exchange Limited,**  
Floor 25, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001

Fax: 022 - 2272 3121 / 2037

Dear Sir/Madam,

**Sub: Investor Update - Reg.**

**Symbol: RPPINFRA**

**Scrip Code: 533284**

**Series: EQ**

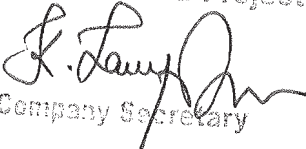
This is to inform you that Management of R.P.P Infra Projects Limited has participated in Anand Rathi Emerging India Conference 2015 on 19<sup>th</sup> August, 2015 and the presentation was given to Investors at large and the same presentation has been enclosed.

Kindly take note of the Information in your records.

Thanking you,

Yours Truly,

For RPP Infra Projects Ltd

  
Company Secretary



## **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

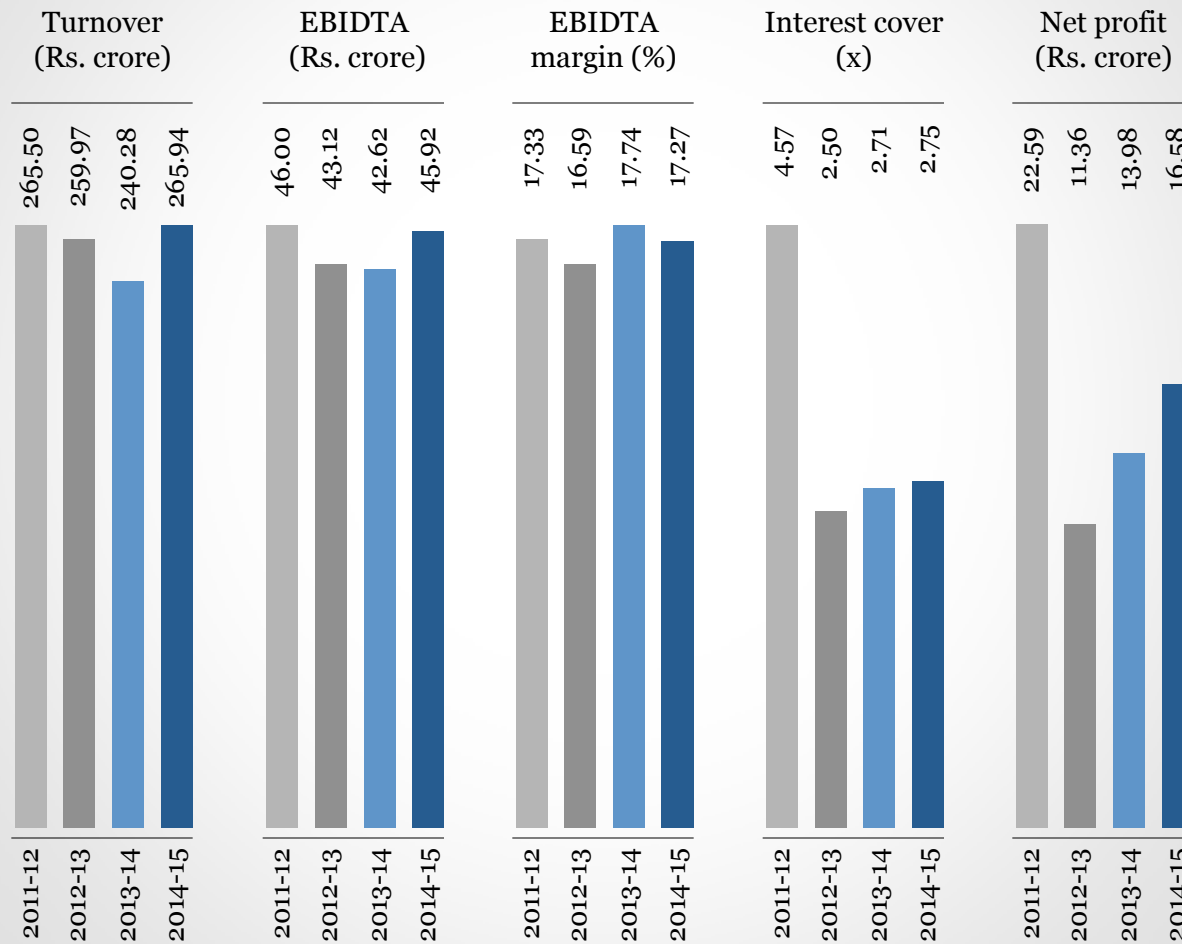
From a cash profit of Rs. **10.72** crore in 2009-10 to Rs. **24.02** crore in 2014-15

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

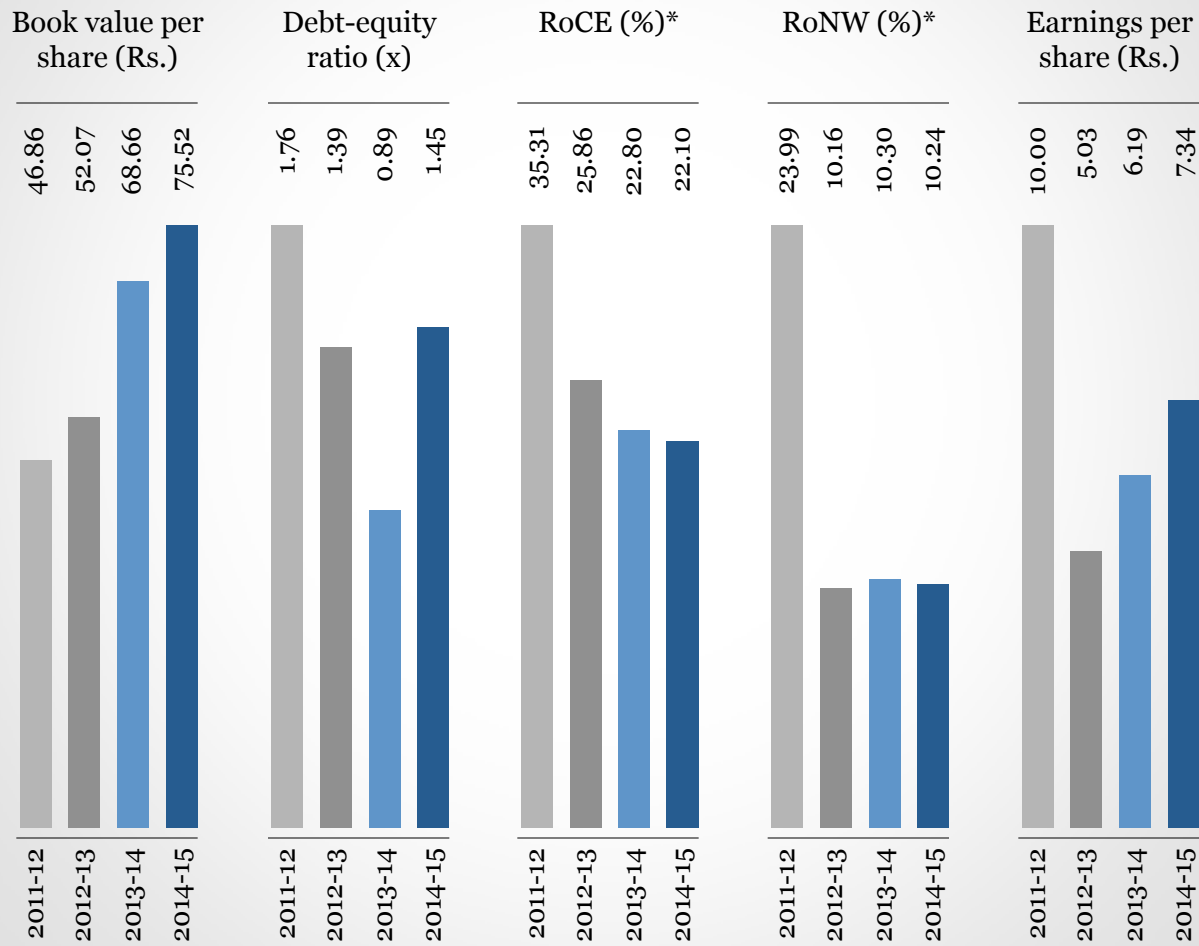
From book value per share of Rs. **14.88** in 2009-10 to Rs. **75.52** in 2014-15

# 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

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*Growing delegation of spending from centre to States*

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

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*Government contracts accounted for  
100% of order book (31 July 2015)*

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

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*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)



SIEMENS





### **Bidding competence**

Focus on projects that represent challenges, nicheness and attractive margins

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

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Accurate project modeling



### **Alliances**

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

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Will enable the company to bid for larger projects

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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.



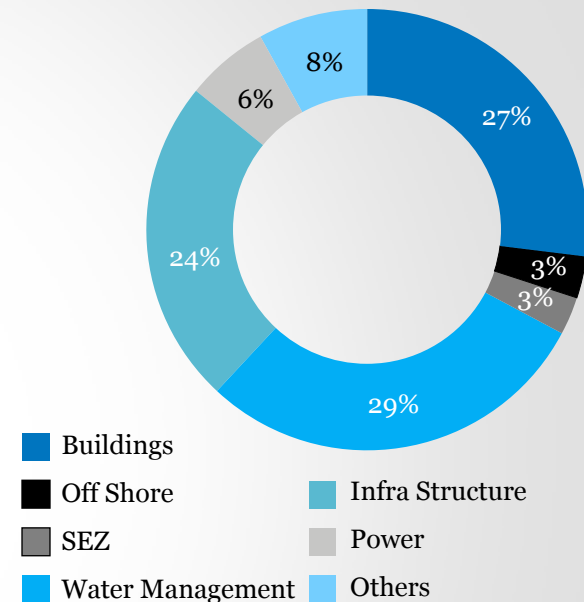
# AWARDS AND RECOGNITION

- 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%
<b>TOTAL</b>	<b>605.32</b>	<b>100.00%</b>



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 12<sup>th</sup> 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 31<sup>st</sup> 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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