



# Ramky Infrastructure Limited

## Company Presentation

**MAY 2011**



Corporate profile



Industry overview



Strengths and growth strategy

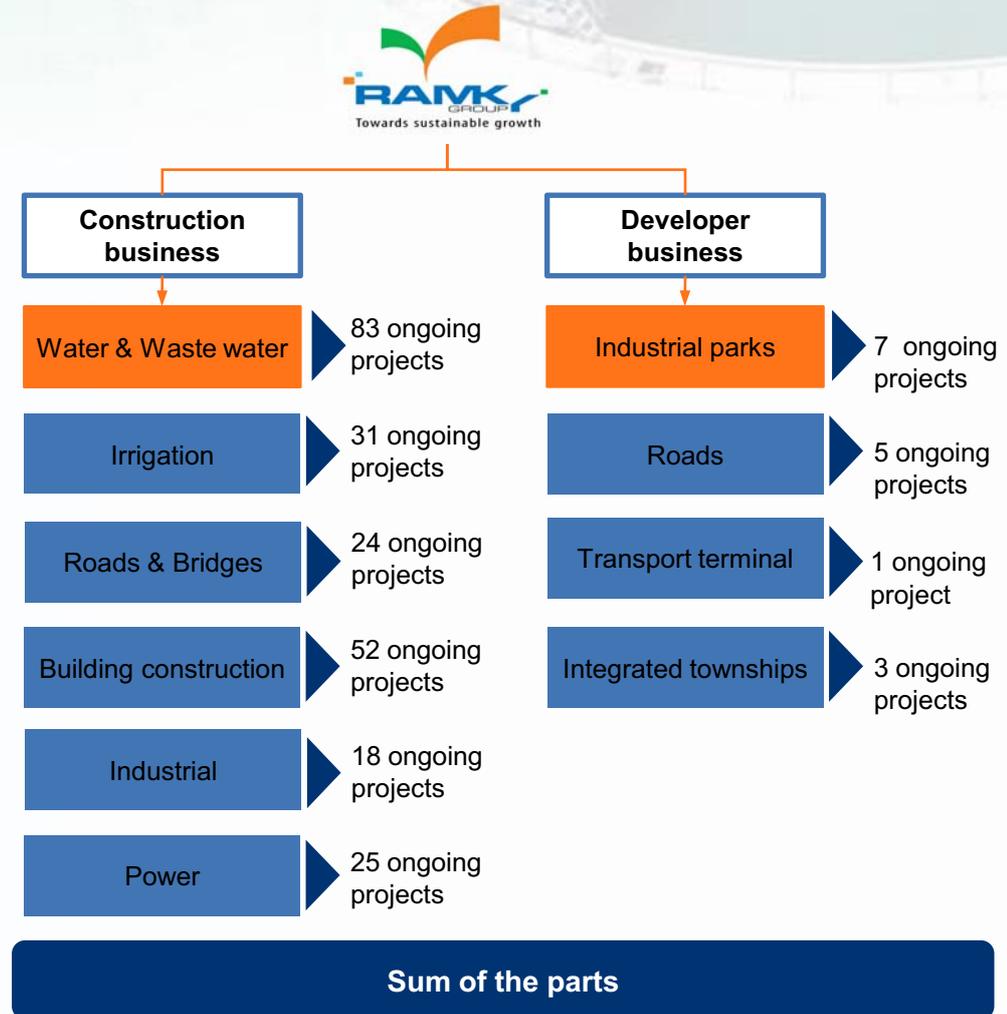
# The Corporate profile

- Ramky Infrastructure Limited (“Ramky” or the “Company”), is an integrated construction and infrastructure development and management company with a pan-India presence
- Ramky operates in two principal business segments:
  - Construction business
  - Developer business which is operated through Subsidiaries and Associates
- Ramky is promoted by first generation promoters, Alla Ayodhya Rami Reddy and Y.R. Nagaraja, and managed by team of experienced professionals
- Addition of Order Book for the 12 months ended Mar 31<sup>st</sup>, 2011 was INR 60959m
- Track record of robust growth attained by a diversified portfolio of projects:

(INRm)	FY2006	FY 2010	FY 2011	CAGR*
Order book	14139	74317	109988	51%
Revenue	4125	18613	27305	46%
EBITDA	322	2016	2999	56%
Net income	185	1027	1574	53%

Note: Above mentioned financials are for Ramky standalone  
 \* CAGR between 2006 March 31<sup>st</sup> - 2011 Mar 31<sup>st</sup>

## Ramky snapshot



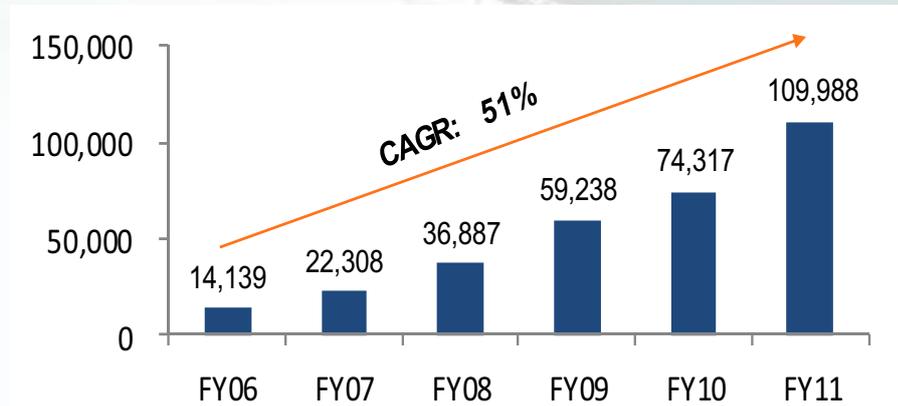
Note: Projects in the tables above are as on March 31<sup>st</sup> 2011

A Proven track record across construction and developer business

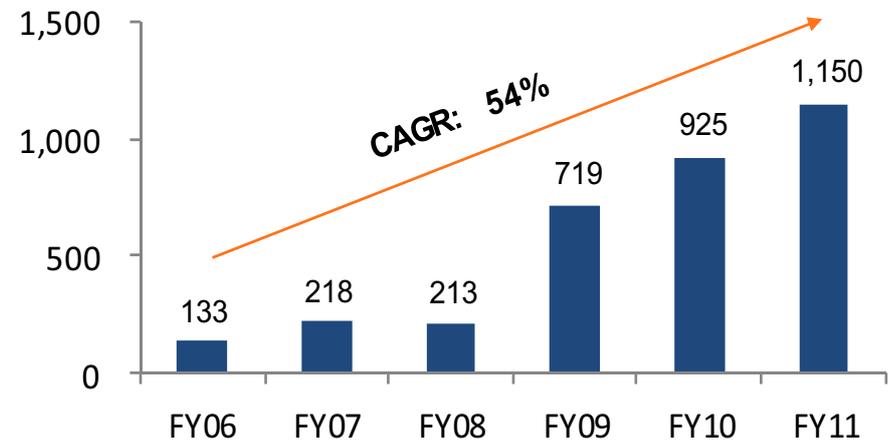
# The construction business profile

<b>Water &amp; Waste Water</b>	<ul style="list-style-type: none"> <li>■ Include water treatment plants, water transmission and distribution systems, elevated and ground level service reservoirs, sewage treatment plants, common effluent treatment plant, tertiary treatment plants, underground drainage systems and lake restorations</li> <li>■ Value of projects in hand: INR 21,090m</li> </ul>
<b>Irrigation</b>	<ul style="list-style-type: none"> <li>■ Include canals, cross-drainage works, feeder channels lift irrigation projects, dams and barrages</li> <li>■ Value of projects in hand: INR 15,263m</li> </ul>
<b>Transportation</b>	<ul style="list-style-type: none"> <li>■ Includes expressways, highways, bridges, rural roads, flyovers and dedicated service corridors</li> <li>■ Value of projects in hand: INR 41,981m</li> </ul>
<b>Buildings</b>	<ul style="list-style-type: none"> <li>■ Includes commercial, residential, public, institutional and corporate buildings, mass housing projects, high rise projects and health care infrastructure projects</li> <li>■ Value of projects in hand: INR 19,319m</li> </ul>
<b>Industrial</b>	<ul style="list-style-type: none"> <li>■ Includes industrial parks, SEZs and related works such as aluminium, textile, pharmaceuticals, power, petroleum and waste management.</li> <li>■ Value of projects in hand: INR 6,189m</li> </ul>
<b>Power</b>	<ul style="list-style-type: none"> <li>■ Includes electricity transmission networks, substations feeder lines and low tension distribution lines</li> <li>■ Value of projects in hand: INR 6,146m</li> </ul>

**Closing order book (INR m)**



**Average order size (INR m)**



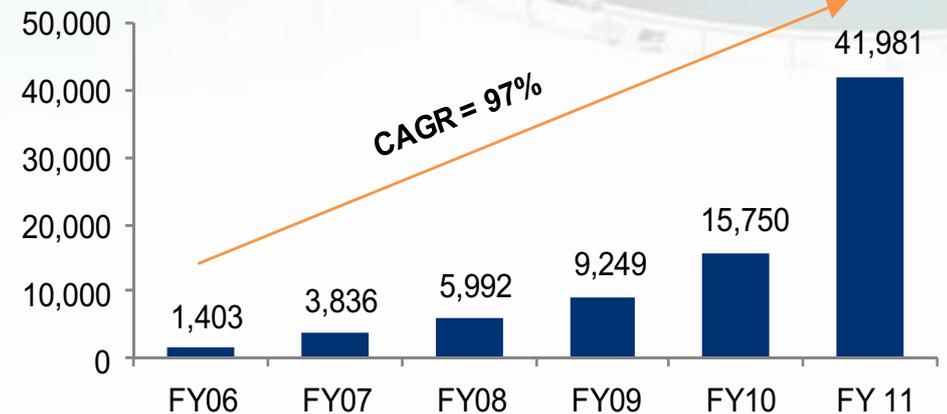
Revenue visibility is driven by a robust order book growth in the construction business

# Detailed construction business profile (continued)

## Roads & Bridges

- Qualified to execute expressways, highways, bridges, flyovers and dedicated service corridors
- Maximize efficiency through seamless synchronization of supply chain, logistics, operation and execution functions
- Leverage expertise in developer business
- Aim for completion prior to target dates through:
  - Control over supply chain (e.g. Quarries)
  - Technology to improve supply chain and reduce pilferages
  - In house control over bituminous mix
- Strategy remains to focus on challenging terrains

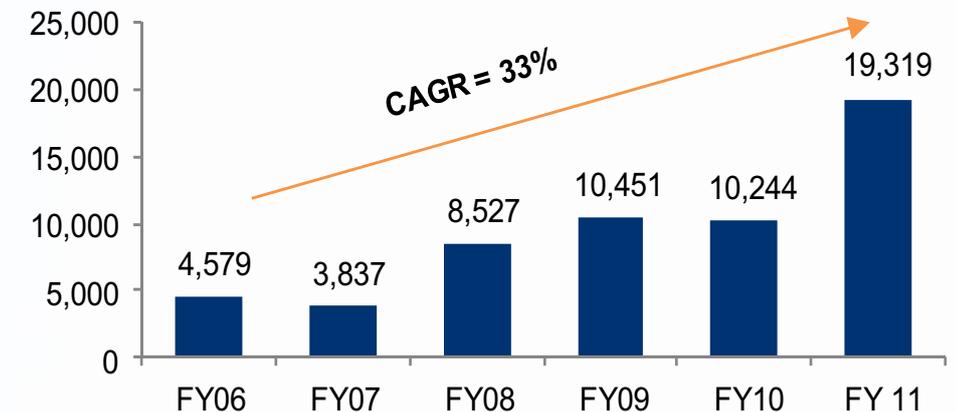
Closing order book (INR m)



## Buildings

- Focus remains on construction of large institutional buildings
- Inbuilt processes to attain synergies across various verticals and rely on a pool of qualified subcontractors for efficient execution
- Core competency remains focusing on efficient planning
- Strategy is to mechanize processes where specialized manpower is required, thereby, improving operating margins

Closing order book (INR m)



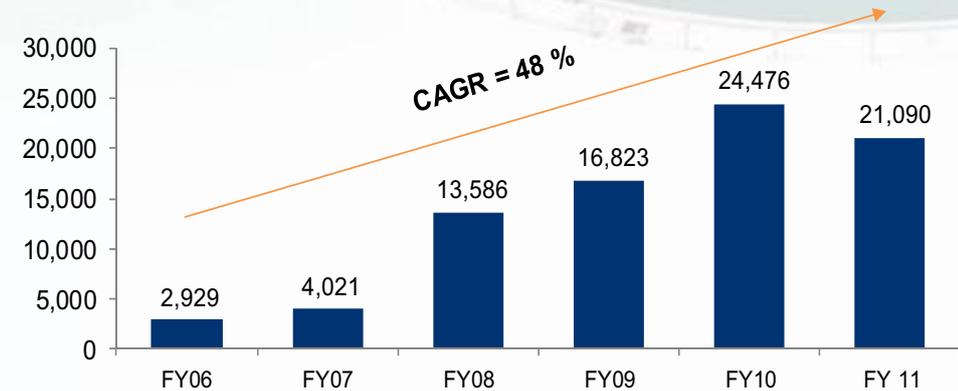
Construction business is spearheaded by Roads with significant contributions from other segments

# Detailed construction business profile (continued)

## Water & Waste Water

- Core competency and area of continued focus going forward
- Undertake projects on both composite and several basis with scope including, design, engineering, construction, operation & maintenance solutions to manage projects from generation, T&D, Treatment, eventual storage & disposal
- Highly specialized internal design team equipped with tacit processes and know how gained through experience
- Qualified to build larger Treatment Plants of sizes up to 300 MLD
- Strategy going forward is to retain leadership by continuous investment in technology

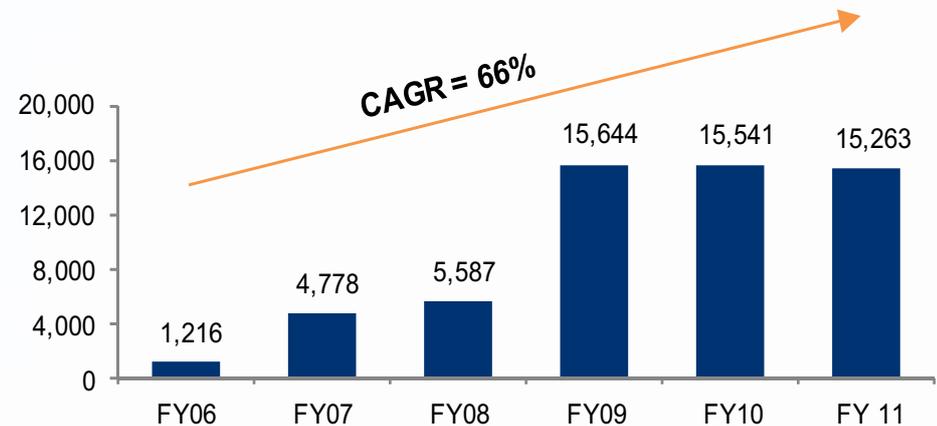
### Closing order book (INR m)



## Irrigation

- Perceived by clients as a total irrigation solution provider, including, lift irrigation, dams, barrages and cross drainage work
- Efficient design and execution team
- Mitigate risks in the vertical by only retaining core activities of design and supervision while subcontracting all other areas
- Focus on geographic expansion outside Andhra Pradesh into states such as Gujarat, Madhya Pradesh and Karnataka
- Qualified to bid for larger projects
- Strategy is to leverage government incentives for the sector

### Closing order book (INR m)



Additionally, Ramky continues to build on momentum gained in other verticals such as Power & Industrial

# Developer business profile

	Name of subsidiary (Ramky's interest)	Project cost / estimated project cost in INR m	Completion date/ Scheduled completion date	Description
<b>Industrial Parks</b> "Focus on polluting industries"	Ramky Pharma City (India) Limited (51%)	5,205	Completed	<ul style="list-style-type: none"> <li>Project under operational stage.</li> </ul>
	Ramky MIDC Agro Processing Park Limited (100%)	468	August 2013	<ul style="list-style-type: none"> <li>In the process of taking over lands and start the process of planning &amp; development.</li> <li>Marketing talks are on with prospects &amp; leading consultants for marketing of the project.</li> </ul>
	Ramky Herbal and Medicinal Park (Chhattisgarh) Limited (100%)	964	October 2014	<ul style="list-style-type: none"> <li>CSIDC has requested Ramky to execute both Herbal and Food parks together at one location in an alternate land for which Ramky has agreed.</li> </ul>
	Ramky Food Park (Chhattisgarh) Limited (100%)	875	October 2014	<ul style="list-style-type: none"> <li>Physical possession of 1st phase of 250 acres of land by CSIDC is expected soon</li> </ul>
	Naya Raipur Gems and Jewellery SEZ Limited (100%)	1,834	October 2014	<ul style="list-style-type: none"> <li>Physical possession of land by CSIDC is expected soon</li> </ul>
	Ramky Food Park (Karnataka) Limited (74%)	330	March 2021	<ul style="list-style-type: none"> <li>The Project Development &amp; Implementation Agreement executed on 16th March 2011</li> </ul>
	Ramky Multi Product industrial Park, Chottupal (100%)	5000	2016	<ul style="list-style-type: none"> <li>Acquisition of land is in progress 232 acres acquired already and the remaining is in progress</li> </ul>
<b>Roads</b> "Challenging terrain"	Ramky Elsamex Hyderabad Ring Road Limited (74%)	3,994	Completed	<ul style="list-style-type: none"> <li>Operate and maintain a 12.63km eight lane expressway – part of Phase-II of the program</li> </ul>
	Gwalior Bypass Project Limited (51%)	3,321	July 2011	<ul style="list-style-type: none"> <li>Under completion stage.</li> </ul>
	NAM Expressway Limited (50%)	17605	July 2013	<ul style="list-style-type: none"> <li>Developing the 212.50km Narketpalli-Addanki-Medarametla in Andhra Pradesh on build operate and transfer (BOT ) basis</li> </ul>
	Jorbat Shilong Road Project (50%)	8240	June 2014	<ul style="list-style-type: none"> <li>Design, engineering , construction, operation and maintenance of the 61.85km 4 lane road in Jorbat-Shillong</li> </ul>
	Srinagar Banihal Road (74%)	16000	June 2014	<ul style="list-style-type: none"> <li>Rehabilitation, strengthening and converting to 4 lanes of the 67.76km section of NH-1A from Srinagar to Banihal in Jammu and Kashmir</li> </ul>
<b>Transport Terminal</b>	MDDA Ramky IS Bus Terminal Limited (100%)	131(Phase 1) 319 (Phase 2)	June 2004 (Phase 1) March 2010 (Phase 2)	<ul style="list-style-type: none"> <li>Operate the bus terminal to be built for the first time on a BOT basis in India</li> <li>Revenue earned from terminal fees, shop rental, advertising, and accommodation charges</li> </ul>
<b>Integrated Townships</b> "Walk to work"	Ramky Towers Limited (75%)	4,000	April 2012	<ul style="list-style-type: none"> <li>Developing an integrated residential and commercial project on 17.10 acres in Gachibowli, Hyderabad (1,478,470 sq. ft. saleable area)</li> </ul>
	Ramky Enclave Limited (89.01%)	2,164	September 2011	<ul style="list-style-type: none"> <li>Developing an integrated housing project on 32.69 acres of land (946,210 saleable area)</li> </ul>
	Ramky Integrated Township Limited (29.19%)	34,244	72 months from satisfaction of conditions precedents.	<ul style="list-style-type: none"> <li>Developing an integrated township on 574.60 acres in Ranga Reddy District, Andhra Pradesh (estimated 14.0m sq. ft. saleable area)</li> </ul>

Niche area of expertise remains Industrial Parks whilst Roads are expected to drive growth

# Net worth details of key subsidiaries

S. No.	Company	Net Worth (in INR Mn as of 31st March 2011)
1	Ramky Pharmacity (India) Ltd	940.65
2	MDDA Ramky IS Bus Terminal Ltd	115.52
3	Gwalior Bypass Project Ltd	1155.44
4	Ramky Engineering and Consulting Services (FZC)	278.59
5	Ramky Elsamex Hyderabad Ring Road Ltd	865.07
6	Ramky Herbal & Medicinal Park (Chattisgarh) Ltd	14.26
7	Ramky Food Park (Chattisgarh) Ltd	12.04
8	Ramky Towers Ltd	119.66
9	Naya Raipur Gems & Jewellery SEZ Ltd	32.04
10	Ramky Enclave Ltd	205.49
11	Ramky MIDC Agro Processing Park Ltd.	65.64
12	Srinagar Banihal Expressway Ltd.	5.31
13	Ramky Multiproduct Industrial Park Ltd.	197.37
14	Ramky Food park (karnatka) Ltd.	0.50
15	N.A.M Express way Limited	1168.85
16	Jorabat Shillong Expressway Limited	240.87
GRAND TOTAL		5417.29

## Industrial Parks

- Focus remains on industrial parks for polluting industries
- Ramky specialises in providing state-of-the-art civil infrastructure and industry specific waste handling facilities

### Case study: Ramky Pharma City

- Ramky Pharma City is an integrated industrial park spread over 2,143 acres in Parwada, Andhra Pradesh
- Initial area: 2,143 acres
  - SEZ: 611 acres (431 acres saleable)
  - Non-SEZ: 1,532 acres (999 acres saleable)
- Fully developed and operational with 1,144 acres sold
- Waste handling facilities include, ETP, CETP, MEE, WTP, outfall, incineration and landfill
- Civil infrastructure like training facilities, convention facilities, labs, administrative facilities, roads, security, banking facilities and catering facilities present on site

### Clients

Smilax Laboratories Ltd.	Silicon (Viayaka)	Vasudha Pharma Chem.
Stilbene BioPharma	Minerva Flavours & Fragrances	Aurobindo Pharma
Emmennar Bitotech	Tridex	Hospira Healthcare India Pvt. Ltd.
Wyjayanthi Drugs	S.V.Remedies	Alkali Metals Ltd.
Glandpharma	Matrix (SEZ)	Kanoria Chemicals

## Roads

- Focus remains on roads with technically challenging projects in difficult terrain
- Revenue certain mode:
  - Annuity projects preferred
  - Alternatively, conservative toll assumptions
- Earned bonus for early completion

### Case study: Hyderabad Ring Road

- Design, construction, operation and maintenance of 8 lane expressway under phase IIA of outer ring road project in Hyderabad
- Stretching over a length of 12.63 km between Tukkaguda and Shamshabad was completed by November 2009, 6 months ahead of scheduled completion
- Revenue model:
  - Fixed semi-annuities on a BOT basis
  - Semi-annuities of INR315.0m for a period of 12.5 years
- Execution efficiency demonstrated by:
  - Control over aggregates through rights on quarries
  - Control over pilferage and logistics through global fencing technology on vehicles
  - Control over core actively by investing in bitumen mixers and layers
  - Subcontracting non-core activities through productivity oriented contracts

Synergistic business model between core construction activities and development business

# Agenda



Corporate profile



Industry overview



Strengths and growth strategy

# Overview of Indian infrastructure sector

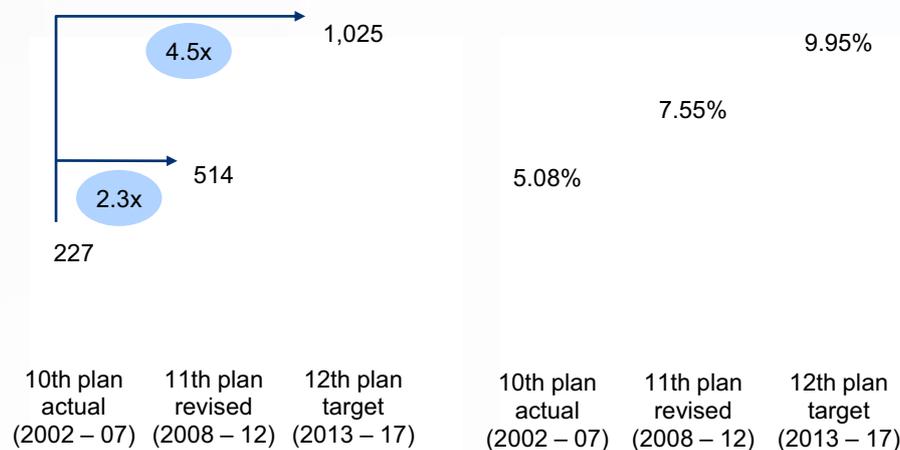
## Key highlights

- Despite the slowdown, investment in India has remained relatively stable with the ratio of fixed investment to GDP increasing to 8.1% of GDP in FY2011 compared to 7.8 % in FY2010
- Investments in construction – circa 11.0% of India's GDP & circa 50.0% of the gross fixed capital formation
- Over the next five years, infrastructure development to account for 78.3% of all construction expenditure in India
- Expenditure on industrial construction is expected to grow 2.2x over the next five years (2010 –15) as compared to the previous five year period (2005-10)
- Private capital to fund approximately 30.0% of the total investment during the Eleventh Plan, as compared to 20.0% during the Tenth Plan

## Twelfth plan target infrastructure spending

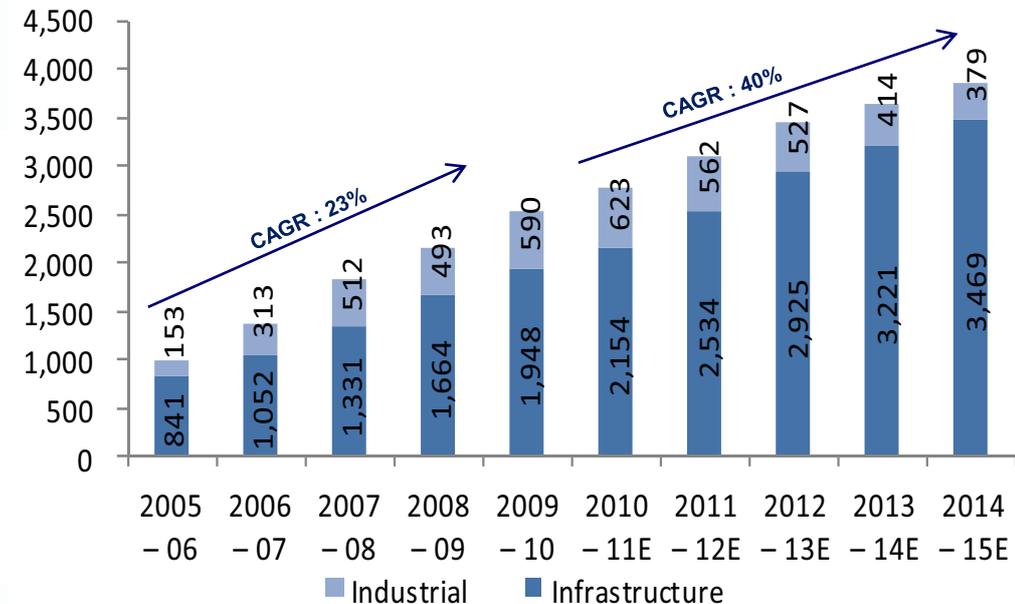
At 4.5x of Tenth Plan

Accounts for 10% of GDP



Source: Mid term appraisal of Eleventh Plan by Planning Commission

## Projected growth in Infra & Industrial segments



Source: CRISIL Research

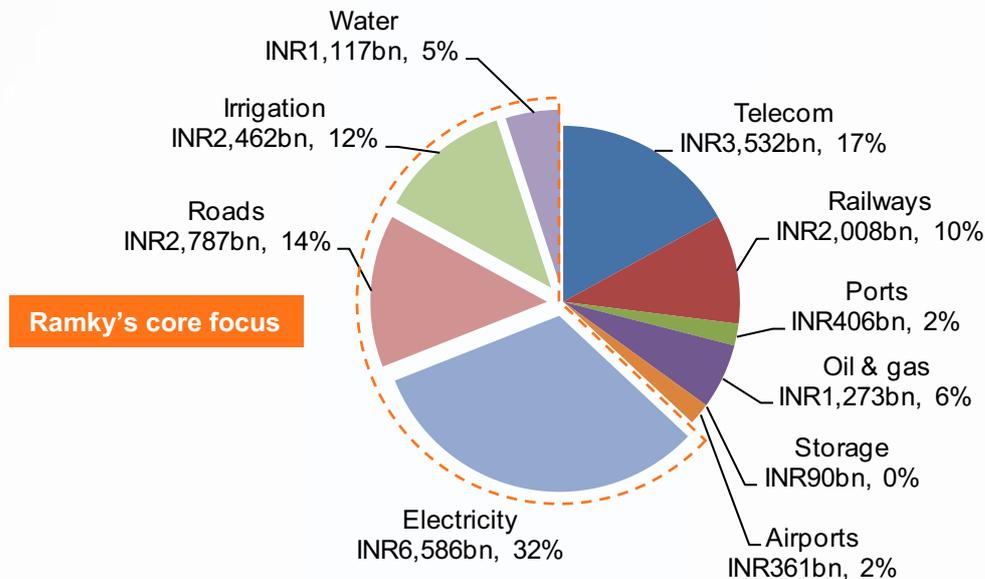
# Government playing a crucial role in Ramky's core sectors

## Government incentives to infrastructure sector

- Permitting FDI up to 100% in companies engaged in construction development projects in housing, commercial premises, resorts, educational institutions, recreational facilities, townships and city and regional level infrastructure, subject to conditions in Press Note No 2 (2005) issued by the Government of India
- The revised estimate for Infrastructure investments under the 11<sup>th</sup> Plan is INR 20542 bn. This is a 2.2x increase v/s actual Infrastructure investment under the Tenth Plan
- Average investment in Infrastructure under the Twelfth Plan would be 9.95% of GDP as against 7.55% in Eleventh Plan and 5.15% in Tenth plan

Source: CRISIL Research

## Sector-wise Govt. spending



Source: Mid-term Appraisal of XI plan, by Planning Commission

# Agenda



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Strengths and growth strategy

# Key business strengths

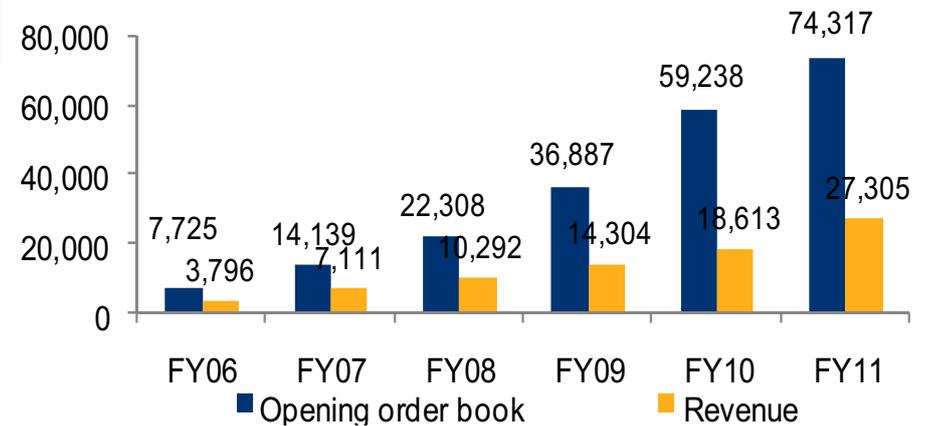


# 1 Execution efficiency

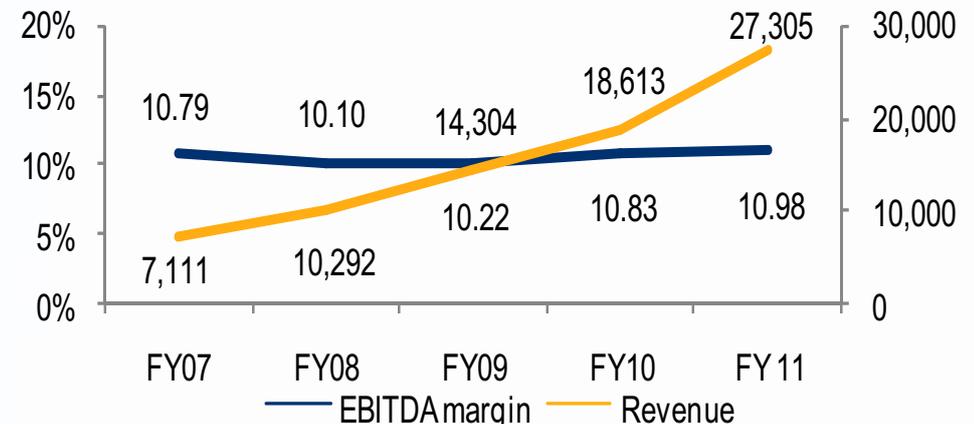
- Two reasons mainly contributed to increase in margins
  - Economies of scale
  - Well established processes for execution

Man power	Machinery
<ul style="list-style-type: none"> <li>2,429 full-time employees of which 41% are engineers (as of 31 March 2011)</li> <li>Executing effective planning and tie-ups with institutes</li> <li>Hire only supervisory level and above</li> <li>Subcontract low end activity</li> </ul>	<ul style="list-style-type: none"> <li>Maintain a lean asset size</li> <li>Procure only core and scarce equipment</li> <li>Prefer hiring non-core equipment machinery</li> </ul>
Materials	Money
<ul style="list-style-type: none"> <li>Index pegged pass through contracts</li> <li>Create pre-bid tie ups for key commodities</li> <li>Built long term vendor relationships for effective procurement</li> </ul>	<ul style="list-style-type: none"> <li>Continued access to debt</li> <li>Limited dilution of stock and improved access to capital markets</li> <li>Capital to support future growth</li> </ul>

## Execution keeping pace with order book (INR m)



## Operational efficiency maintained with increase in scale of operations

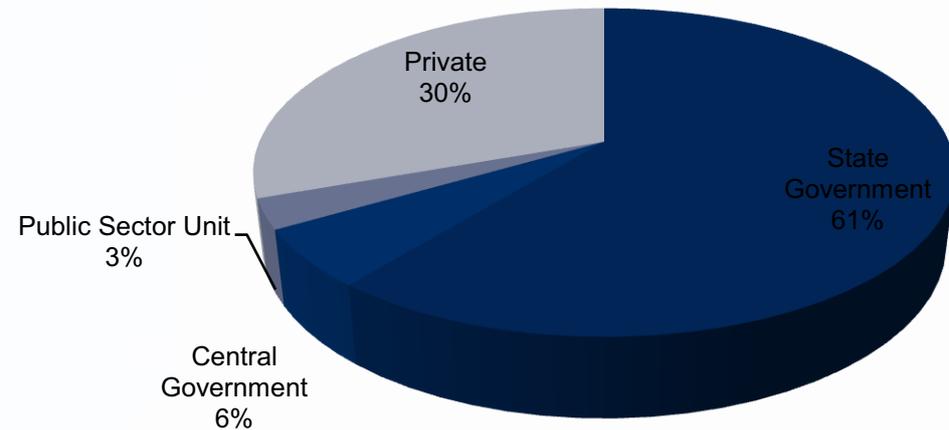
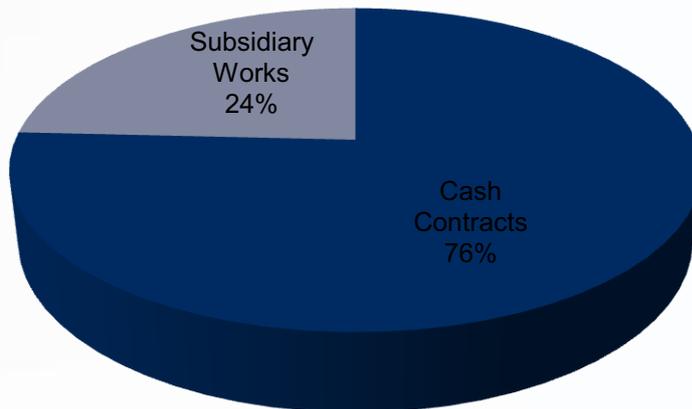
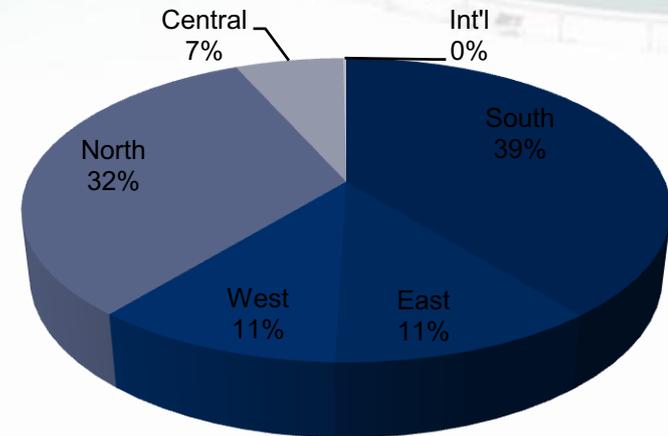
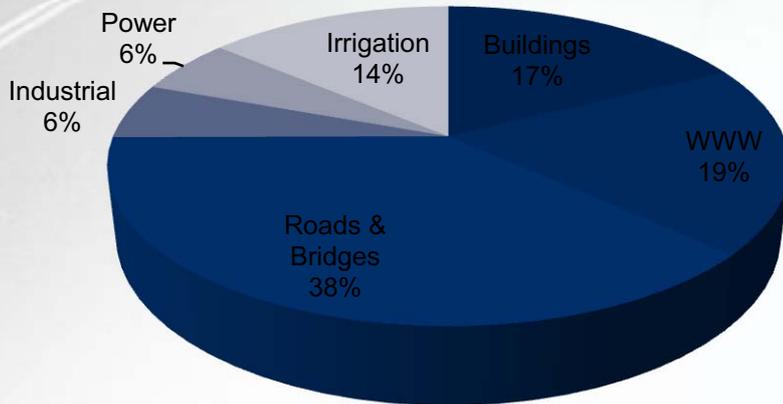


Note: Ramky standalone financials

Superior in-house design capabilities remains a key distinguisher in executing complex projects

## 2 Diversified sectorial and geographical focus – Order Book

**% order book**  
Value of order book: INR 109,988m



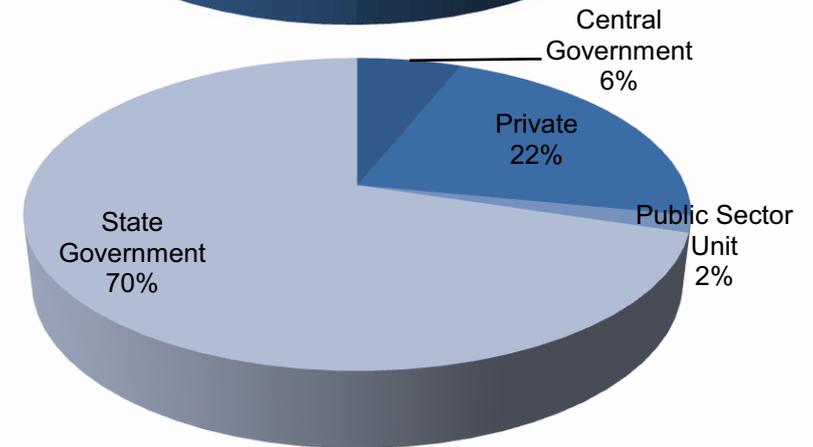
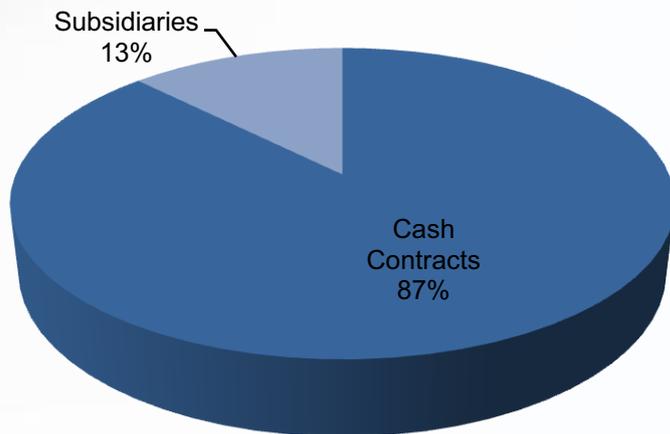
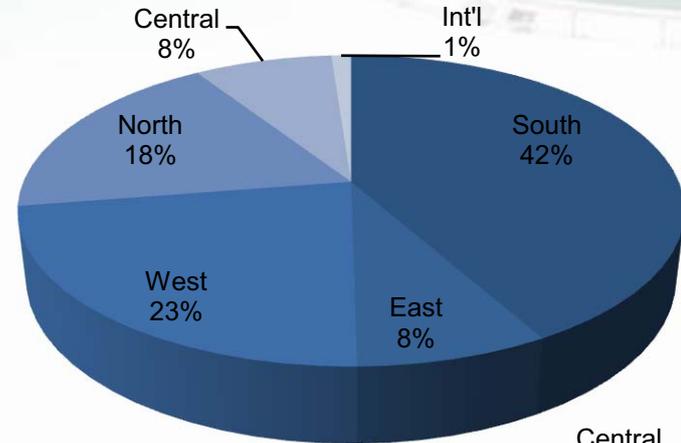
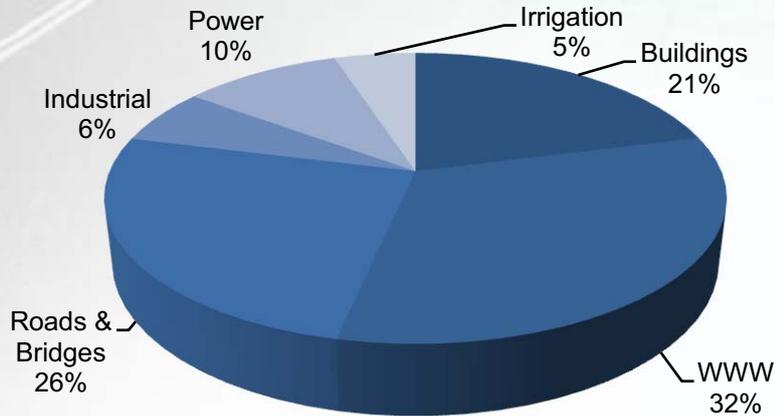
Note: Order book as of 31<sup>st</sup> March 2011 [Standalone]

Ramky's pan-India presence increases diversification and positions us uniquely amongst competitors

No single sector has significant share of order book

# 3 Diversified sectorial and geographical focus – Revenue

**% FY2010 revenue (FY 11)  
Construction revenue: 27305**



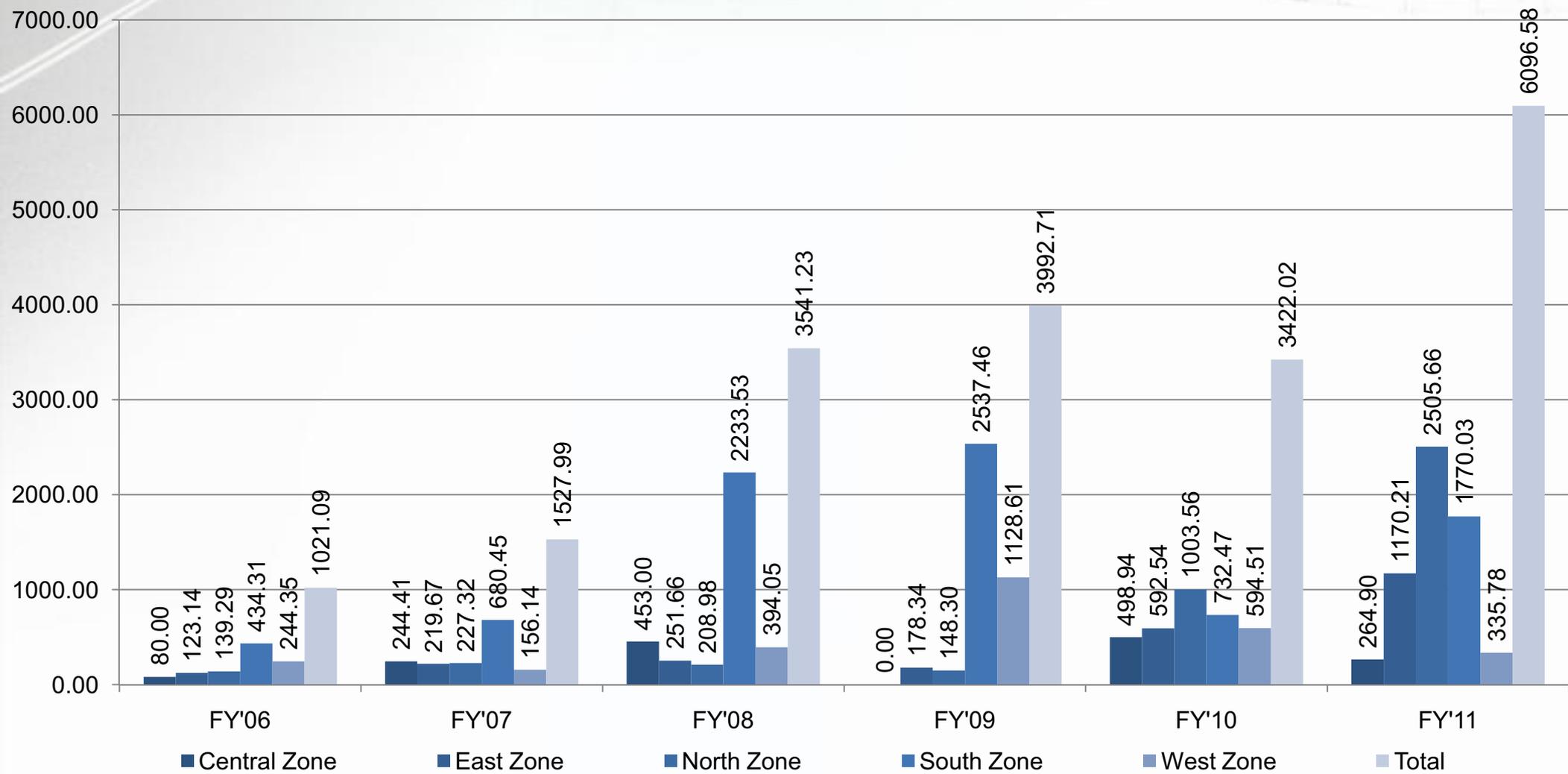
Note: Revenue of FY'11 [Standalone]

Ramky's pan-India presence increases diversification and positions us uniquely amongst competitors

No single sector has significant share of FY2011 revenue

# 4 Geography wise new orders – since 2006

New orders bagged since 2006



## 5 Benefits of parentage



- Ramky is the flagship company of Ramky Group
- Ramky Group is a multidisciplinary organization focused in the areas of Civil, Environmental & Waste Management infrastructure with specific emphasis on 'Public Private Partnership' projects
- Operational since 1994 with over 17 years of experience across the infrastructure sector
- Ramky Group has a presence in more than 55 locations in India in addition to branch offices at Saudi Arabia, UAE and Singapore
- Operates through 4 Group Companies namely: Ramky Infrastructure Limited, Ramky Enviro Engineers Ltd, Ramky Estates and Farms Ltd and Ramky Finance & Investment Pvt. Ltd.
- Each Group Company has an independent and professional management team in place

### Benefits accruing to Ramky

✓ Access to expertise of senior management

✓ Synergies among various business verticals

✓ Access to critical equipment & supplies

✓ Access to technical expertise and knowledge

✓ History of established execution track record

Ramky remains the flagship company of Ramky Group which is evolving into a leading Infrastructure conglomerate in India

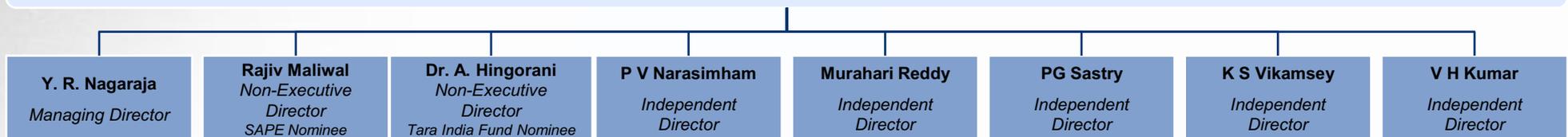
# 6 Independent board & experienced management team

## Ramky Board of Directors



**Alla Ayodhya Rami Reddy**  
Chairman, Ramky Group

- 27 years of experience in the field of environmental services, civil works, biomedical waste and hazardous waste management
- Worked for various water, waste water and engineering projects, notably with Gannon Dunkerly & Co., Reliance Industries Limited
- Bachelor's degree in civil engineering from Karnataka University and a master's degree in civil engineering from Osmania University
- Accredited with best "Engineer of Year Award" in 2005 by Govt. of Andhra Pradesh & Institute of Engineers (India)



## Ramky Management Team



**Y. R. Nagaraja**  
Managing Director, Ramky

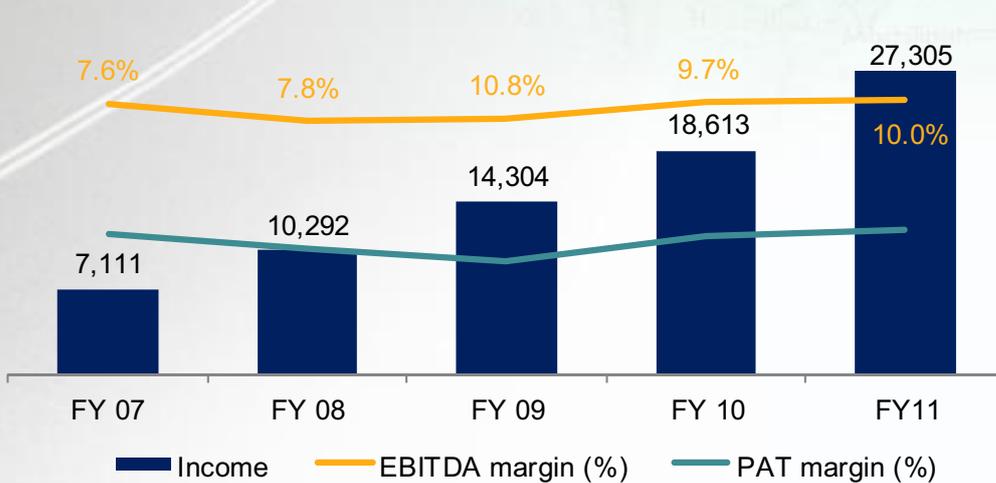
- 26 Years of experience in allied fields
- Positions held with the Public Works Department of the State of Karnataka, Mandanlal Steels Limited and Navega Engineers Private Limited
- Bachelor's degree in civil engineering from Karnataka University



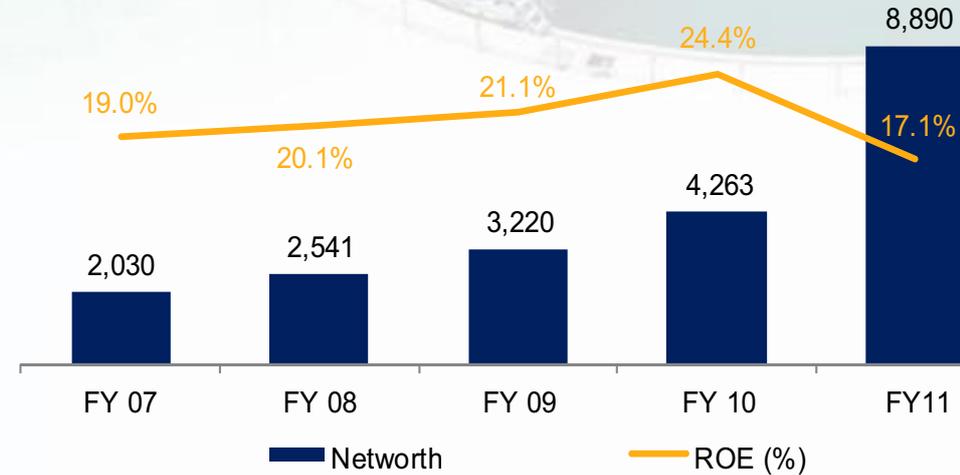
A well balanced board with a professional management team across all business segments ensures transparency and efficiency in decision making

# 7 Strong financial profile

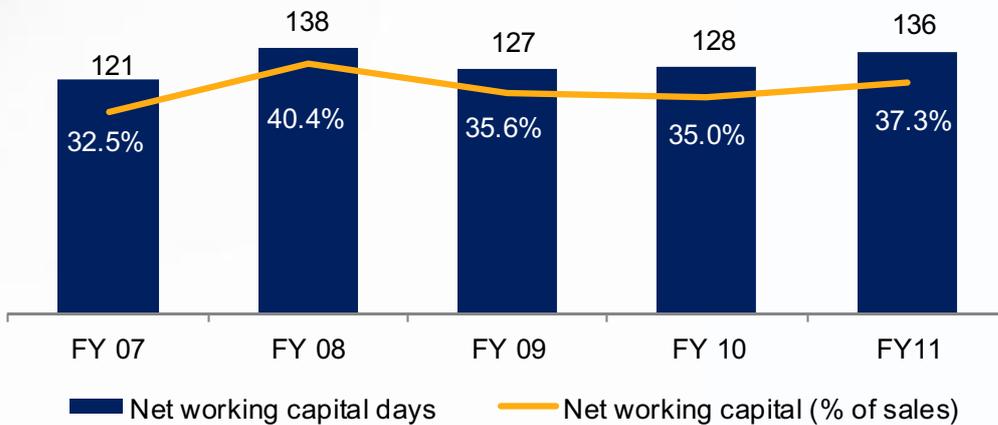
## Income (INR m) and EBITDA margin



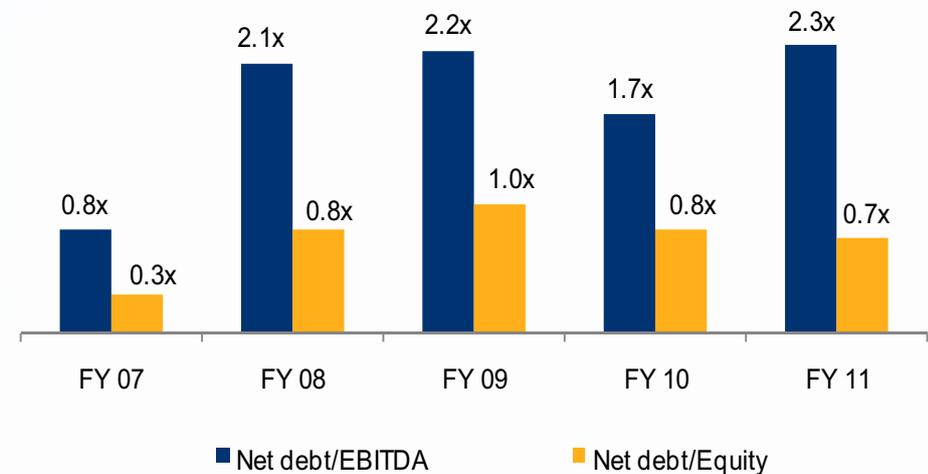
## Networth (INRm) & ROE



## Working Capital ratios (INR m)



## Leverage ratios



Note: All financials are for Ramky standalone

Aggressive growth has been achieved whilst improving margins and maintaining a conservative balance sheet

## Construction business

Continue to focus on Water and Waste Water projects and through leadership in technology and design

Leverage our execution capabilities and move into larger and more complex projects

Closely track and benefit from sectors with Government priority such as transportation and power

Improve productivity through economies of scale

Compete through optimum pricing and efficient execution

## Developer business

Continue to build on the expertise gained in polluting industries parks

Leverage on Water and Waste Water construction business once government opens sector

Power and other highly complex verticals (synergistic)

'Public Private Partnerships' will be the focus model

Undertake projects with visibility on returns

Ramky has benefitted from a "first-movers" advantage in several verticals and continuing to innovate remains the Company's core strategic focus going forward

# Key investment highlights

## Infrastructure sector

*Large addressable opportunity*

- Construction expenditure is expected to double to INR37,357 bn during 2010-11 to 2014-15 period versus INR 22,057 bn during the 2005-06 to 2009-10 period
- Between FY2010 and FY2014, government spending on roads alone is targeted at INR5,216bn with increased focus on timely completion

## Business model

*Scalable with proven execution capabilities*

- Ramky's strategically positioned to realize opportunities in the sector with presence in both construction and development businesses
- Completed 112 Water and Waste Water projects, 88 Building Construction projects, 15 Irrigation projects, 30 Transportation projects, 34 Industrial projects and 1 Electrical projects.

## Diversification

*Sectoral & geographical presence*

- Evolved from a consultant to a EPC player and finally a infrastructure developer
  - Ramky continues to build on core competencies
- Reduces the risk of dependence on any one sector or project and helps in participating in projects across the country

## Visibility of earnings

*Revenue driven by strong order book*

- Order book of INR 109988 m as of March 31<sup>st</sup>, 2011 provides high revenue visibility
- Proven execution capabilities with planning and execution expertise, ensuring order completion within the estimated budget and on time.
- For the period ended March 31, 2011 the company had a order to sales ratio of 4.03x

## Parental leverage

*Experienced management and marquee investors*

- Synergistic model leveraging on core construction activities and expertise gained in other Ramky Group companies to culminate in a efficient development business
- Highly experienced professional management team with proven capabilities
- Delivered returns to marquee investors including IL&FS (Tara Fund III), International Finance Corporation & SAPE

# Key financials – P&L

## Standalone financials

	INRm	FY 07	FY 08	FY 09	FY10	FY 11
Revenue **		7111	10292	14304	18613	27305
Growth rate		87.27%	44.73%	38.98%	30.12%	46.70%
EBITDA		767	1039	1462	2016	2999
EBITDA margin		10.79%	10.10%	10.22%	10.83%	10.98%
PBT		534	702	835	1300	2122
PBT margin		7.51%	6.82%	5.84%	6.98%	7.77%
PAT		397	516	645	1027	1574
PAT margin		5.58%	5.01%	4.51%	5.52%	5.76%

## Consolidated financials

	INRm	FY 07	FY 08	FY 09	FY10	FY 11
Revenue **		7384	11164	15560	21631	31470
Growth rate		---	51.19%	39.38%	39.02%	45.49%
EBITDA		799	1235	2106	3103	4593
EBITDA margin		10.82%	11.06%	13.53%	14.35%	14.59%
PBT		559	868	1301	1902	2960
PBT margin		7.57%	7.78%	8.36%	8.79%	9.41%
PAT		387	522	833	1288	2061
PAT margin		5.24%	4.68%	5.35%	5.95%	6.55%

•Note: All financials are for Ramky restated

•\*\* : Revenue figures are excluding WIP

Stellar performance continues...

# Key Financials- Balance Sheet

Particulars	Standalone					Consolidated				
	FY 07	FY 08	FY 09	FY 10	FY 11	FY 07	FY 08	FY 09	FY 10	FY 11
INRm										
Net worth	2030	2541	3220	4263	8890	2032	2553	4261	5549	10647
Minority Interest	--	--	--	--	--	94	665	867	1480	1716
EPS	7.96	10.49	13.75	21.09	29.57	8.17	10.58	16.86	26.07	38.73
Long terms Debt	1236	2644	3899	4739	6757	1623	3190	7043	10110	12330
D/E	0.61	1.04	1.21	1.11	0.76	0.80	1.25	1.65	1.82	1.16
Fixed Assets	716	688	1365	1386	3653	1373	1546	2740	2822	6595
F.A / Revenue	10%	7%	10%	7%	13%	19%	14%	18%	13%	21%
Investments	201	606	792	1078	2141	1	1	976	976	875
Net Working Capital *	2348	3891	4962	6538	9884	2187	3532	6721	10381	18244
W.C days	121	138	127	128	136	108	115	157	175	211
Sundry debtors	2398	4479	5648	5744	10614	2143	3780	4423	5020	10114
Debtors Days	123	159	144	113	142	106	124	104	85	117
Cash	630	495	619	1384	999	1122	700	815	1678	2293
Net Debt	606	2149	3280	3355	5758	508	2531	6256	8441	10037
Net Debt/Equity	0.3	0.85	1.02	0.79	0.65	0.25	0.99	1.47	1.52	0.94

Capital management key to high EPF

# Post-issue Share holding pattern

## Our investors

### Share Holding pattern As of IPO listing date

Category	# of shares	%
Promoter group(A)	38,238,967	66.85%
Institutions(B)		
<i>Mutual Funds/UTI</i>	1,750,611	
<i>Financial Institutions/Banks</i>	606,066	
<i>FIs</i>	4,082,830	
<i>Venture Capital Funds</i>	291,420	
<i>Insurance companies</i>	1,102,955	
Sub total(B)	7,833,882	13.70%
Non-Institution (C)	11,124,942	19.45%
<i>Total public holding(B+C)</i>	18,958,824	33.15%
<i>Total Shares(A+B+C)</i>	57,197,791	100.00%



**Amundi**

ASSET MANAGEMENT



***Thank you!***