



➤ **Business Overview**

OVERVIEW

We are a construction company primarily engaged in the business of Civil Construction such as construction of Highways, roads and bridges. During the last decade, we have undertaken and successfully completed many construction projects in India covering states of Andhra Pradesh, Tamil Nadu, Gujarat, Odisha, Rajasthan and Maharashtra. In addition to them, we have expanded our presence to three more states, Kerala, Uttar Pradesh and Manipur, with our ongoing projects. We have been able to achieve our targets by fusing tremendous engineering knowledge with groundbreaking skills, experienced team, binding an optimum mix of men, machine and materials across diverse projects.

Our core business is designing and undertaking construction projects such as Bridges, Ports, dams, high-rise structures, airports, cross water, roads, highways, Oil and gas Pipelines, complexes and environmental structures across India. We have attained good reputation among our clients because of our track record, experienced members and a proven strength on delivery norms across its all spectrum of services. We have entered into projects for diverse range of clients including Defence sector, Railways, Ports, Adani Port, Vedanta Ltd, IVRCL Limited, Rashtriya Ispat Nigam Limited and ESSAR.

Our company was incorporated as “RKEC Projects Private Limited” at Visakhapatnam, Andhra Pradesh as a private limited company under the provision of the Companies Act 1956 vide a certificate of incorporation dated April 01, 2005 bearing corporate identification number U45200AP2005PTC45795 issued by the Registrar of Companies, Andhra Pradesh, Hyderabad. After incorporation our company took over the running business of “RK Engineers & Contractors” a proprietorship concern of our promoter Mr. Radhakrishna Garapati, engaged in the business of civil engineering and construction work. Subsequently, the name of our company was changed to “RKEC Projects Limited” upon conversion of the company into a public limited company pursuant to the shareholders resolution passed in the Extra-ordinary General Meeting held on October 31, 2016 and our company was converted into public limited company vide a Fresh certificate of incorporation issued on November 10, 2016 by the Registrar of Companies, Hyderabad.

Our promoter Mr. Radhakrishna Garapati holds a Bachelor’s Degree in Mechanical Engineering from Andhra University & has over three decades of experience in the construction sector. Our Promoter along with his qualified team members focus on timely completion of the projects undertaken by the company and acknowledges that projects are critical to the continued growth and success of the Company. Under the leadership of our Promoter we have developed our own fleet of Construction Equipment for earth work, piling and marine works, civil works and bridges.

For the period ended September 30, 2016 and for year ended on March 31, 2016, fiscal 2015 and fiscal 2014 our total revenue was 8367.93 Lakhs, 11350.56 Lakhs, 7174.68 Lakhs & 5864.01 Lakhs respectively. Further, our EBT for the six months period ended September 30, 2016 and for the twelve month ended March 31, 2016, fiscal 2015 and fiscal 2014 were 555.30 Lakhs, 517.17 Lakhs, 303.75 Lakhs & 225.66 Lakhs respectively.

OUR LOCATION:

Registered Office	Door No. 10-12-1, Rednam Alcazar, 3rd Floor, Opp SBI Main Branch, Old Jail Road, Rednam Gardens, Visakhapatnam Andhra Pradesh -530020 India.
Stock Yard	Plot No. 38, Block -D, S.No. 89, Autonagar, Gajuwaka, Visakhapatnam.

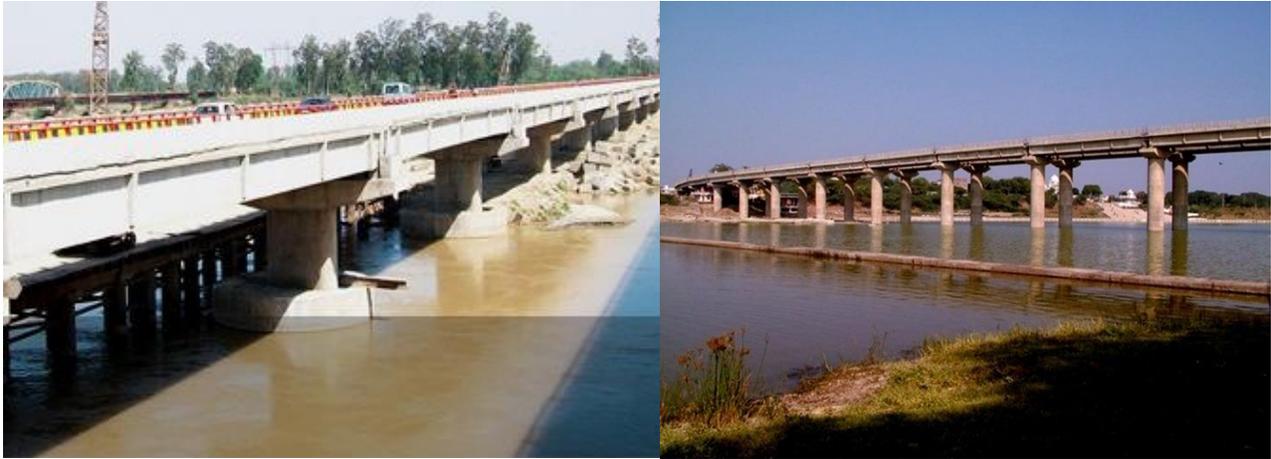
For details relating to our industry, past trends, future prospects etc., please refer to Chapter titled “Industry Overview” beginning on page 74 of this Draft Prospectus.

OUR MAJOR BUSINESS SEGMENT & PROJECTS CARRIED BY US

1. Bridge Construction Work

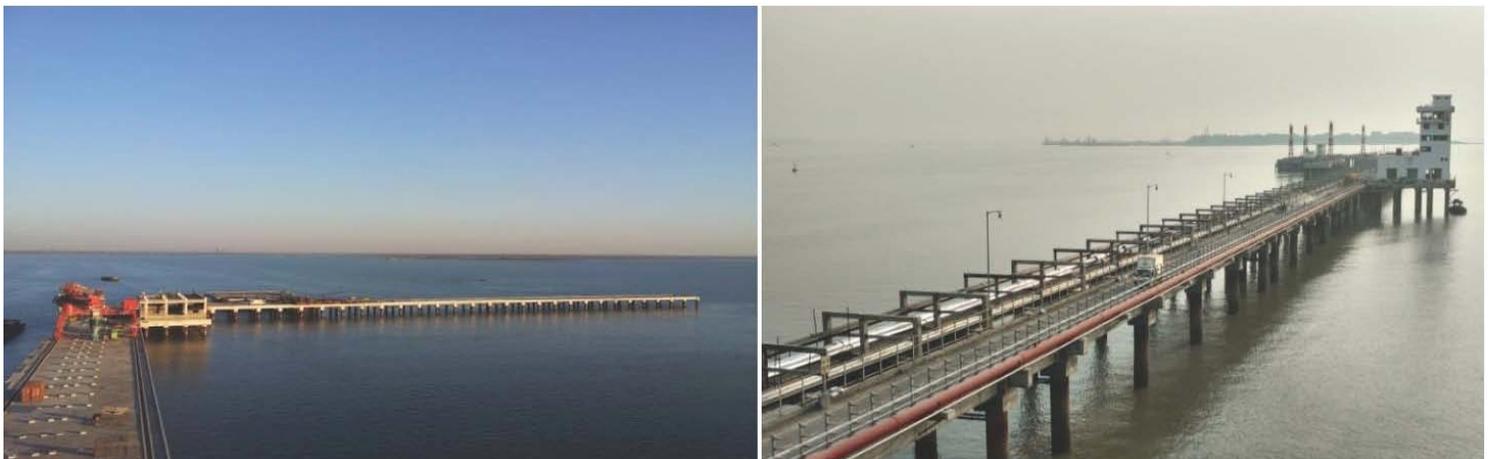
We have completed major works consisting of Construction of Bridge No 63 (Open web girder) & No. 66 (PSC Slab) at delang-Puri Section of KUR Division in Between Km. 482.40 to 499.18, Construction of major bridge on river Beas. We constructed a parallel bridge at Naval Dock Yard, Visakhapatnam and a major bridge on Tuni-Dharmavaram section on NH5 and a railway bridge in the same general area. We have also carried piling works from 400mm to 1500mm diameter in reclaimed soils, river beds, hard rocks, under water works for National Highway Authority of India and East Coast Railways in the construction of Major and Minor bridges.

Major Bridge at Km.412.218 (Bridge No.413/1) Across River Beas



2. Marine Work

We have executed major marine works consisting of Construction of Second Liquid Chemical/POL Berth Off Pir-Pau, Mumbai for Mumbai Port Trust, Provision of Jetty between N-14 and N-15 (LST Berth N14A) at Naval Dockyard, Visakhapatnam, for DGNP, Construction of huge water reservoirs, Construction of Product Berths No 1 & 2 including sea water pump house for Essar Oil Limited at Vadinar, Gujarat. Second Liquid Chemical/POL Berth Off Pir Pau, Coal Berth & Approach for Essar at Salaya Mumbai.





3. Road & Building

We have executed framed structures namely Overhauling facilities for M-36 GGTs INS EKSILA, Visakhapatnam for DGNP, Pre Engineered Warehouse (PEB structure) along with CC paving around warehouse etc. at proposed MML LP at Visakhapatnam for CCIL, Steam repair work shop for Navy, Forming and metalling of peripheral roads at IDA Vakalapudi for APIIC. We have also constructed a Warehouse with internal roads, culverts, external drains including internal and external electrical works and Augmentation of Dockyard Apprentice School near Naval Dockyard at Visakhapatnam for Director General of Naval Projects.

Overhauling facilities for M-36 G Visakhapatnam

OUR COMPETITIVE STRENGTH

Ts INS EKSILA,
Steam System Repair Infar's Dockyard,
Visakhapatnam.

1. Timely completion of projects

Timely completion of the project as per the schedule and terms of the contract is of utmost importance. It is very critical for the growth of the organization. We have a good track record of projects with minimum cost overruns. Timely completion of projects also helps reducing the possibilities of any penalty or liquidated damage being imposed upon Execution of the projects in time also helps the company in maintaining good reputation and gaining repeated orders.

Structure at Naval the most important for timely completion the organization by the customers. On among the clients.

2. Experienced Management and Promoter

Our management has the relevant experience of construction technology and project management. Our team also possesses the requisite qualifications and experience in the construction industry. This team is responsible for the growth in our business operations. Our Company led by our Promoter and management has helped us in achieving strong revenue and profit growth over the past several years. Particularly, we benefit from the expertise of our Promoter and Managing Director, Mr. Radhakrishna Garapati holding a Bachelor's Degree in Mechanical Engineering from Andhra University has over three decades of experience in the construction sector.

3. Own fleet of Construction Equipments

We have developed our own fleet of construction equipment for earth work, piling and marine works, civil works and bridges. Our investment in the construction equipments has helped us in mobilizing the man, material and equipment to the project sites as and when the need arises.

4. Long term Relationship with the Clients

Our company focuses on providing the customers with the desired and standard quality of work. By providing the desired quality and standards we aim to achieve highest level of customer satisfaction and procure repeated orders from customers. Because of our good reputation with the clients we have been able to attain orders from a diverse range of client base including Defence Sector, Railways, Ports, NHAI, IVRCL Limited, Rashtriya Ispat Nigam Limited and ESSAR.



OUR BUSINESS STRATEGY

1. Focus on enhancing the project execution capabilities

We intend to continue our focus in enhancing the project execution capabilities so as to derive benefits of client satisfaction by timely completion and improvement in the operating margins. We constantly endeavour to increase our productivity and make fuller utilization of assets by leveraging our operating skill and resources. We intend to continue our focus on performance and project execution in order to achieve maximum return from our resources. Efficient project management and execution will also enable us to gain good reputation among our clients and earn repeated orders from them.

2. Capturing the growth potential and government focus on Infrastructural sector.

Infrastructural growth in India has gained momentum with the reforms and benefits extended by the government. Government have taken various steps for the industrial and infrastructural growth of the country through increased allocation, facilitation of incremental lending to the infrastructural sector and discounted lending rates to infrastructure sectors. We believe that with the increased focus of the government in the infrastructural sector can be a major growth opportunity for our Company.

3. Attract and retain talented employees

Employees are essential for the success of every organization. We rely on them to operate our construction equipment, complete various tasks on our complex construction projects and deliver quality performance to our clients. We constantly intend to continue our focus on improving health, safety and environment for our employees and provide various programs and benefits for the personal well-being and career development of our employees. We intend to strive to further reduce the employee attrition rate and retain more of our skilled workers for our future expansion by providing them with better, safer and healthier working environment.

4. Diversify into new geographies

We plan to continue our strategy of diversifying across states and increase orders from outside of Andhra Pradesh for the growth of our business. To control diversification risks, we may limit our expansion to other states to undertaking projects first in the areas we can deliver high-quality services. Through an increasingly diversified portfolio, we hope to hedge against risks in specific areas or projects and protect us from fluctuations resulting from business concentration in limited geographical areas. With our increased experience and success, however, our rate of expansion may increase in terms of increases in the number of new states and projects we undertake.

PROJECTS EXECUTION PROCESS



Project Completion

1. Project Identification

The first step in the project execution involves identification of the potential project. Identification of the project is done based on parameters namely size of the project, duration of work involved, availability of resources, reputation of the client, funds required for the projects, type of project and many more. Once the identification is done we initiate the application process.

2. Bidding Process and Award of Contract

After the identification of the project to be undertaken, the next process is to apply for obtaining the project. The project may require us to enter into the tender or bidding process. This process involves estimation of the cost of the project and the time required to complete the project. Once the bid is submitted it is reviewed by the client and the project is awarded to the successful bidder.

3. Signing of the Contract or Letter of Intent

On the successful bidding we sign the letter of intent or contract with the client. The contract includes the details of the project, project terms and conditions, size of the project, amount involved and duration of the project.

4. Project Planning

Once the contract is signed with the client, we commence with the pre execution activities which includes activities such as mobilizing the manpower and equipment and construction of the temporary structure at the site. We also set up a mechanism to monitor execution of the project in order to ascertain that execution of the project is undertaken as per the plan and we are able to meet the project timeline.



5. Designing

This process involves designing the layout of the structure to be prepared and getting the same approved from the clients. The designs are made based on the scope of work as per the contract. Actual work are carried out based on the design and plans prepared.

6. Resource planning & Execution

Based on the design prepared and the terms of the contract we ascertain the resources required for the timely completion of the projects. The resources include the requisite manpower, material and the equipments for the completion of the project. Decisions are made as to use the in-house resources or to outsource the work to other vendors. Resource planning is done taking into consideration the terms of the contract and timeline for completion of work.

7. Project Completion

Upon completion of the project the same is reviewed by the team of engineers and they provide the completion certificate. The work undertaken is also reviewed by the relevant inspection team of the client in order to ascertain the work is done as per the terms of the contract.

EQUIPMENTS

We have developed our own fleet of equipments which are used in the execution of the projects. Brief details of major Equipments and Machinery used in the execution of the project work are Automatic Batching Plants for mixing of concrete, Transit mixers for transportation of concrete, Concrete pumps, Jack up Barges, Plat Top Barges with heavy cranes up to 100 tons capacity, Porcelain Tata Hitachi, Bull Dozer BEML D-50, Tipper Ashok Leyland, Vibromax Greaves, Grader, Hot Mix Paver Apollo, Gantries for execution of marine piling works, tripod for land piles, Winch, Reverse mud circulating machine, Baylor's, Chisel, Lathe Machine, Crane Tata, Hydra Escorts, Electrical Motor, welding machines, cutting machines, compressors, vibrators Loader, Crawler, Concrete Mixer, Concrete Vibrator, Tar boiler, Vibro Hammer Lambadini Elec. and Mixers.

We also have machines used for testing; so that we complete the work as per the desired specifications which include Theodolite, Moisture Metre, Cube testing machine, weighing machine, Dumpy/tilting meter and Prismatic compass.

SWOT ANALYSIS:

Registered Office	Door No. 10-12-1, Rednam Alcazar, 3rd Floor, Opp SBI Main Branch, Old Jail Road, Rednam Gardens, Visakhapatnam Andhra Pradesh -530020 India.	
Stock Yard	Plot No. 38, Block -D, S.No. 89, Autonagar, Gajuwaka, Visakhapatnam.	
Strengths:		
<ul style="list-style-type: none"> High-quality, cost-effective projects delivery capabilities. Good track record of on schedule completion of project. Long Experience of Promoter in the construction sector. Supporting motivated, flexible, and focused team Own fleet of requisite construction equipments. 		
Weaknesses		
<ul style="list-style-type: none"> Uncertainty and slow pace of reforms. Macroeconomic challengers which constrain public and private funding. 		
Opportunities		
<ul style="list-style-type: none"> Increasing Government focus on increasing reforms in the infrastructural and industrial sector 		
Threats		
<ul style="list-style-type: none"> Economical and Political scenario in the country. Any environmental issues in the execution of the projects. 		