

# RPP INFRA PROJECTS

One of India's most profitable rural infrastructure companies



Investor Presentation | May 2018



Company Overview



Robust Order book



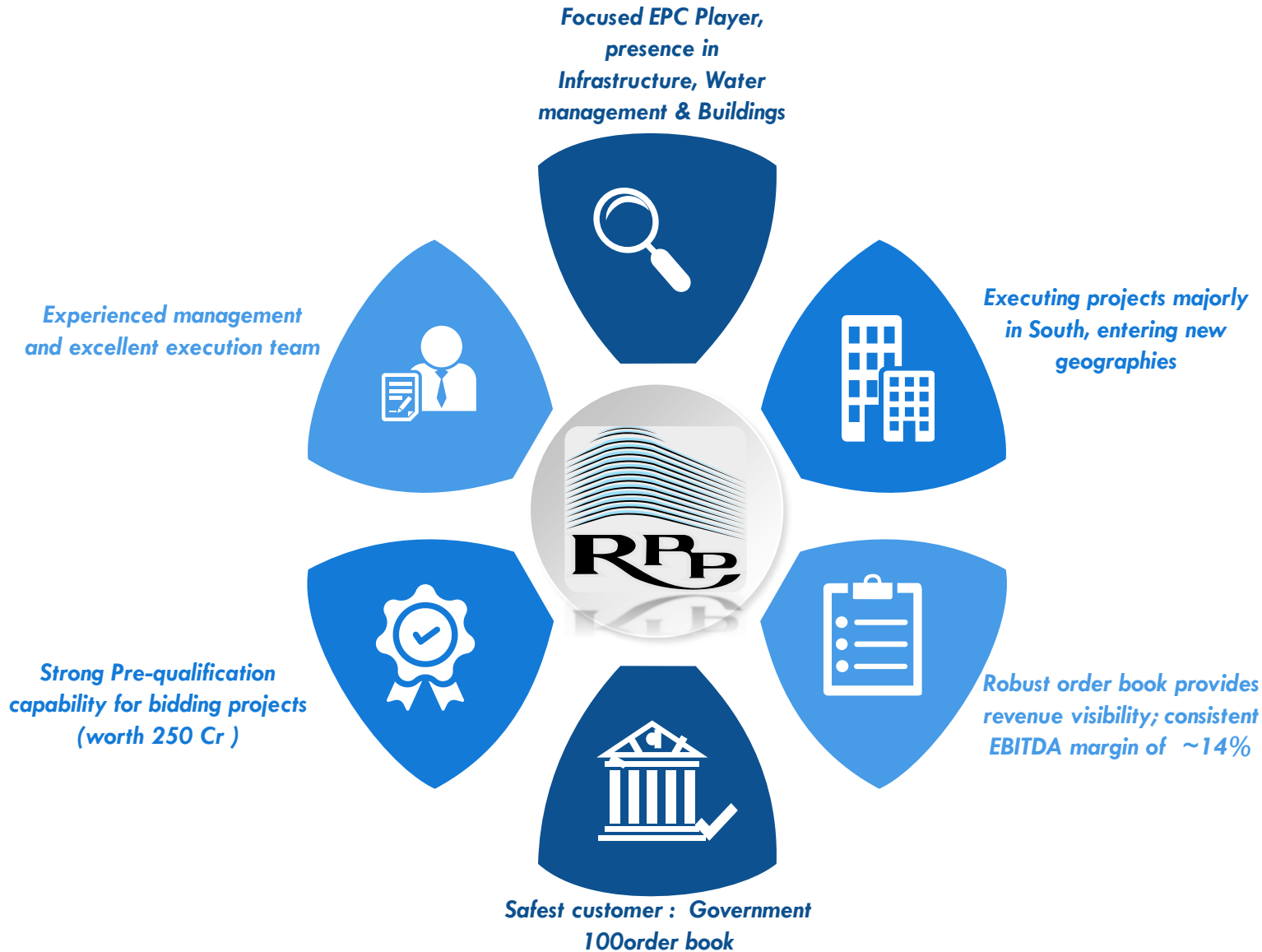
Financial Performance



# Company Overview



# RPP Infra – Rural Focused EPC Player



Water management	
Order Book	274 crores
Technical Eligibility	200 crores
EBITDA Margins (Approx.)	15-18%

Infrastructure	
Order Book	573 crores
Technical Eligibility	Upto 500 cr in JV
EBITDA Margins (Approx.)	12-15%

Buildings	
Order Book	328 crores
Technical Eligibility	80 crore
EBITDA Margins (Approx.)	9-10%

# Exceptional Execution 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



**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

# ...Experienced Management

## **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





# Marquee Projects

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- Tirunelveli,Tirchy ,Hosur,Coimbotore</li> <li>• Scientific Warehouses with PEB at Various Places at Coimbatore, Tanjore, Punalkulam,Kudavasal, Nagapatinam</li> </ul>	<ul style="list-style-type: none"> <li>• BHEL- Tirchy , Chennai- 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 in Dindigul District</li> <li>• Canal lining project at Karnataka Neeravari Nigam limited</li> </ul>	<ul style="list-style-type: none"> <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>• Auditorium and Zonal office for Chennai corporation.</li> <li>• Housing for Karnataka Police housing ..</li> <li>• Kendra Vidhyalaya school at Madurai</li> <li>• NIT campus at Trichy .</li> </ul>

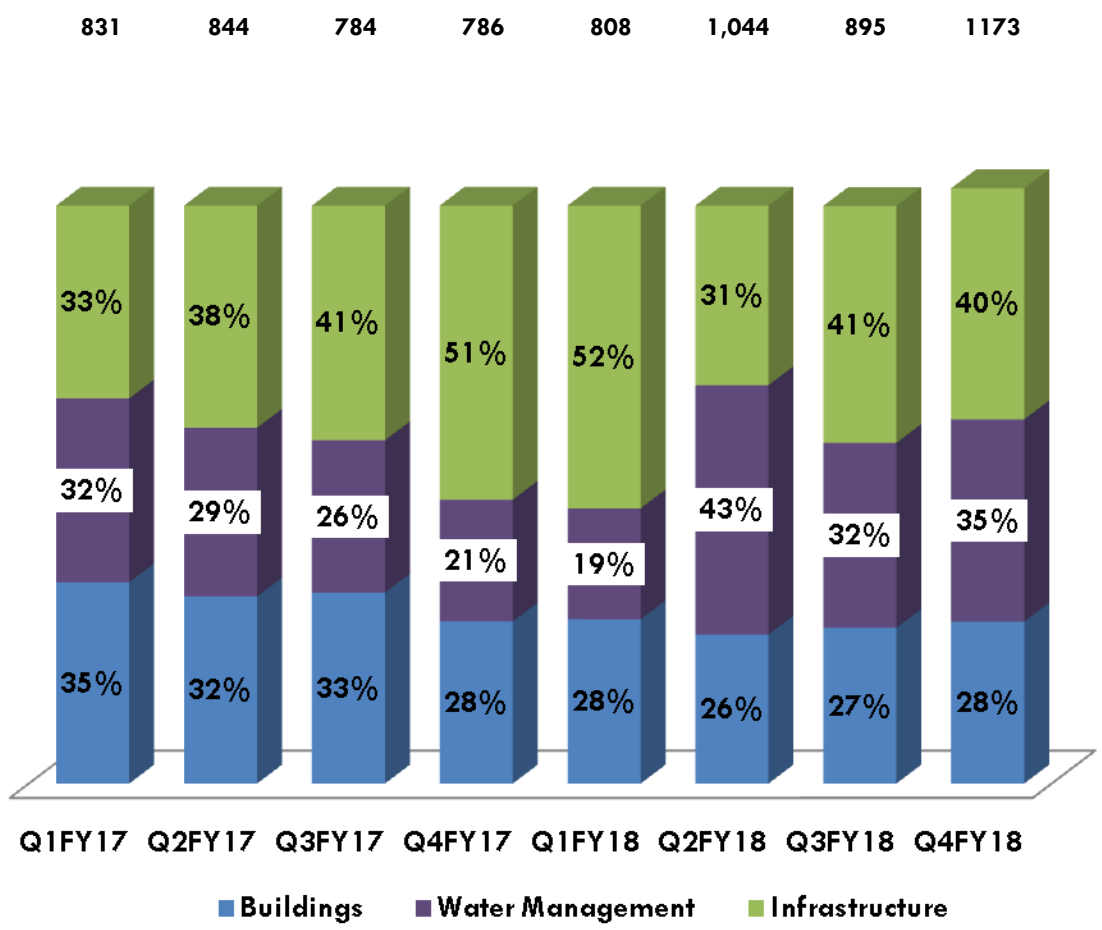


# Robust Orderbook

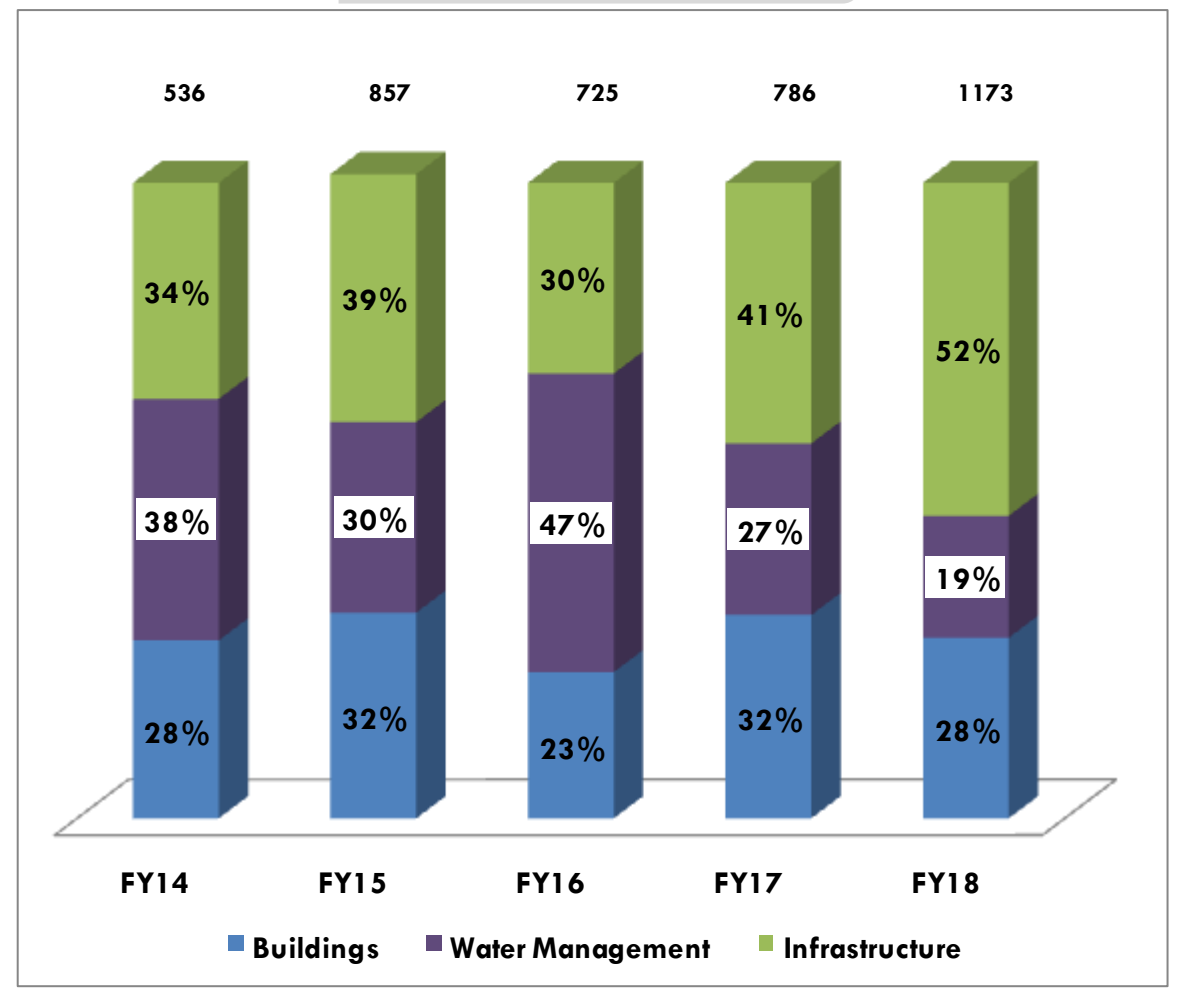


# Diversified Orderbook – Good Revenue Visibility

**Quarterly Order Book Trend**



**Annual Order Book Trend**



# Widening Horizons – Ready for next growth phase



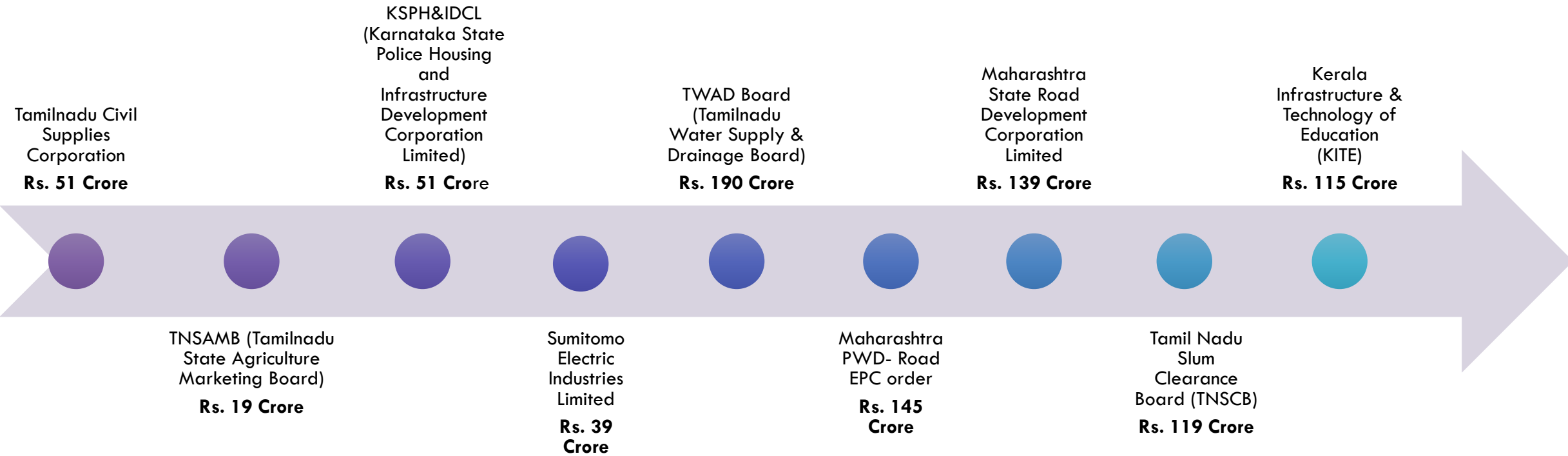
Region	FY14		FY15		FY16		FY17		FY18	
	Rs. Crores	% Share	Rs. Crores	% Share	Rs. Crores	% Share	Rs. Crores	% Share	Rs. Crores	% Share
Tamil Nadu	395	74%	711	83%	588	81%	340	43%	462	40%
Karnataka	63	12%	54	6%	75	10%	187	24%	155	13%
Andhra Pradesh	-	-	30	3%	43	6%	31	4%	30	2.6%
Maharashtra	32	6%	21	2%	-	-	-	-	282	24%
Uttar Pradesh	46	9%	40	5%	19	3%	-	-	-	-
Telangana	-	-	-	-	-	-	-	-	25	2.1%
Madhya Pradesh	-	-	-	-	-	-	60	8%	34	2.9%
Kerala	-	-	-	-	-	-	60	-	30	2.6%
Overseas	-	-	-	-	-	-	167	24%	155	13.2%
<b>Total Order Book</b>	<b>536</b>		<b>857</b>		<b>725</b>		<b>786</b>		<b>1173</b>	

**Entered into Maharashtra;  
targeting new geographies  
for future growth**

# Order Inflow – Renewed Focus on Road Sector



**Order Inflow of Rs. 900 Crore (FY18)**



# Strong Order Pipeline

TANTRANSCO worth of **Rs. 46 Crore**

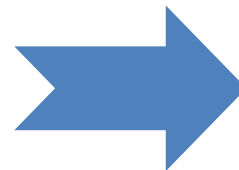
Tamilnadu Water Supply and Drainage Board worth of **Rs. 67 Crore**

Ceylon Electricity Board Sri Lanka/Siemens worth of **Rs. 19 Crore**

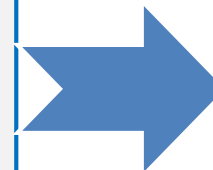
Bihar Rajya Jal Parishad worth of **Rs.117 Crore**

Ministry of Road Transport & Highways- in various states— **Rs. 717 Crores**

IOCL at Arasampatti, Tamilnadu –**Rs. 70 Crores**



**Robust orders in pipeline  
worth Rs.1036 Crore**



**Lowest bidder worth  
Rs. 55Crore**

# Infrastructure – Road New Sunrise segment

01

- Rs 1.2 tn (USD 18.7bn) allocated for road sector under Union Budget 2018-19
- Rs 710 bn (US\$ 10.97 bn) allocated for development of National Highways

02

- In next 2-3 years, Rs 3.9 tn for state-level expressways & ring roads, as well as for urban infra & metros
- Target for awarding contracts worth 20,000 km for FY19, construction target at 47 km/day

03

- For FY19, MoRTH plans an investment of Rs 2 tn
- 91 projects worth Rs 1.47 tn to be bid out over next 3-4 months

04

- GOI aims to construct ~83,677 km of roads, includes Bharatmala Pariyojana, over next five years
- 17 Expressways and 7 ring roads are to be bid out under Bharatmala program over next 12-15 months

05

- Under PMGSY GOI will spend ~Rs 1trn (US\$ 15.3 bn) during FY18-FY20
- Under Union Budget 2018-19, GOI allocated Rs 190bn (US\$ 2.9bn) for PMGSY

06

- Under EPC mode, 133 projects covering 4,830km worth Rs 892 bn to be awarded
- Construction targets for 2018-19 set at 16,420 km, of which 9,700 km to be constructed by MoRTH

# Water Management – High Margin segment

01

- World Bank sanctioned loan of Rs 27 bn for Maharashtra, improving water harvesting structures
- Special package worth Rs. 136 bn approved for 83 surface minor irrigation projects; of which 66 in Vidarbha & 17 in the Marathwada region

02

- Total 140.13 mn hectares of cultivable area; 49% is net irrigated area while 51% is un-irrigated
- GOI allocated budget of Rs. 10 bn under PMKSY in Union Budget of 2018-19

03

- In Orissa, NABARD sanctioned Rs 15 bn for construction of 14 mega-lift irrigation projects
- Rs 0.2 bn sanctioned, for construction of 612 community-based lift irrigation projects

04

- GOI and Tamil Nadu signed an agreement with World Bank of USD 318 mn loan for modernization of irrigation projects
- Construction of 4,800 irrigation tanks & 477 check dams across 66 sub-basins to be rehabilitated and modernized

05

- Maharashtra to bring across 10 lac hectares of land under micro irrigation in the next 3-5 years under sugarcane cultivation
- Made compulsory for the sugarcane farmers to adopt drip irrigation in Maharashtra

06

- Under Long Term Irrigation Fund (LTIF) until December 31, allocated Rs 400 bn
- By December 2019, 99 projects to be completed, bringing 7.9 mn hectares of land under assured irrigation



# Buildings – Renewed Focus Area Affordable Housing

01

- In Union Budget 2017-18, GOI to build 10mn houses for the urban poor by 2019
- Allocated USD 3.5bn (Rs 0.23 tn) for PMAY 'Housing for All by 2022'

02

- Affordable housing finance sector to attract Rs 130 tn of investments over by FY22
- Government targets 3.7mn houses in urban areas over FY19, till date total 3.7mn houses sanctioned

03

- Investment of USD 200bn to achieve GOI's target of 30% GER\* for the education sector by 2020
- Private players is expected to be ploughed Rs 5.8 tn into the education sector over FY16 to FY20

04

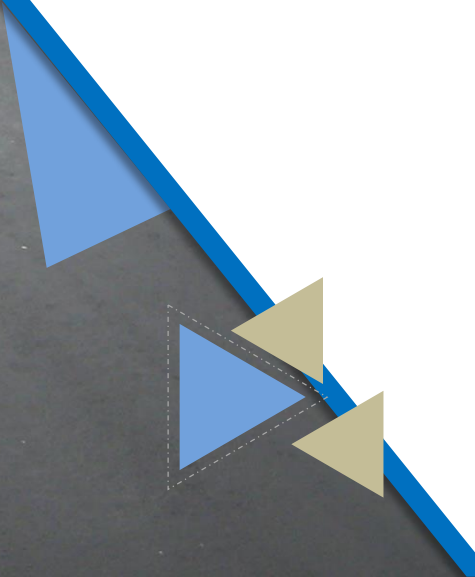
- India expected to add another 1.15 lac to 1.25 lac of hospital beds
- Around 66 mn sq ft of hospital supply is planned across India, with 7 major cities accounting for 20-22% of total supply

05

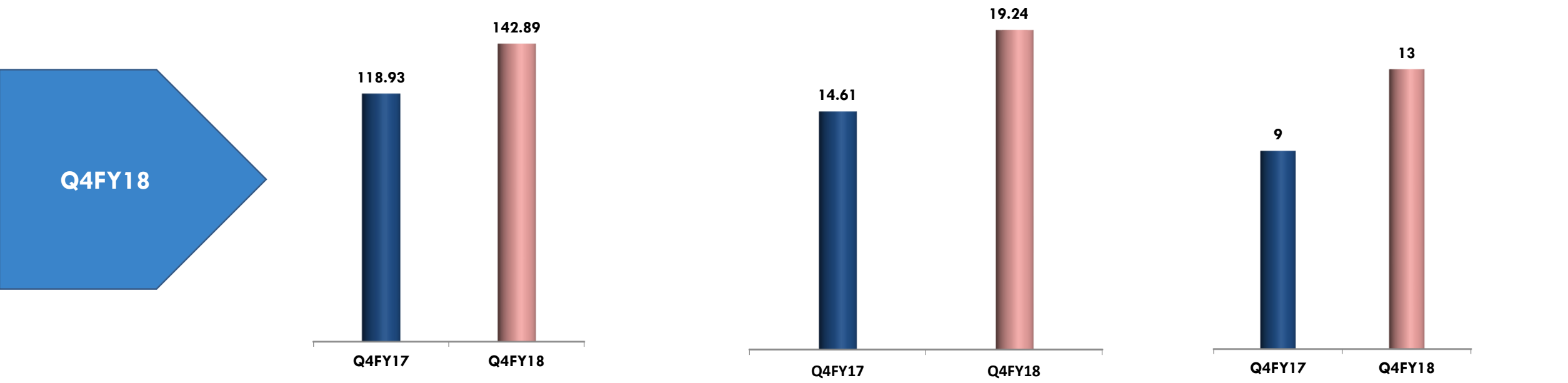
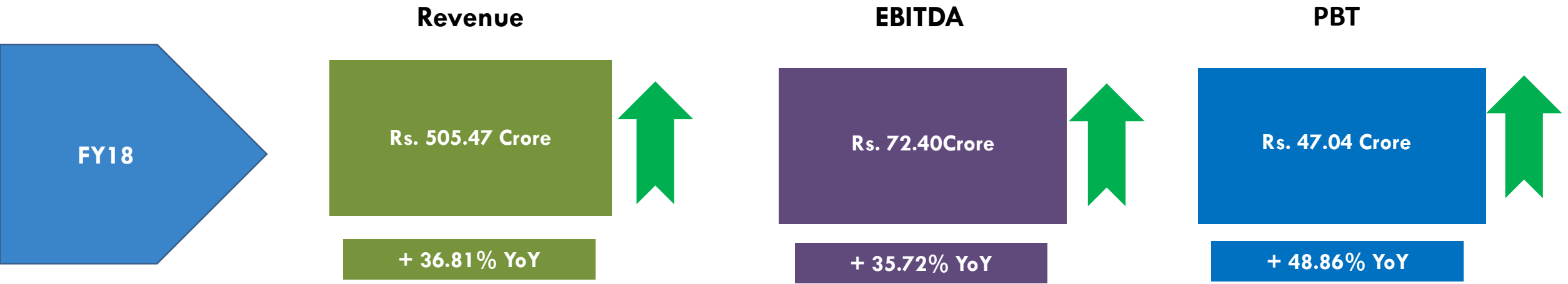
- **Smart Cities:** 99 cities selected with investment of Rs. 2 tn where in, projects worth Rs. 23 bn completed and Rs. 205 bn are under progress
- **AMRUT:** 494 projects worth Rs.194 bn awarded for water supply & 272 projects worth Rs.124 bn for sewerage work



# **Robust Financial Performance**

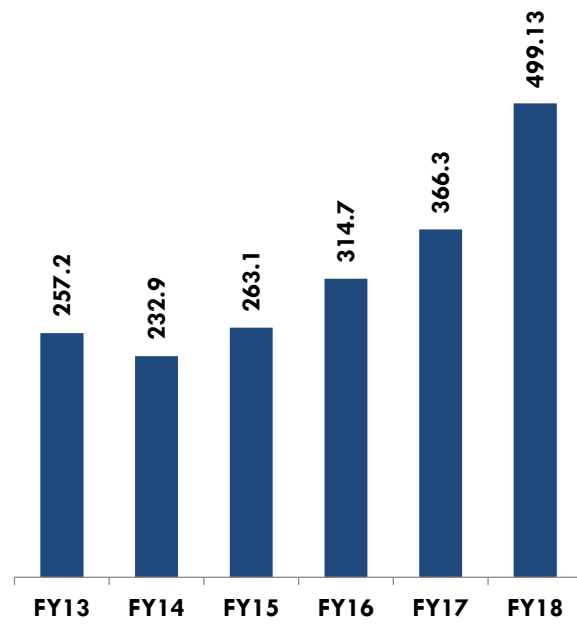


# Robust Financial Performance – FY18 & Q4FY18

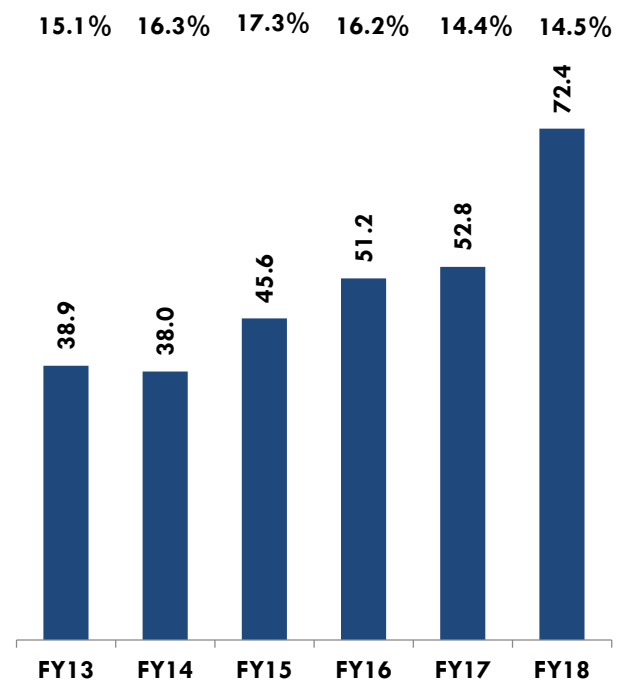


# Financial Trend...

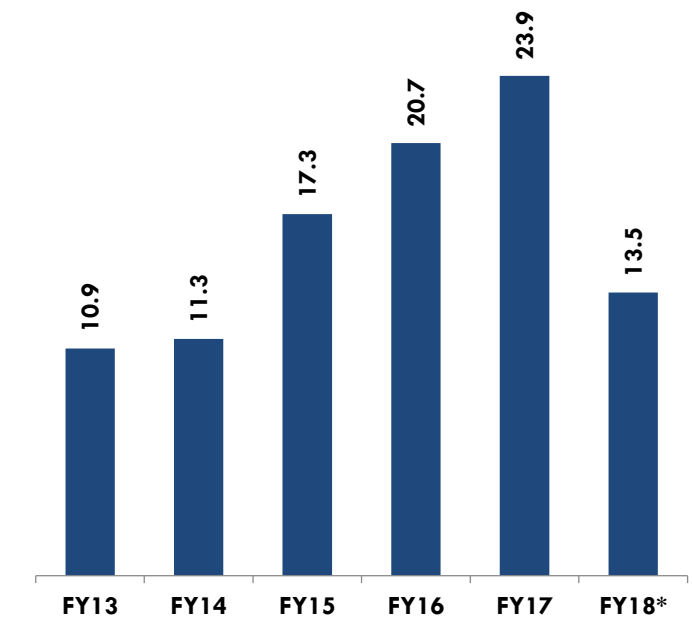
**Revenue (Rs. Cr)**



**EBITDA (Rs. Cr)  
EBITDA Margin (%)**



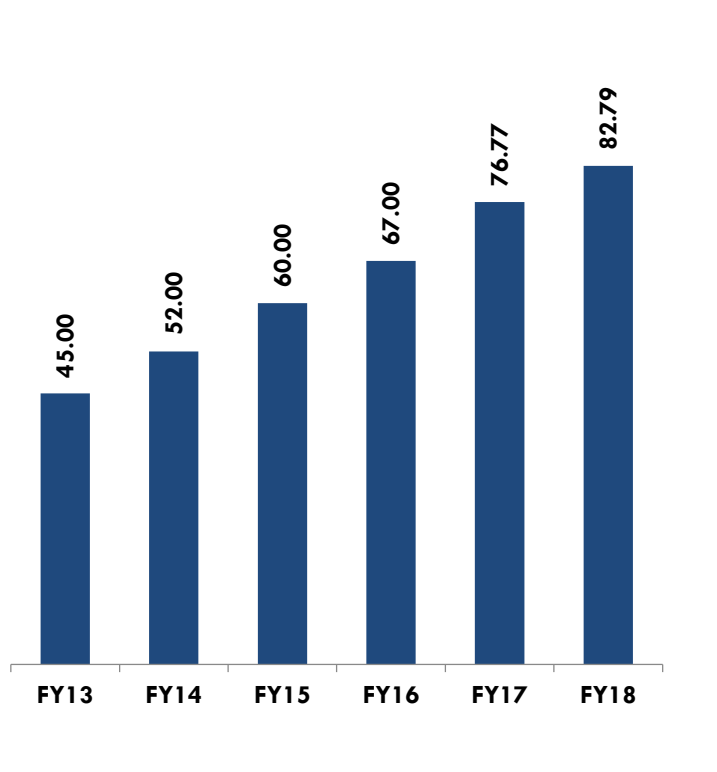
**PAT (Rs. Cr)**



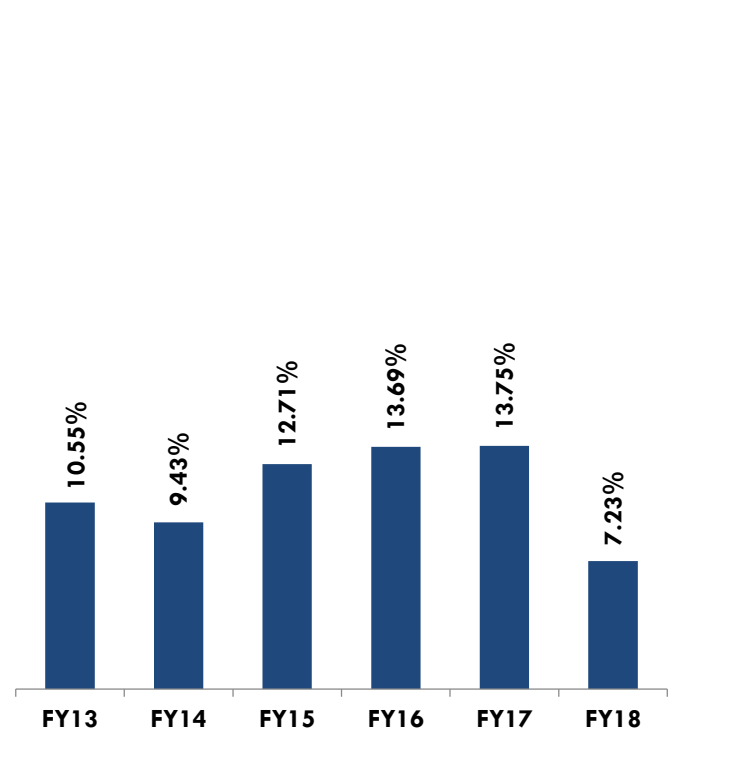
\* Adjusted PAT excluding Tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16

# ...Financial Trend

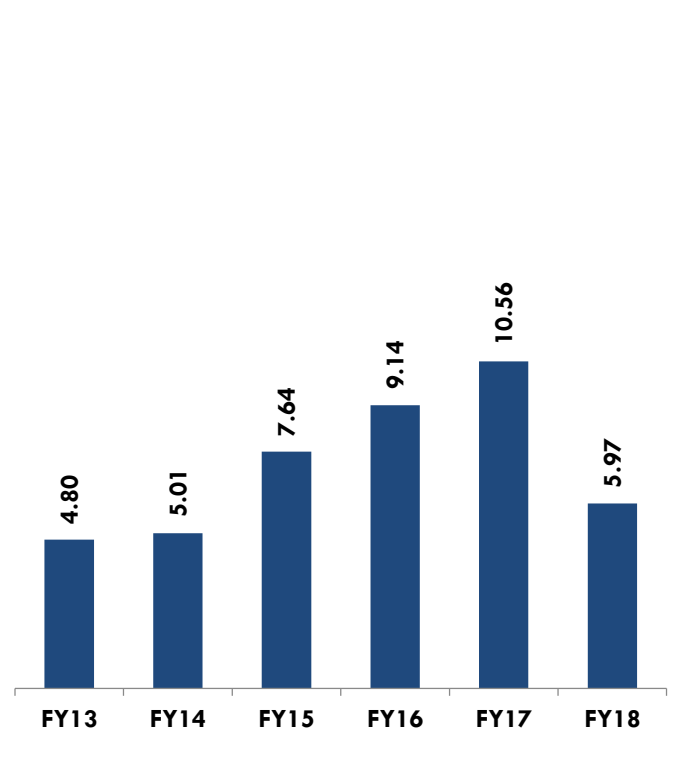
**Book Value Per Share (Rs.)**



**RONW (%)**



**EPS (Rs)**



\* Adjusted PAT excluding Tax expense of Rs. 17.96 crores to resolve pending IT disputes from FY10 to FY16

# Profitability Highlights – FY18 & Q4FY18

Rs. Crore	Q4FY18	Q4FY17	YoY	FY18	FY17	YoY
<b>Revenue from Operations</b>	<b>142</b>	<b>118</b>	<b>20%</b>	<b>499</b>	<b>366</b>	<b>36%</b>
Other Income	1	1		6	4	
<b>Total Income</b>	<b>143</b>	<b>119</b>	<b>20%</b>	<b>505</b>	<b>370</b>	<b>36%</b>
Raw Material & Fuel Costs	116	95		398	293	36%
Employee Cost	2.50	2		9	6	50%
Other Cost	5	6.40		26	16	44%
<b>EBITDA</b>	<b>20</b>	<b>14.62</b>	<b>36.80%</b>	<b>72</b>	<b>53.35</b>	<b>34.96%</b>
<b>EBIDTA margin (%)</b>	<b>14%</b>	<b>12.43%</b>		<b>15%</b>	<b>15%</b>	
Depreciation	2	1		6	5	
Interest	5	4	25%	19	17	11.76%
<b>Profit Before Tax</b>	<b>13</b>	<b>9</b>	<b>44%</b>	<b>47</b>	<b>31.60</b>	<b>48.73%</b>
Tax	4	1		33	7.69	312%
Exceptional Item	0	0		0	0	
<b>Profit After Tax</b>	<b>9</b>	<b>8.12</b>	<b>10.83%</b>	<b>14</b>	<b>23.91</b>	
<b>PAT Margin (%)</b>	<b>6%</b>	<b>6.91%</b>		<b>2.71%</b>	<b>6.53%</b>	

# Balance Sheet Highlights – FY18

Rs. Crore	FY18	FY17
<b>Shareholder's Funds</b>	<b>188</b>	<b>175</b>
Share capital	23	23
Other Equity	165	152
<b>Non-current liabilities</b>	<b>13</b>	<b>19.42</b>
Borrowings	12	16.84
Other Financial Liabilities		2.03
Long-Term Provisions	1	0.55
<b>Current liabilities</b>	<b>305</b>	<b>263.69</b>
Borrowings	63	57.00
Trade Payables	97	139.00
Other Current Financial liabilities	94	43.71
<b>Other Current Liabilities</b>	<b>41</b>	<b>14.90</b>
<b>Short-term provisions</b>	<b>1</b>	<b>0.08</b>
<b>Current Tax Liabilities (Net)</b>	<b>9</b>	<b>9</b>
<b>Total Equities &amp; Liabilities</b>	<b>506</b>	<b>458</b>

Rs. Crore	FY18	FY17
<b>Non-current assets</b>	<b>35</b>	<b>35</b>
Property Plant & Equipment	30	28
CWIP		4
Other Intangible Assets		-
Financial Assets		-
Investment	1	-
Long-term Loans & Advances	-	1
Deferred Tax Assets	2	1
Other Non-Current Assets	2	1
<b>Current assets</b>	<b>471</b>	<b>423</b>
<b>Inventories</b>	<b>18</b>	<b>4</b>
<b>Financial Assets</b>		-
Investments	-	-
Trade receivables	106	223
Cash & Cash equivalents	79	40
Short-term loans & Advances	40	24
Other	146	85
<b>Other Current Assets</b>	<b>82</b>	<b>47</b>
<b>Current Tax Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>506</b>	<b>458</b>