



R.P.P. INFRA PROJECTS LIMITED

17TH ANNUAL REPORT

2011-12

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. P Arulsundaram, Chairman & Managing Director
Mrs. A Nithya, Whole-time Director
Mr. A P C Krishnamoorthy, Director
Mr. S Thirunavukarasu, Director
Mr. P Muralitharan, Director
Mr. S Swaminathan, Director
Mr. K Natarajan, Additional Director
Mr. A N Vasu Rao, Additional Director

COMPANY SECRETARY

Mr. R Nithya Prabhu

AUDITORS

M/s. Karthikeyan & Jayaram
'Sri Towers' 30 Bharathidasan Street
Teachers Colony, Erode – 638 011

BANKERS

Indian Overseas Bank
Axis Bank Limited
ICICI Bank Limited

REGISTERED OFFICE

SF No. 454, Raghupathysaicken Palayam,
Railway Colony Post, Poondurai Road
Erode – 638002
Website: www.rppiil.com

CORPORATE OFFICE

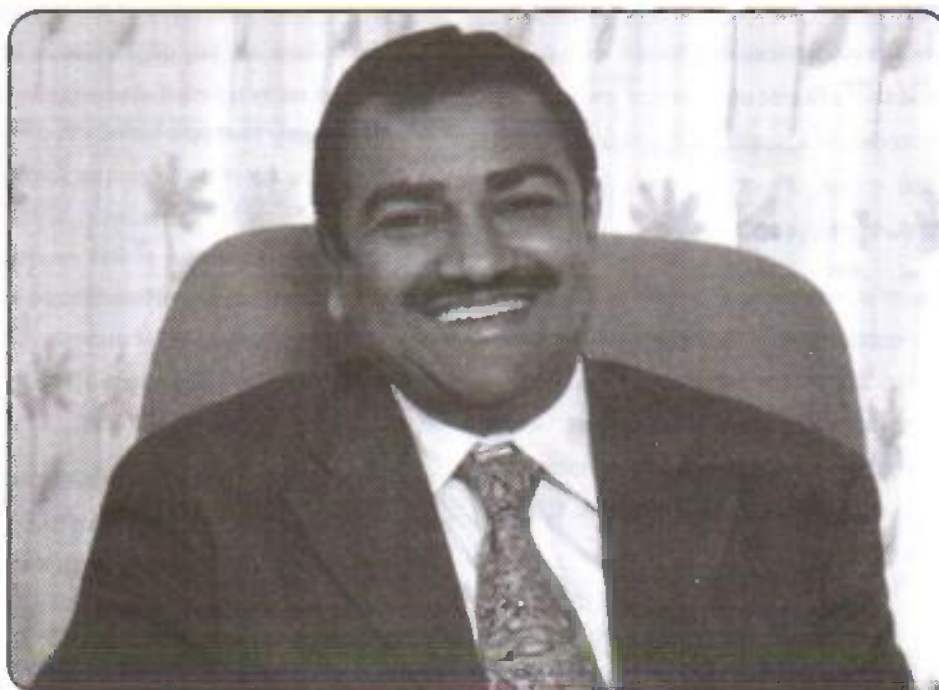
Plot A-21, III Phase,
Thiru. Vi. Ka. Industrial Estate,
Gulindy,
Chennai - 600 032

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Cameo Corporate Services Limited
Subramanian Building
No.1, Clubhouse Road, Chennai - 600 002

LISTED

National Stock Exchange of India Limited
Symbol - RPPINFRA Series - EQ
Bombay Stock Exchange Limited
Scrip Code - 533284 Scrip ID - RPPINFRA

Chairman's Message :

P Arulsundaram,
Chairman & Managing Director

Ladies and Gentlemen,

It gives me great pleasure to share with you the highlights of our Company's performance during the year 2011-12. I am delighted to inform you that we are a fast growing company in the infrastructure sector, striving to achieve position of strength across major infrastructure domains and are leading the way in creating superior returns for stakeholders.

Over the past few years, the infrastructure sector in India has undergone a paradigm shift. The Government which has for long been the lead direct investor in infrastructure creation, has now begun increasingly to play the role of a facilitator, focusing its attention instead on formulating the appropriate policy framework for attracting private investments into the sector through the public-private-partnership model.

The private sector has responded to this shift in economic perspective with a great deal of excitement

and alacrity as is evident from its growing participation in the entire spectrum of infrastructure projects, be it roads, ports, airports, urban utilities and transport systems or power.

The IMF's latest World economic outlook predicts 3.5% global growth in 2012. This will translate into an improved business environment and a positive investment horizon from the second half of 2012-13. Buffeted by global slowdown, India's growth estimates have moderated. But the long-term prospects look bright.

Performance review

The Company has registered an impressive performance on all important parameters during FY12. Revenues registered a 16% growth for the year which was commendable considering the challenging

execution environment that the Infrastructure sector witnessed during the fiscal. EBITDA margins increased by 30% despite higher input prices which were mitigated through timely and cost efficient execution of orders on hand. The closing order book position at the end of FY12 stood at Re. 580 crores. Profit after Tax went up marginally by 3% during the year.

The performance of the subsidiary companies during the year was also encouraging. The group total income for the year was Rs. 269 crores, while the group profit after tax recorded an impressive Rs.23 crores, an increase of 21% year on year. I am happy to announce that the Board has recommended a dividend of Re. 0.50 per equity share for the year.

Outlook

It is imperative that in order to sustain higher GDP growth, massive investments are required within the infrastructure space to bridge the infrastructure deficit in the country. Higher capital spending by the Central and State.

Governments would boost economic activity and also partially insulate the domestic economy from any externally driven economic slowdown in the coming year. Over the medium term, infrastructure creation would ease structural bottlenecks and enhance the potential rate of growth of the Indian economy.

Apart from policy measures designed to jump start investments, facilitating fund flow for infrastructure projects has also assumed critical importance. Government of India has taken several steps in this regard.

We are in the process of strengthening our foothold across South India and are preparing to gradually spread our reach for a pan India presence in a phased manner. Going forward, we are confident of scaling new

heights by consistently delivering quality, leveraging on the experience and expertise of the management team, which we believe are key differentiators in our industry, which is marked by a surfeit of unorganized players. We have assiduously built up a team with rich experience in the various verticals of our business, scaling new heights by consistently delivering quality, leveraging on the experience and expertise of the management team, which we believe are key differentiators in our industry, which is marked by a surfeit of unorganized players. We have assiduously built up a team with rich experience in the various verticals of our business.

While taking note of the opportunities, we have also not lost sight of the business challenges that lie ahead of us in terms of intense competition, scalability of operations and strong management bandwidth and are suitably addressing them.

Before concluding, I would like to appreciate the efforts of all the employees of the organization for taking the company to greater heights once again- this achievement would not have been possible without their whole-hearted and unstinting efforts.

I would also like to thank all my colleagues on the Board and all other stakeholders like shareholders, Banks, members of our supply chain and regulators for providing their support to our efforts. The Company is committed to the pursuit of value creation through profitable growth of its businesses.

We are at the verge of an exciting journey that will take us to even greater heights. I seek your continued support in this mission.

Thank you

P Arulsundaram
Chairman & Managing Director

Financial Highlights

(₹ Crore)

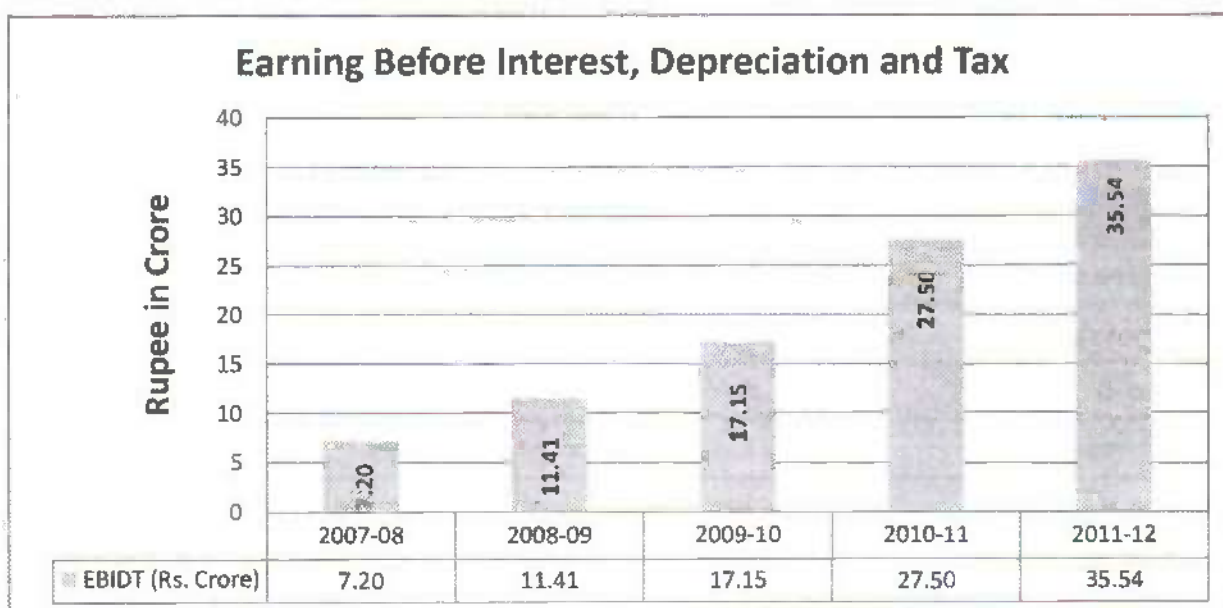
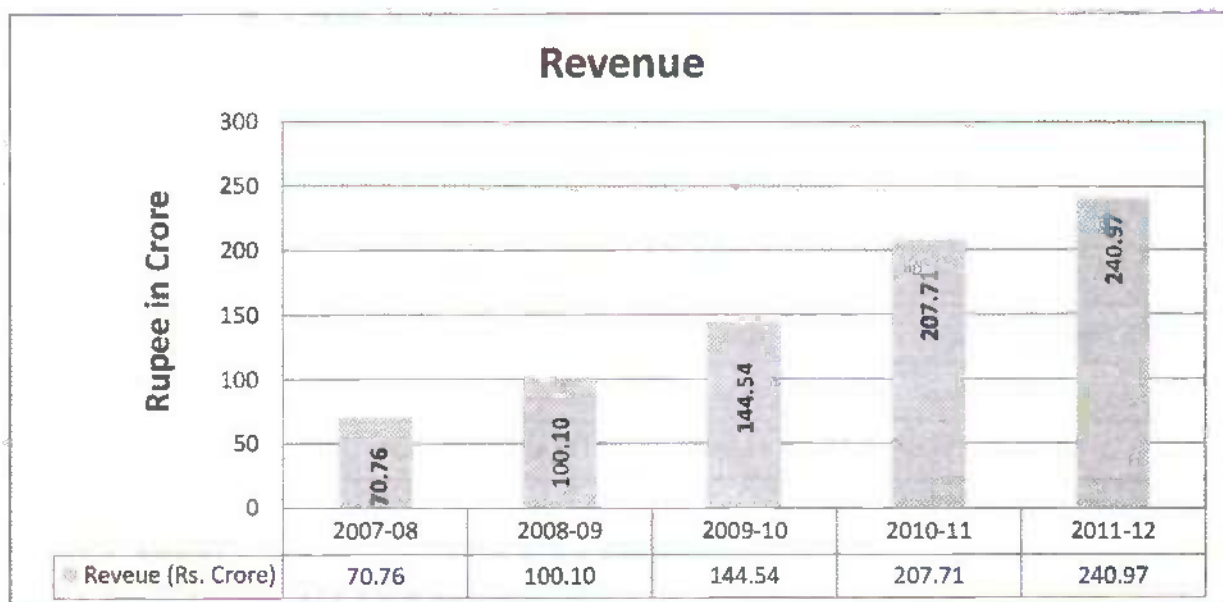
Description	2011-12	2010-11	2009-10	2008-09	2007-08
Revenue from Operations	240.97	207.71	144.54	100.10	70.76
Total Income	243.18	209.80	146.79	101.23	72.14
Earnings before Depreciation, Finance Costs and Tax Expense	35.54	27.50	17.15	11.41	7.20
Depreciation & amortization	6.89	3.84	2.41	2.23	2.08
Interest & Finance Costs	9.51	5.13	3.16	3.16	1.85
PBT	19.14	18.53	11.58	6.02	3.27
PAT	13.85	13.49	8.31	4.12	2.05
Equity dividend % (Refer Note a &b)	5% ^a	10%	15% ^b	10%	5%
Dividend Payout	1.13	2.26	0.90	0.10	0.05
Equity share capital	22.60	22.60	16.50	1.01	1.01
Reserves & Surplus	70.81	58.67	8.21 ^c	14.85	10.67
Net Worth	90.30	77.31	24.55	15.86	11.68
Gross Fixed Assets	69.91	43.09	34.64	22.70	21.57
Net Fixed Assets	49.50	28.72	23.82	13.98	14.33
Total Assets	260.86	186.52	81.99	51.73	47.09
Key Indicators					
Earnings per share Rs.	6.13	7.31	5.27	406.39	202.55
Book Value per share Rs.	40	34	15 ^d	1,564	1,152
Debt: Equity Ratio	0.30	0.25	0.23	0.24	0.49
EBDIT/ Total Revenue %	14.62%	13.11%	11.68%	11.27%	9.98%
Net Profit Margin %	5.70%	6.43%	5.66%	4.07%	2.85%
RONW %	15.34%	17.45%	33.86%	25.98%	17.59%
ROCE%	31.73%	30.60%	60.04%	57.86%	43.83%

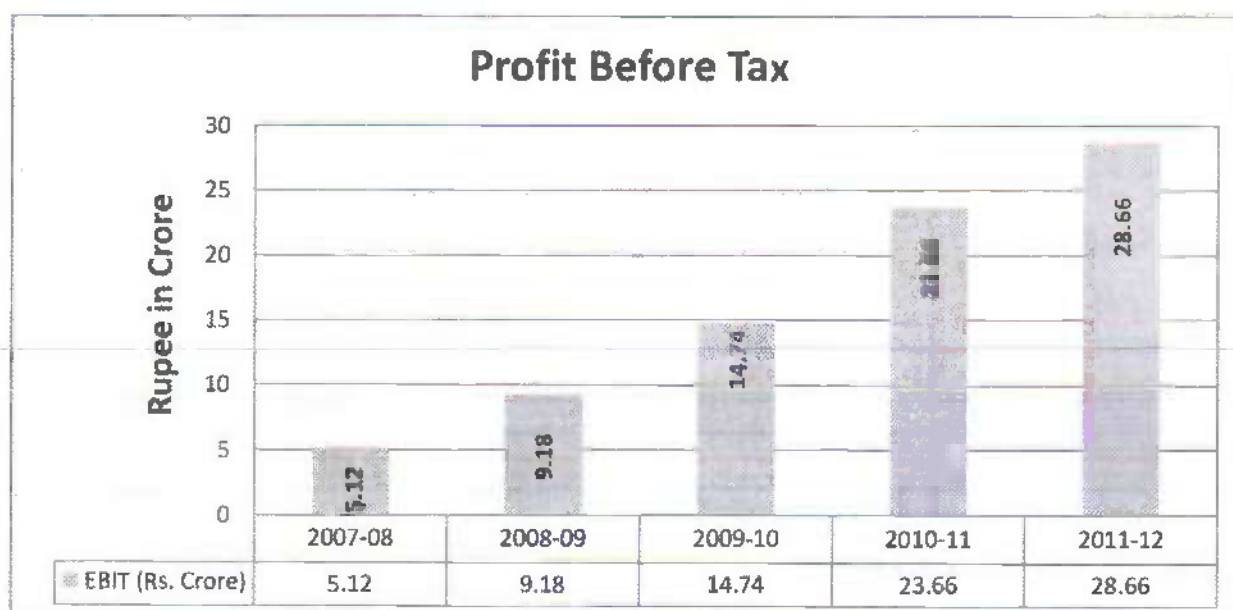
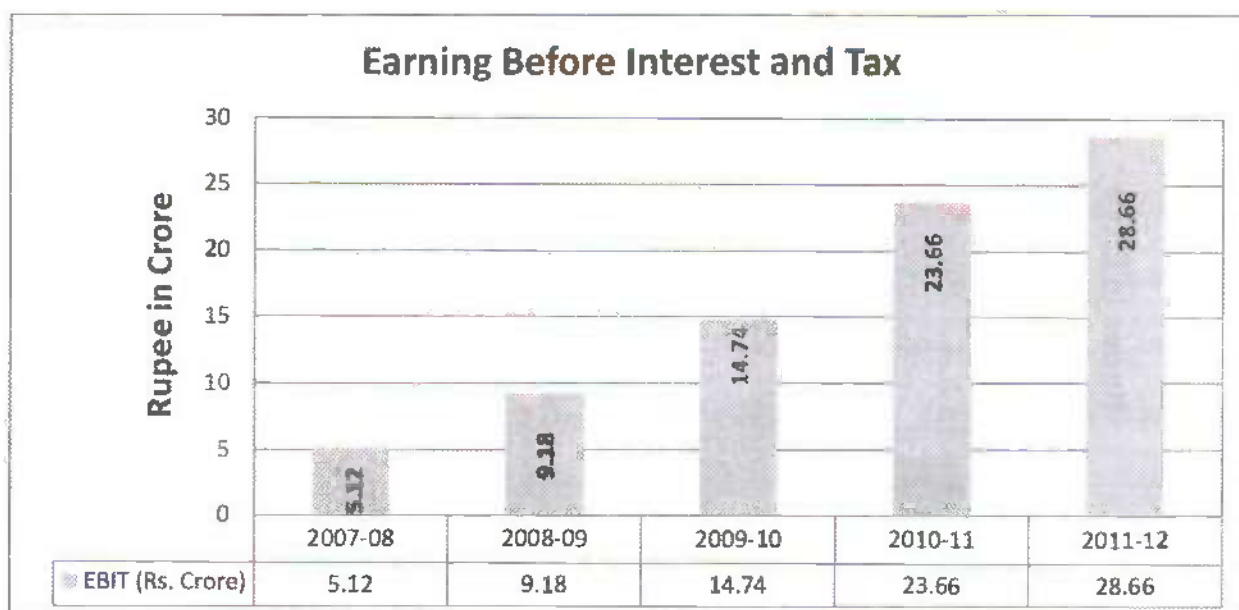
(a) = Proposed Dividend

(b) = Pro-rata Basis

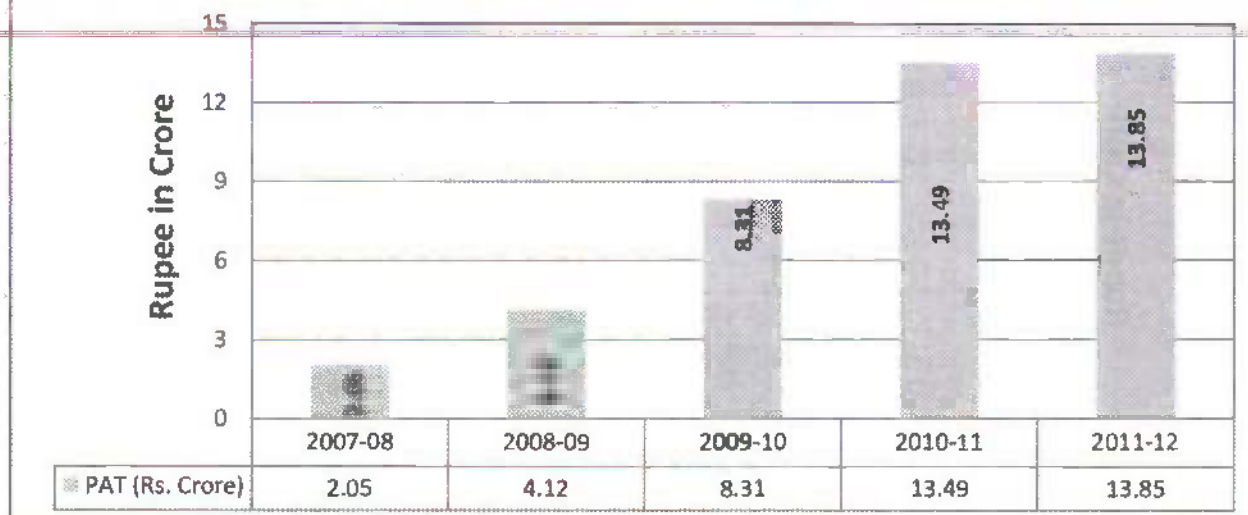
(c) = Reduction due to Bonus

(d) = wef 25/09/2009 the face value of Share reduced from Rs.100/- to Rs.10/-

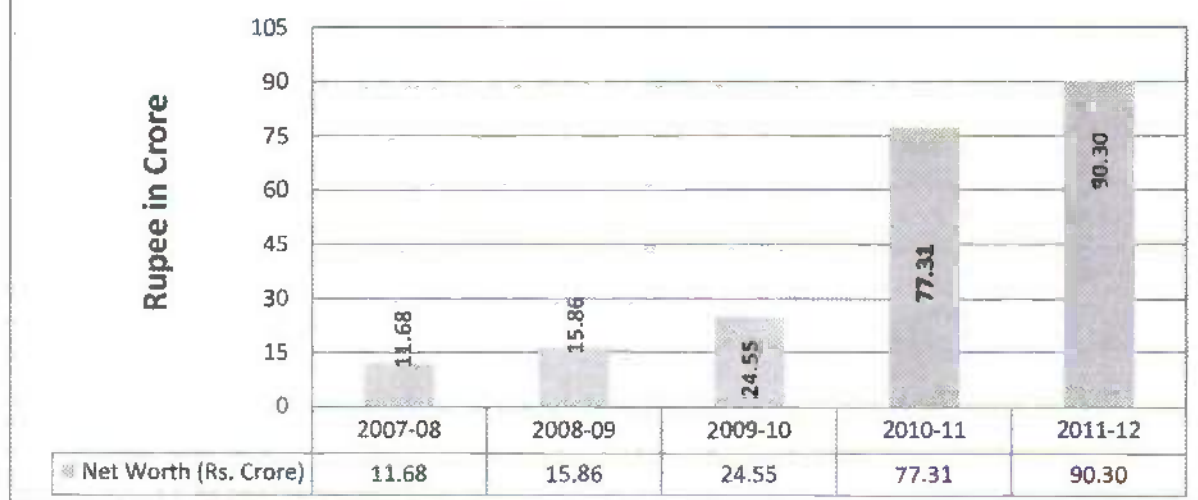




Profit After Tax



Net Worth



Notice

Notice is hereby given that the 17th Annual General Meeting (AGM) of the members of R.P.P Infra Projects Limited will be held on Saturday the 29th September 2012 at 10.00 AM at Builders' Welfare Trust Hall, Builders Association of India, No.35 Perundurai Road, Erode 638 011, to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance sheet as at 31st March, 2012, statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in the place of Mr. A P C Krishnamoorthy, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Mr. S Swaminathan, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary resolution:
"RESOLVED THAT M/s. Karthikeyan & Jayaram, Chartered Accountants (Firm Registration No 07570S), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors."

Special Business:

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:
Resolved that Mr. K Natarajan, who was appointed as an Additional Director of the Company, at the meeting of the Board of Directors of the Company held on 22nd August 2011 and whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 (1) of the Companies Act 1956 in writing proposing

his candidature for the office of a Director, be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of the Articles of Association.

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution.

Resolved that Mr. A N Vasu Rao, who was appointed as an Additional Director of the Company, at the meeting of the Board of Directors of the Company held on 3rd May 2012 and whose term of office as an Additional Director expires at this Annual General Meeting and in respect of whom the company has received a notice under Section 257 (1) of the Companies Act 1956 in writing proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of the Articles of Association.

By the Order of the Board of Directors

R. Nithya Prabhu
Company Secretary

Place : Chennai

Date : August 27, 2012

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and such proxy need not be a member. Members are requested to send their proxy form to the registered office of the Company not less than 48 hours before the commencement of the Meeting.
2. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Annual General Meeting.
3. Members/proxies should fill in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the annual report to the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder, who is higher in the order of names, will be entitled to vote.
5. Members who hold share(s) in electronic form are requested to write their DP Id and Client Id number and those who hold share(s) in physical form are requested to write their folio numbers in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
6. The Register of Members and Share Transfer books of the Company will remain closed from September 21, 2012 to September 29, 2012 (both days inclusive).
7. The Explanatory Statement setting out the material facts pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting is annexed hereto.
8. Brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and memberships/chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, are provided in the Annexure A to the Notice.
9. Members holding shares in physical form are requested to inform change of address, if any, immediately to the Registrar and Share Transfer Agent of the Company viz. Cameo Corporate Services Limited (RTA), "Subramanian Building", No. 1, Club House Road, Chennai 600 002. Members holding shares in dematerialized form must send advice about change in address to their respective Depository Participants.
10. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.
11. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries at an early date so as to enable the Management to keep the information ready at the meeting.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents.
13. The Ministry of Corporate Affairs has taken a 'Green Initiative' in the Corporate Governance by allowing paperless compliances by the Companies. As a result, Companies are allowed to send all communication / documents in electronic mode to its members. In order to support the green initiative and to reduce the usage of paper, your Company requests all shareholders to update their e-mail ids with their respective depository participant, where they hold shares in electronic form and to the Company's Registrar and Share Transfer agent, if the shares are held in physical form.
14. Consequent upon the amendment to Section 205A read with section 205C of the Companies Act, 1956, all dividends remaining unclaimed for seven years from the date they first became due for payment are required to be transferred to the "Investor Education and Protection Fund" (IEPF) established by the Central Government under the

amended provisions of the companies act 1956. Members shall not be able to claim any unpaid dividend from the said Fund nor from the company thereafter. It may be noted that unclaimed dividend declared for the year ended 31.03.2012 and which remain unclaimed is due for transfer to the fund. Members who have not encashed their dividends so far for the financial year ended March 31, 2012 are requested to claim the amount from the company immediately.

15. As per new Clause 5A (II) of the Listing Agreement, the company has transferred all the share certificates remaining undelivered, unclaimed by the shareholders due to insufficient/incorrect information to Unclaimed Suspense Account" and also has dematerialised the shares held in the said unclaimed suspense account. In terms of securities accruing on such shares viz., IPO shall also be credited to such Unclaimed Suspense Account. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. Members who have not claimed their shares pursuant to IPO are requested to claim the same either to the Company or to the Registrars and Transfer Agents.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item 6

The Board of Directors, at its meeting held on 22nd August 2011 appointed Mr. K Natarajan as an Additional Director pursuant to Section 260 of the Companies Act, 1956 ('the Act'), read with Article No. 134 of the Articles of Association of the Company. Mr. K Natarajan will hold office of a Director up to the date of forthcoming Annual General Meeting of the company. In terms of Section 257 of the Act, the Company has received notice in writing from a Member signifying his intention to propose the candidature of Mr. K Natarajan for the office of a Director.

Mr. K Natarajan has over 20 years of experience in International business and development. Mr. Natarajan holds bachelor's degree in Commerce. He is having wide experience in management of Indonesian coal mines. None of the other Directors except Mr. K Natarajan is interested or concerned in the above resolution. Your Directors recommend the appointment of Mr. K Natarajan.

Item 7

The Board of Directors, at their meeting held on 03rd May 2012 appointed Mr. A N Vasu Rao as an Additional Director pursuant to Section 260 of the Act, read with Article No. 134 of the Articles of Association of the Company. Mr. A N Vasu Rao will hold office of a Director up to the date of forthcoming Annual General Meeting of the company. In terms of Section 257 of the Act, the Company has received notice in writing from a Member signifying his intention to propose the candidature of Mr. A N Vasu Rao for the office of a Director.

Mr. A N Vasu Rao has over 30 years of experience in various sectors such as power, sugar, steel, communication and education. He has in-depth knowledge in liasoning and public affairs, staff management, administration and Project management.

None of the other Directors except Mr. A N Vasu Rao is interested or concerned in the above resolution. Your Directors recommend the appointment of Mr. A N Vasu Rao.

By the Order of the Board of Directors

R. Nithya Prabhu
Company Secretary

Place : Chennai
Date : August 27, 2012

ANNEXURE TO NOTICE DATED AUGUST 27, 2012

Details of the Directors seeking appointment / re-appointment in forthcoming Annual General Meeting in pursuance of Clause 49(IV)(G) of the Listing Agreement:

Name of the Director	A.P.C. Krishnamoorthy	S. Swaminathan	K. Natarajan	A. N. S. Rao
Age in Years	56	63	54	55
Date of appointment on the Board	01-04-2008	21-04-2011	22-08-2011	03-05-2012
Qualifications	B. Com., B.L.	B.E. (Mechanical) PG Diploma in Advanced Systems – IIM ICWA (Inter)	B. Com.	B. Com., BBM, PGDM
Expertise	He has over 35 years of experience as a practicing council in the Bar and practices both Civil and Criminal cases.	Well versed with practices in Strategic Planning, Business Process Analysis, Enterprise Resource Planning, Marketing, Vendor Management and Customer Acquisition.	Has over 20 years of experience in International business and development and is having wide experience in Indonesian coal mines.	Has over 30 years of management experience in Sugar, Power, Steel, Communication and Education sectors.
Directorships held in other public companies including private companies which are subsidiaries of public companies (excluding foreign and private companies)	Nil	First Financial Services Limited	Nil	Nil
Memberships/ Chairmanships of committees across all companies	Member of the Audit committee & Shareholders/ Investors Grievance committee of RPP Infra Projects Ltd	Chairman of the Audit committee of RPP Infra Projects Ltd	Nil	Member of the Audit committee of RPP Infra Projects Ltd
Shareholding of Non-Executive Directors	Nil	Nil	Nil	Nil
Relationships between directors inter-se	Nil	Nil	Nil	Nil

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 17th Annual Report of your Company along with the audited statement of accounts for the financial year ended 31st March, 2012.

The highlights of the financial results for 2011-2012 are given below:

(₹ crore)

Particulars	Stand Alone Results		Consolidated Results	
	Year Ending Mar 31, 2012	Year Ending Mar 31, 2011	Year Ending Mar 31, 2012	Year Ending Mar 31, 2011
Total Income	243.18	209.80	268.94	216.29
Profit before Interest, Depreciation & Tax	35.54	27.50	46.02	32.83
LESS: Interest and Finance Charges	9.51	5.13	10.07	5.13
LESS: Depreciation and Amortization	6.89	3.84	7.88	3.84
Profit/(Loss) Before Taxes	19.14	18.53	28.29	23.86
Tax Expenses	5.29	5.04	5.69	5.20
Profit/(Loss) After Tax	13.85	13.49	22.59	18.66
ADD: Surplus brought forward from previous year	58.67	8.22	63.77	8.22
ADD : Premium received from IPO		39.65		39.65
ADD/(LESS) : Forex translation reserves and prior period adjustments	(0.39)	(0.06)	1.44	(0.14)
Appropriations				
Proposed Dividend	1.13	2.26	1.13	2.26
Corporate Tax on Dividend	0.19	0.37	0.19	0.37
Balance carried over to Balance Sheet	70.81	58.67	86.46	63.77

OPERATION AND PERFORMANCE REVIEW

Your directors are glad to state that the Company has been growing steadily and the performance has been improving in terms of business volumes, revenues and profits during a period of slower GDP growth, tight liquidity and relatively high interest rates.

On the basis of Standalone Financials

During the year your Company achieved a total income of Rs. 243.18 crores and earned operating profit of Rs. 35.54 Crores as against the total income of Rs. 209.80 crores and operating profit of Rs. 27.40 crores for the previous financial year 2010-11. After providing for interest of Rs. 9.51 crores and Rs. 6.89 crores for depreciation, the profit before tax was Rs. 19.14 crores. Provision for current tax for the year was Rs. 4.69 crores and deferred tax of Rs. 0.60 crores. The net profit for the year ended March 31, 2012 stood at Rs. 13.85 crores as against Rs. 13.49 crores for the previous year.

On the basis of consolidated Financials

During the year your Company achieved a total income of Rs. 268.94 crores and an operating profit of Rs. 46.02 crores as against the total income of Rs. 216.29

crores and operating profit of Rs. 32.73 crores for the previous financial year 2010-11. After providing for interest of Rs. 10.07 crores and Rs. 7.66 crores for depreciation, the profit before tax is Rs. 28.29 crores against the profit before tax of Rs. 23.86 crores for the previous financial year. The net profit after tax during the year ended March 31, 2012 stood at Rs. 22.59 crores as against Rs. 18.66 crores for the previous year showing an annualized growth of 21.05%.

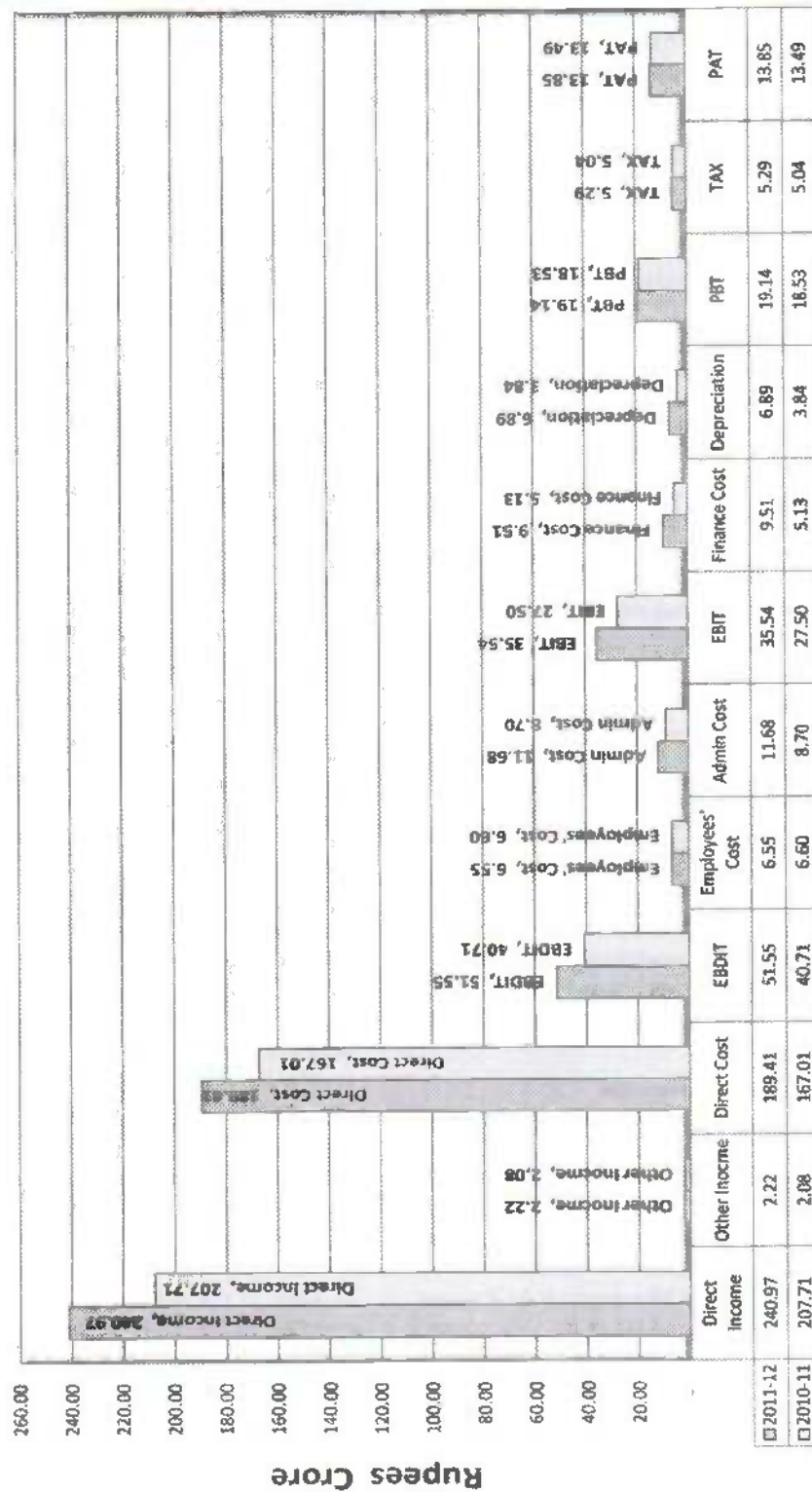
Dividend

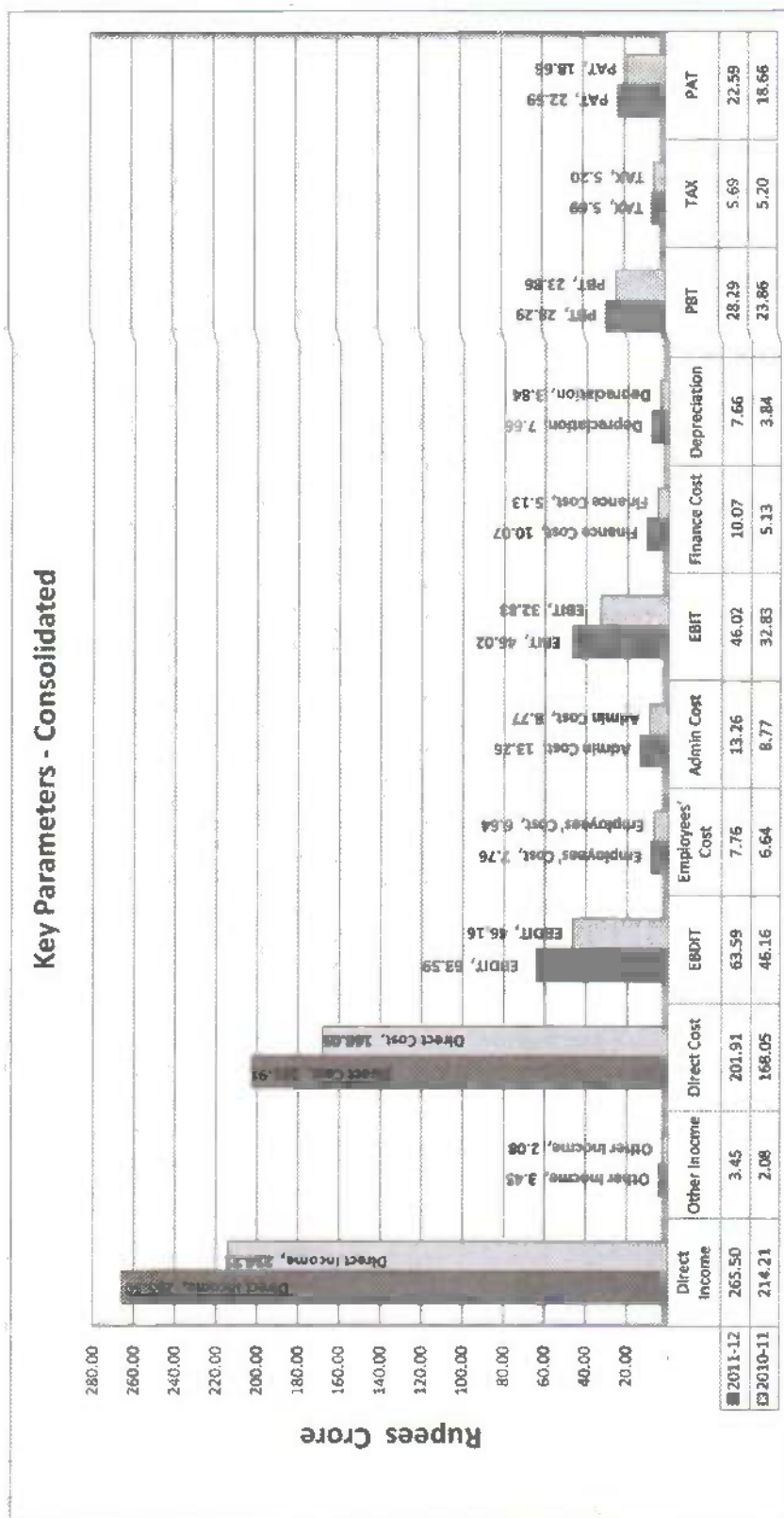
Your Directors are pleased to recommend a dividend of 5% i.e. Re. 0.50 per Equity Share of face value of Rs. 10/- for the Financial Year 2011-2012, subject to the approval of the members of the Company. The dividend on approval of the shareholder will be paid to the eligible members as per the Book Closure as may be kept for the purpose. The equity dividend outgo for the financial year 2011-12 would absorb a sum of Rs. 1.13 crores.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges is presented in a separate section forming part of the Annual Report.

Key Parameters - Standalone





Major Events of the year

- The Company successfully completed the Colombo Matara Coastal railway Line, Construction of Maintenance Shed, Maintenance Building and Washing apron of Sri Lankan Railway at Dematagoda, Aluthgama and Gale. Rites India was the Project Consultants.
- Completion of the First phase of the Housing Project for internally displaced people in Sri Lanka. The houses are for the IDPs in Mullaitheevu, Vavuniya, Jaffna, Kilinochi and Mannar districts in the Northern and Eastern provinces of Sri Lanka. Hindustan Pre Fab Limited, a Government of India Undertaking is the main contractor for this project.
- Some of the notable orders bagged during the year include:
 - o Mangalore Refinery & Petrochemicals Limited, Mangalore Rs. 23 crores. This project comprises civil and structural works in MRPL Phase III site. Engineers India Limited is the Project Management Consultant for the Project.
 - o Indra Gandhi Centre for Atomic Research, Kalpakkam – Rs. 16.30 Crores. The project involves construction of roads, storm water drains and other miscellaneous work in Kalpakkam Phase II Unit.
 - o Andaman Public Works Department – Rs. 18 crores. To carry out sea wall protection work at Mus, Car Nicobar.
 - o Company bagged orders worth Rs. 30 crores for the construction of library building for Central Library Buildings at Thiruvavur, Tamil Nadu under the Central Public Works Department; and rehabilitation & modernization of supply channels in Vellore & Villupuram Districts of Tamil Nadu under the Water Resources Department, PWD of Tamil Nadu.
 - o Mass Housing project from the Republic of Gabon. In the first phase 1500 housing units are to be constructed.
 - o Strengthening of Contour Canal in Parambikulam and Aliyar in Tamil Nadu – Order value Rs.120 crores.

Directors

Mr. S Swaminathan and Mr. A P C Krishnamoorthy, Directors of the Company, liable to retire by rotation at the forthcoming Annual General meeting and being eligible, offer themselves for re-appointment. Your directors recommend their reappointment.

Your Directors also appointed Mr. K Natarajan and Mr. A N Vasu Rao as Additional Directors of the Company with effect from 22-08-2011 and 03-05-2012 respectively. They will hold office up to the date of the ensuing Annual General meeting. Appropriate resolution seeking your approval for the appointment of Mr. K Natarajan and Mr. A N Vasu Rao as Directors of the company liable to retire by rotation has already been included in the notice of the Annual General Meeting.

During the year under review Mr. V Subramaniam and Mr. R Meenakshisundaram, Directors of the Company have resigned from the Board effective from 01.04.2011 and 01.08.2011 respectively. The Board places on record its sincere appreciation for the valuable services rendered by Mr. V Subramaniam and Mr. R Meenakshisundaram.

Mr. A Murugesan, Independent Director passed away on 14.11.2011. The Board of Directors of the Company wish to place on record our profound grief and deep sense of sorrow at the demise of Mr. A Murugesan, who was a Director of the Company from 01.04.2008 and a member of the Audit Committee & Remuneration committee from the constitution of the same till his death. We also record our appreciation on the guidance he provided for the growth and development of the Company.

A brief profile of all the retiring Directors containing details of their qualifications, expertise, other directorships, committee memberships etc. has been given in the Report on the Corporate Governance as well as in the Notice of the ensuing Annual General Meeting of the Company.

Directors' Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act 1956, your directors confirm that:

1. The applicable accounting standards have been followed and proper explanations provided relating to material departures
2. The company has adopted prudent and consistent accounting policies so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31st march 2012 and of the profit of the company for that period.
3. Proper and sufficient care has been taken for maintenance of adequate accounting records under the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
4. The annual accounts of the company have been prepared on a going concern basis

Consolidated Financial Statements

In accordance with the Accounting Standard 21 on Consolidated Financial Statements, the audited Consolidated Financial Statements are provided in the Annual Report.

Subsidiary companies

Vide General Circular No.3/2011- No.5/12.2007 –CL-III dated February 21, 2011, The Ministry of Corporate Affairs, Government of India had granted general permission to companies wherever the holding company gives its consent and comply with the conditions prescribed by the Ministry. Accordingly, companies are required to comply with the conditions prescribed in order to avail the exemption from attaching the balance sheet, profit and loss statement, etc. of the subsidiary company in the Annual Report of the Holding Company. Your company has complied with the conditions stipulated by the ministry and the details of the subsidiaries of the Company are covered in the Management's Discussion and Analysis Report forming part of the Annual Report.

The Financial statements of the Subsidiary Company and other related detailed information are available at the office of the company secretary at any point of time. The Annual Accounts of the subsidiary company will also be available for inspection at the office of the company secretary and the subsidiary company.

Corporate Governance

As required by the Clause 49 of the Listing Agreements entered into with the Stock Exchanges, a Report on the Corporate Governance and Management Discussion and Analysis form part of the Annual Report and a certificate from a Practicing Company Secretary on the compliance with the provisions of Corporate Governance is annexed to the Corporate Governance Report. The Company has fully complied with the requirements and disclosures that have to be made in this regard.

Auditors

The auditors, M/s. Karthikeyan & Jayaram, Chartered Accountants, retire at the ensuing Annual General Meeting. They have given their consent for their re-appointment. The company have received confirmation from them that, if appointed, it would be within the limits under section 224(1B) of the Companies Act, 1956. The Audit committee and the Board of Directors of the company propose the re-appointment of the auditors.

Usage of IPO Proceeds

Against the total projected utilization of Rs. 45.75 crores from the Initial Public Offering funds, the entire amount has been utilized towards funding margin requirement for working capital, investments in capital equipments, capitalization of subsidiaries which are SPV's carrying out projects overseas, general corporate purposes and issue expenses.

Public Deposits

During the year the Company has not accepted any public deposits and no deposits remained unclaimed with the company as on 31st March 2012.

Change of Registered Office of the Company

During the current year the registered office of your Company was shifted from III Floor, P&C Tower, 140 Perundurai Road, Erode 638 011 to S F No. 454, Raghupathynaiken Palayam, Poondurai Road, Erode 638 002, Tamilnadu, a place within the local limits of the town where the registered office of the Company was previously located.

Industrial Relations/ Human Resources

Your Company maintained healthy, cordial and harmonious industrial relations at all levels during the year under review. Your company firmly believes that a dedicated workforce constitute the primary source of sustainable competitive advantage. Accordingly, human resource development continues to receive focused attention. Your Directors wish to place on record their appreciation for the dedicated and commendable services rendered by the staff and workforce of your company.

Corporate social responsibility

In giving back to society, the RPP is committed to a number of community focused activities. These activities are spread over different areas such as health, education, environment, promotion of the country's rich culture. Each one of the programmes or projects that the company is involved in , reflects the commitment, concern, and care that it always has for society.

Listing

The shares of the company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Company has paid annual listing fee for the year 2012-2013.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is provided in Annexure forming part of the Report.

Particulars of Employees

None of the employees of the company were in receipt of remuneration, which in aggregate exceeded the limits fixed under sub-section (2A) of Section 217 of the Companies Act, 1956 and Rules made thereon under Companies (Particulars of Employees) Rules 1975 for the year.

Acknowledgement

Your Directors take this opportunity to offer their sincere thanks to the various departments of the Central and State Governments, Government agencies, Banks, Financial Institutions, shareholders, customers, employees and other related organizations, who through their continued support and co-operation, have helped in your Company's progress.

For and on behalf of the Board of Directors

P. Arul Sundaram
Chairman & Managing Director

Place: Chennai
Date: August 27, 2012

Annexure to Directors Report
FORM A - Conservation of Energy

The Company is engaged in infrastructure activities and the same is not covered under the Schedule.

The Company's efforts are to conserve energy wherever possible by economizing on the use of power at the various sites.

FORM B

(Rule 2 of Indian Companies Act, 1956)

TECHNOLOGY, ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)
i) Specific Areas in which R & D has been carried out by the Company

No R & D activities carried out during the financial year 2011-12.

ii) Expenditure on Research & Development: No Expenditure incurred on R & D

Technology Absorption, Adoption and Innovation, Efforts made, Benefits derived, Import of Technology: The Company has not absorbed any particular technology from any outside sources. However the Company consciously adopts latest technology available in the Industry to assure better quality of work and reduction in cost.

FORM C
FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo during the year are as follows:

	(₹ Lakh)	
For the Year ended March 31	2012	2011
Foreign Exchange earnings	387.43	Nil
Foreign Exchange outgo	3,263.72	85.59

For and on behalf of the Board of Directors

P. Arul Sundaram
Chairman & Managing Director

Place: Chennai
Date: August 27, 2012

Management's Discussion and Analysis

Forward-looking statements

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Overview of the Economy

FY 2011-12 was a challenging year. The global economy, barely a year after recession, witnessed lower economic growth, resulting primarily from the Euro Zone debt crisis and high oil prices, which were fuelled by uncertainties of supply. Rising unrest in the Middle East and North Africa (MENA) resulted in unprecedented levels of crude oil volatility. The European economies stagnated and the US witnessed a downgrade in its credit rating, while the growth engines of the global economy, China and India were forced to tighten liquidity to tame rising inflation. In recent times, the economic crisis and its repercussions have accelerated the shift of economic power from the developed to the emerging nations and exposed a fragile world with limited capacity to respond to systemic risks. As a consequence, the global economic growth has stymied and likely to traverse in an uncertain zone for some years to come.

India's GDP growth for 2011-12 is estimated at 6.9%, only marginally higher than the 6.7% growth seen in 2008-09, the year of the global economic crisis. The worst affected is clearly investments. Uncertainty about demand conditions given the global outlook and its likely contagion effect; as well as sector specific factors have impacted investments. Other contributory factors included an increase in interest rates to dampen high inflation. While fiscal policy remains expansionary, higher outgo toward items of non-plan revenue expenditure such as subsidies, limited the fiscal space available for boosting infrastructure spending by the public sector. Investment growth is likely to remain sluggish in 2012-13 as well, unless policy issues are

addressed and there is a substantial pick up in the pace of implementation of big ticket economic reforms.

The infrastructure sector which acts as a catalyst in development of all the other sectors of the economy has been the focus area of Government. Fully recognizing the need to fill the void in financing infrastructure projects, last year's budget had set up an infrastructure debt fund. In the current budget, to augment low cost funds from outside India, a reduced tax of 5% has been doled out to foreign investors providing debt to key infrastructure projects such as aviation, power, toll road, bridge, port etc. This will definitely help in filling the gap of the huge investment the country needs in infrastructure. The Eleventh Five year plan had already drawn attention for the need of removing infrastructure bottlenecks for sustained growth. The Planning Commission has projected an investment requirement of over Rs.45 lakh crore (\$1 trillion) during the 12th Plan (2012-17). According to the Planning Commission, public sector investment will also need to increase to over Rs 22.5 lakh crore against an expenditure of Rs 13.1 lakh crore during the 11th Plan.

Financial Review

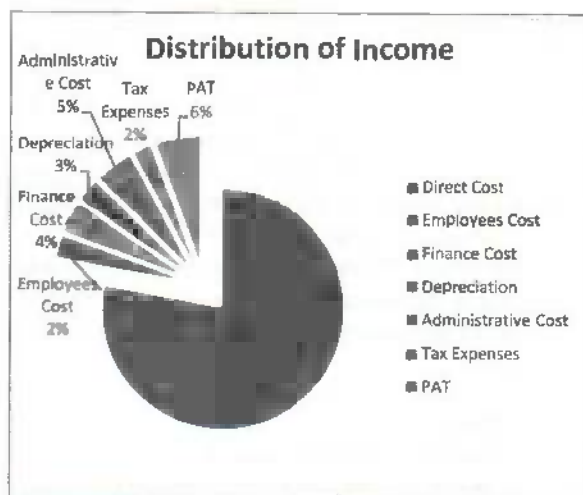
The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India and Generally Accepted Accounting Principles (GAAP) in India. The management of RPP accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the state of affairs on the Balance Sheet date and profit of the Company for the year ended on that date. RPP delivered superior financial performance with improvements across key parameters.

The revenue from operations achieved for the year was Rs. 240.97 crore, a growth of 16% over the previous year. A compounded annual growth in Revenue of 22.45% over the last 5 years, underscores the Company's position of strength in its various businesses and its strength to harness opportunities offered by growing Indian economy.

The consumption of materials and other direct costs increased by 14% from Rs. 166 crore to Rs. 189 crore. Employee cost was Rs. 6.55 crore for the year as

against Rs. 6.60 crore in the previous year. The operating profit before other income increased by 27% from Rs. 40.71 crore to Rs. 51.55 crore.

The operating margin for the period was 21.40% as compared to 19.60% in the previous year. A slew of initiatives such as deployment of risk mitigation strategies, superior execution of projects and astute cost management have enabled the company to improve its operating margins.



Other income was higher at Rs. 2.22 crore against Rs. 2.08 crore. Sales and Administration expenses were higher at Rs. 18.23 crore against Rs. 15.29 crore in the previous year. This increase was largely due to higher machinery repair expenses and writing off of Bad debts. EBITDA increased by 29% from Rs. 27.50 crore to Rs. 35.54 crore.

Finance cost was higher at Rs. 9.51 crore as against Rs. 5.13 crore. The increase is largely attributable to the borrowings done to fund the company's expansion plans.

Depreciation (including depletion and amortization) was higher at Rs. 6.89 crore, against Rs. 3.84 crore in the previous year, primarily on account of the full impact of the additions to fixed assets carried out in the previous year and part impact of the additions made during the current year.

Profit after tax was Rs. 13.85 crore as against Rs. 13.49 crore for the previous year, a marginal increase of 3%. Over a period of 5 years, PAT excluding exceptional & extraordinary items registered a compound growth rate of 37.45%.

The earnings per share (EPS) for the year is Rs. 6.13.

Funds employed and Returns

The net capital expenditure for the year ended March 31, 2012 was Rs. 26.81 crore. Gross working capital as at March 31, 2012 was Rs. 206.13 crores representing 86% of sales vis-à-vis 74% for the previous year. The increase was mainly due to higher work in process. Net customer receivables as at the end of the year stood at Rs. 94.45 crore, reflecting 123 days of sales, lower than 86 day's sales for the previous year. Net working capital as at March 31, 2012 increased over the previous year due to relatively lower vendor credits and lower advances from customers. Return on capital employed was at 31.73% and return on equity was at 15.43%. During the year, a total of Rs. 5.29 crore was contributed in the form of taxes and duties.

Resources and Liquidity Cash accruals from operations were higher by Rs. 29.49 crores as compared to the previous year due to lesser gross working capital and decrease in trade payables and customer advances. The company has raised long term loans and working capital loans during the year.

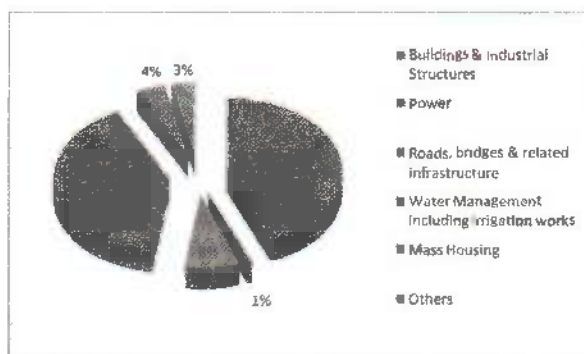
Liquidity & Capital resources	Rs. Crs	
	2011-12	2012-13
Cash & cash equivalents at the beginning of the year	30.15	7.45
Add: Net cash provided / (used) by:		
Operating activities	6.83	(29.00)
Capital expenditure	(29.80)	(8.73)
Investing activities	2.81	(1.52)
Financing Activities	13.86	61.95
Cash & cash equivalents at the close of the year	23.85	30.15

The overall cash flow position during the year reflected a balanced utilization pattern.

As on March 31, 2012, RPP's total debt was at Rs. 68.42 crore. RPP's gross debt to equity ratio, including long-term and short-term debt, as on March 31, 2012 was at 0.76.

Order Book Position

The order book position as on 31st March 2012 is Rs. 580 crores. The Sector-wise position is as under:



Group Results

Highlights of RPP's consolidated performance for the year are as follows:

- Revenue from operations increased by 23.94% to Rs. 265.49 crore
- PBDIT increased by 41% to Rs. 46.02 crore
- Profit Before Tax increased by 19% to Rs. 28.29 crore
- Cash Profit increased by 34.43% to Rs. 30.25 crore
- Net Profit increased by 34% to Rs. 30.25 crore

Subsidiaries

R.P.P Infra Projects (Lanka) Limited, Sri Lanka

During the year under review, the Company formed a Wholly Owned Subsidiary namely R.P.P Infra Projects (Lanka) Limited in Sri Lanka. This was in line with the Company's strategy to expand in to new geographies. RPP Infra India had bagged an order from Hindustan Pre Fab Limited, a Government of India Undertaking for the construction of 1000 Housing units to accommodate internally displaced people in Sri Lanka. The houses are for the IDPs in Mullaitheevu, Vavuniya, Jaffna, Killinochi and Mannar districts in the Northern and Eastern provinces of Sri Lanka. This order was executed through the WOS.

The Company has recorded a turnover of Rs. 32.11 crore for the year ended 31st March 2012 with a Net Profit of Rs. 2.30 crore

R.P.P Infra Overseas PLC, Mauritius

R.P.P Infra Overseas PLC is a Wholly Owned subsidiary of your Company based in Mauritius. The principal

activity of the Company is to provide infrastructure project related consultancy services. The Company has recorded a turnover of Rs. 4.07 crore for the year ended 31st March 2012 with a Net Profit of Rs. 3.13 Crore.

R.P.P Infra Projects Gabon SA, Gabon

R.P.P Infra Projects Gabon SA, Gabon to carry out the Mass Housing projects efficiently in Gabon and is a Wholly owned subsidiary of RPP Infra Overseas PLC, Mauritius.

The mass housing project contract was awarded by the Republic of Gabon, a West African country. The contract is awarded on 'Design, Build & Transfer' (DBT) model. The objective of the contract is to construct and deliver 10,000 houses over 36 months over various phases. The project has been making slow progress on account of issues relating to hand over of the land for the project by the Government authorities. The Company has recorded a turnover of Rs. 24.34 crore for the year ended 31st March 2012 with a Net Profit of Rs. 3.33 Crore.

R.P.P Energy Systems Private Limited, India

R.P.P Energy Systems Private Limited, a wholly owned subsidiary of your Company was incorporated mainly to embark into the power segment viz. to procure, sell, supply electricity power from various sources including bio-fuels such as bio-mass, bio-gas etc., and from coal and thermal energy. The other objects of the Company to generate and sell power from all sources including non-conventional sources such as solar system, wind farms, wind mills etc., The operations of this subsidiary has not been commenced during the period under review.

INFRASTRUCTURE & CONSTRUCTION - OPPORTUNITY

The Indian construction sector is an integral part of the economy and a conduit for a substantial part of India's development investment. The construction industry is primarily driven by Government of India (GOI) investments on core infrastructure projects and creation of urban infrastructure, industrial capital expenditure (capex) by corporate sector and development activities of real estate/housing sector.

The Planning commission's XI Five year plan had already identified that inadequate infrastructure was a major constraint on the country's rapid growth. The Plan had, therefore, emphasized the need for massive expansion in investment in infrastructure based on a combination of public and private investment, through

the PPP model. In the last few years, substantial progress has been made in this respect. The approach paper to the XIIth Five Year Plan (2012-2017) highlights that the thrust on accelerating the pace of investment in infrastructure must continue as this is critical for sustaining and bolstering growth. Public investment in infrastructure will have to bear a large part of the infrastructure needs in backward and remote areas to improve connectivity and expand the much needed public services.

Considering the critical need of developing infrastructure in the country, construction activities are crucial for creating physical infrastructure in the country. Construction, on an average, accounts for more than half of the investment required for setting up critical infrastructure facilities like power projects, ports, railways, roads, bridges. The sector plays a pivotal role in developing the country's infrastructure, a pre-requisite for high levels of economic growth and an area of focus for the Govt. Construction sector is expected to be the prime beneficiary of the surge in infrastructure investment. The importance that the Govt places on bridging the country's acute infrastructure deficit is evident from the two fold increase in the planned outlay for the infrastructure sector in the XIIth five year plan. Significant infrastructure investments, along with revival in industrial capex and improvement in real estate scenario, are likely to catalyze growth for construction companies in India, going forward. The cumulative investment in infrastructure in the Twelfth Five-Year Plan (2012-2017) is targeted at around \$1 trillion. Nearly half of this investment will be channelized into construction projects. Therefore, there is considerable long term business scope for players in the infrastructure related large scale construction business.

The construction sector in India currently faces a number of challenges. The Reserve Bank of India (RBI) raised benchmark interest rates on multiple occasions since March 2010 which increased the overall cost of borrowing. In addition, the private sector deferred its capital expenditure decisions on account of uncertain demand conditions and issues concerning land acquisition; approvals and clearances; fuel security and pricing, counterparty credit risks and policy issues.

Companies have suffered elongated working capital cycles due to delays in realizing payments from clients, piling work-in-progress due to delayed certification by clients and the need to support sub-contractors to ensure continuity in project execution. Labour shortages and government welfare schemes such as the National

Rural Employment Guarantee Scheme have resulted in higher labour costs. Slower pace of execution and higher input and labour costs affected the operating profits of construction companies while high interest costs associated with higher debt levels eroded their net profits.

The large planned investment in infrastructure would require significant capital mobilization and banks, hitherto the dominant source of debt funding for infrastructure projects, would not be able to meet the sector's increasing requirements given their limitations related to sector/group exposure norms and asset-liability mismatches. Recent policy initiatives such as creation of Infrastructure Debt Funds (IDFs) and the role of India Infrastructure Finance Company Limited (IIFCL) assume importance and could channelize long-term debt funds to the infrastructure sector.

BUSINESS PERFORMANCE BY SECTORS BUILDINGS & INDUSTRIAL STRUCTURES

Urban Infrastructure is a prime requisite as a nation develops. RPP has taken massive strides in its Buildings and Industrial Structures Division. Building activity is witnessing an unprecedented boom and we have executed buildings and industrial structure projects across South India. The diversification in this sector comprises of residential, commercial and non-residential, industrial infrastructure and SEZ and IT parks.

Some of the significant projects are:

- Construction of Library Building for Central University of Tamil Nadu at Thiruvavur valued at Rs. 10 crores
- Township for NTPC Tamil Nadu Energy Company Limited (NTECL)'s Vallur Thermal Power Project valued at Rs. 149 crores.
- Civil Works for Coke Handling Project, at MRPL, Mangalore valued at Rs. 7.04 crores
- Civil and Structural Works for Phase - III Refinery Project of M/s. Mangalore Refinery and Petrochemicals Ltd at Mangalore valued at Rs. 22.88 crores
- Construction of academic block for Tirunelveli Anna University Engineering College at Thoothukudi in Thoothukudi District – Rs. 13 crores
- Providing concrete retaining wall for the sides of existing open drains at SIPCOT Information Technology Park, Siruseri – Rs. 7.28 crores

- Construction of Staff rooms for Civil Engineering, Metallurgy & Material Engineering Department, 24 Nos Asst. Professor Quarters and Students Activity Centre at NIT, Trichy – Rs. 6.71 crores
- Creation of Common Infrastructure Facility Such as Compound Wall, Chain Link Fencing, Internal Road, Storm Water Drain and Service Ducts, Entrance Gate and Security Block at Gangaikondan IT-SEZ, Tirunelveli – Rs. 37.74 Crores
- Creation of Common Infrastructure Work Viz. Internal Roads, Street Lights, Storm Water Drain, Service Ducts, Compound Wall, , Culverts, Electrical and Plumbing Works, Security Block Sewage Treatment Plant and Overhead Tank at Hosur - Viswanathapuram IT SEZ – Rs. 24.01 crores
- Service Facility Infrastructure Works Internal Roads, Storm Water Drains, Cable Ducts, RCC Box Culverts, Compound Wall and Gates and Gate Pillars at TIRUCHY-Navalpattu IT SEZ – Rs. 17.03 crores
- Renovation & Modernization of Mazhampuzha Garden in Kerala – Rs. 8 crores
- Construction of Houses for Internally displaced persons in Northern & Eastern Provinces of Sri Lanka – Rs. 49.50 crores
- Rehabilitation of Non System Tank and Its Supply Channels from Yal Tank to Pinnalavadi Tank Gadilum Sub Basin under Gadilum Sub Basin in Sankarapuram, Tirukoilur and Ulundurpet Taluk of Villupuram District – Rs. 6.72 crores
- Rehabilitation of Non System Tank and Its Supply Channels from Arunkurukai Tank to Mathiyannur Tank under Gadilum Sub Basin in Tirukoilur and Ulundurpet Taluk of Villupuram District – Rs. 6.21 crores
- Formation of Tank Across Nallathangal Odai near Kothayam Village in Oddanchatram Taluk of Dindigul District – Rs. 5.55 crores
- Construction of Bed Dam Across Periya Odai in Vridhachalam Taluk of Cuddalore District – Rs. 4.50 crores
- Rehabilitation and Modernization of Tanks, Kondams and Supply Channels in Kaveripakkam Surplus Channels of Kosasthalaiyar Sub Basin in Nemili Block of Arakonam Taluk in Vellore District – Rs. 6.50 crores
- Providing Screw Gearing Shutters to all Sluices in the Lower Bhavani Project Main Canal from Mile 0/0 to Mile 124-2-560 including Branch Canal and Distributaries in Erode and Karur Districts – Rs. 2.92 crores
- Formation of Flood Carrier Canal from Kanjampatti Odai in Vilathikulam Taluk of Thoothukudi District to Feed Sayalkudi Tank and other Tanks in Kamuthi and Kadaladi Taluks of Ramanathapuram District – Rs. 16.70 crores

IRRIGATION

India remains basically an agrarian economy. Over 70% of the population is in the villages with farming as their main source of livelihood. Despite the great dependence on agriculture as a means of sustenance, it is unfortunate that even today the farmers are at the mercy of the monsoons to provide the much – needed water for drinking and irrigation. Eventually, in the past two decades, 20% of the rural population has migrated to the cities in search of livelihood.

Seized with the urgency to alleviate this seemingly perennial water crisis, the Government is investing substantially in flow (canal) irrigation methods as surface water irrigation has proven to be more dependable than ground water based systems (such as open wells or bore wells). Water flows to demand sites by gravity, lifting or through tunnels via ducts.

Some of the significant projects are:

- Rehabilitation of Contour Canal from LS.0.000 Km to LS.11.480 KM – Rs. 59.91 crores
- Rehabilitation of Contour Canal from LS.30.100KM to 49.300KM – Rs. 60.26 crores

WATER SECTOR

The largest sector within the industry is water including Sewer and utility lines, which continues to grow in an ever expanding market. The McKinsey report on world urbanization forecasts that by 2025, there would be 600 more cities in the world and two-thirds of them would be in India and China. This indicates a great thrust for infrastructure facilities as towns and 'urban areas' turn in to large cities in about 13 years from now. No doubt water-related projects will be at the forefront of this growth.

Some of the significant projects are:

- Construction of storm water drain work in Kolathur Water Shed, Chennai city – Rs. 22.52 crores
- Construction of storm water drain work in South Buckingham Canal Water Shed, Chennai city – Rs. 34.44 crores
- Construction of Storm Water Drain in Velachery Water Shed – Rs. 41.83 crores

- Providing CWSS to 54 Quality affected and 67 Wayside Habitations in Kumaratchi & Parangipettai Unions and to Killai town Panchayat in Cuddalore District – Rs. 15.04 crores

POWER SECTOR

The Indian power sector has undergone a variety of reforms intended to encourage private sector participation since the early 1990s. The reforms make state electricity boards viable by unbundling them into generation, transmission and distribution utilities, privatizing distribution and providing choice to some categories of consumers. Despite these reforms, however, the ability of the power sector to attract private sector investment remains low. High transmission and distribution losses, poor capacity utilization, irrational tariff structure, grid disturbance and low creditworthiness of purchasers of electricity have discouraged active private sector participation.

Power-associated construction

Construction companies get orders for civil/structural work and Balance of Plant (BoP) work for a particular power plant project. Construction component accounts for about 30% to 65% of the total project cost depending on the type of the power project.

Construction activity in thermal power project mainly involves erection of equipment like boiler, steam turbine, condenser etc which are made to design from respective suppliers and so it has comparatively lower level of construction component. Thermal power project has a construction component of about 30% of the project cost.

Hydel power project involves construction of water lines (penstock), dams etc. which requires a lot of civil construction to be done and so it has comparatively higher construction component. Hydel power project has a construction component of about 65% of the project cost.

Some of the significant projects are:

- Upgradation of Existing 2X5MVA, 33/11KVA Substation to Hanumanal and Construction of 110KV SC Line on DC Towers from Proposed 110/11KV Substation at Hanumanal for a distance of 10.58Kms in Kushtagi Taluk, Koppal District and Construction of 110KV Terminal Bay at Proposed 110/33/11KV Substation at Hiregonnagar for the proposed 110KV SC line to proposed 110/11KV Hanumanal Sub Station on Total Turnkey Basis – Rs. 7.20 crores

- Vertical raising of 'E' Pond of Thermal Power Station – I – Rs. 4.30 crores

ROADS, HIGHWAYS & BRIDGES SEGMENT

India has an extensive road network of 4.24 million kms – the second largest in the world. The National Highways have a total length of 70,934 kms and serve as the arterial road network of the country. It is estimated that more than 70% of freight and 85% of passenger traffic in the country is being handled by roads. While Highways/Expressways constitute only about 2% of the length of all roads, they carry about 40% of the road traffic leading to a strain on their capacity. The number of vehicles on roads has been growing at compounded annual growth rate (CAGR) of approximately 8% in the last five years. The Government of India has launched major initiatives to upgrade and strengthen National Highways through various phases of the National Highways Development Project (NHDP). NHDP involves widening, upgrading and rehabilitation of about 54,000 kms, entailing an estimated investment of more than Rs.300,000 crores.

The accelerated pace is driven by several policy and structural reforms being implemented, with intent to build 20 kms of national highways every day. Government's initiatives towards awarding Mega projects (9 projects each of approx. Rs. 5,000 crores), conversion of approx. 10,000 kms State Highways to National Highways, Expressway development in various states etc. indicates the latent opportunities for both, infrastructure developers and construction companies.

Some of the significant projects are:

- Mangalore SEZ Limited Pipeline Corridor Phase - 1 - Reach - 1: 0.00 to 1.5 & 1.73 to 1.8KM – Rs. 32.58 crores
- Construction of Road and other related infrastructure on western side of DAE plant site at Kalpakkam (Phase II) – Rs. 16.28 crores
- Construction of Road and other related infrastructure on western side of DAE plant site at Kalpakkam – Rs. 24.45 crores

Growth Strategies

Ensuring cost competitiveness, timely execution of projects within cost estimates, managing volatility, control over working capital, achieving operational efficiency, improved supply chain management will be the key success factors to achieve the desired growth in the medium term.

The focus is on expanding customer base, strengthening business development efforts, better account management, cost leadership, and foraying in to new business segments and geographies.

OUTLOOK

The primary drivers of growth for the Construction industry remain robust. Business is expected to grow steadily over time pivoting on the three prime drivers; viz: a. Infrastructure development; b. core sector capacity additions; and c. urbanization. These growth drivers are irreversible and are underpinned by India's growing domestic demand and the existing social and physical infrastructure deficit.

The construction industry is by nature pro-cyclical with greater sensitiveness to business cycle upturns/downturns. Given the Government's emphasis on infrastructure development with huge budgetary allocations for development expenditure and the huge gap between infrastructure demand and supply in a rapidly growing economy like India, all businesses relating to urban infrastructure, power, roads and water are expected to witness decent growth over a sustained period.

Your company has continued to display a remarkable acumen and success in bagging projects in a cross-section of segments. While your company is making further inroads into emerging sectors it has maintained its good track record in executing projects. Excellent project execution and revenue generation have always been our key focus areas and we are glad that our strengths persist in these areas. Some of our strengths include:

Well diversified Business Model: The Company's presence in the construction sector across diverse segments like roads, highways, bridges, power projects, SEZ development and water management provide visibility to its earnings and also diversifies its revenue streams. With the company proposing to increase its presence in the Power and Waste water management segments, the revenues are expected to provide scalability to the business model.

Strong Team and Track record: Led by a strong management team, we have a decade and a half of experience in this industry. This is crucial to our success given that the industry requires strong execution capabilities and high level of skill sets. We have a track record of timely execution of the projects which minimizes cost overruns and

strengthens our client relationship, which is reflected in the repeat orders.

Owned Equipment base: Owned equipment base offers the company two fold advantage: better utilization rate for the investments made and the resultant higher margins. This also enables real time movement of machinery at the sites leading to saving time on deploying resources. The company has piling rigs, crushers, hydraulic cranes, excavators, loaders, dozers, paver finishers, jack hammers, air compressors and transportation equipment such as trucks, tractors, trailers, jeeps etc.

Overall, the outlook for the company's businesses remains strong given the macro-economic indicators in general and a strong order book at the year-end in particular.

Strengthening of Business Development efforts

During the year under review your Company has inaugurated a new office at Chennai, in order to tap the emerging opportunities in the industry and also have access to qualitative human resources to deliver good quality services. Your directors are confident that the locational advantage will add value to the business.

Geographical Expansion

Your Company has evaluated tremendous opportunities in developing markets, and has forayed into the Sri Lankan market and has already undertaken some of the prestigious projects like construction of houses for Internally Displaced Persons and railway projects. Your Company has incorporated a step down subsidiary in Republic of Gabon viz. RPP Infra Projects Gabon SA to undertake projects in western African countries. The Company is also eyeing the Indonesian Markets for power projects.

Internal control systems

The company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations. It has documented procedures covering all financial, operating and management functions. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with best practices in these areas as well. The systems are periodically reviewed for identification of control

deficiencies and formulation of time bound action plans to improve efficiency at all the levels.

The Audit committee of the Board reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the company, recommendations made for corrective action and the internal audit reports. The committee reviews with the statutory auditors and the management, key issues, significant processes and accounting policies. The company continues its efforts in strengthening internal controls.

Risk Management

Business uncertainties have magnified manifold in the recent times. Due to the general economic slowdown, financial institutions tightened their credit norms. This led to a credit crunch and impacted real estate, infrastructure and other projects. Increase in the costs of key inputs and higher labour costs remains a concern but the Consumer spending has been improving. Most recent assessments indicate that the Euro area is entering into a mild recession, while growth and employment conditions in the US are improving. Growth in emerging markets, especially China and India, is slowing beyond what was anticipated but these two economies are still likely to provide some support for global recovery. In sum, in spite of a dip in growth, the world economy is unlikely to lapse into another recession. There will always be challenges, from outside and within. Policies and strategies will need to be aligned from time to time to cope with the changing economy.

The Company's businesses has its unique risk characteristics with long delivery and lump sum price denominated project activity, fraught with unforeseen events that continually challenge its cost and delivery commitments. Extreme volatility in commodity prices, deteriorating credit-worthiness of the customer, delays in project execution, inability of sub-vendors to maintain supplies of agreed quality and delivery etc. may leave high impact on a project's profitability. Intensifying competition, stringent pre-qualification standards, pressure on margins and unfavourable cash-flow stream in certain projects add to the risk complexion of this business.

The company has been alive to these challenges and has been able to identify, assess and effectively mitigate the risks through a structured process of risk

management. Risk Management is an integral part of the business process. The audit committee of the Board reviews the risk management efforts periodically. The company follows the following risk management framework:

- **Risk Identification**
This function involves pre-emptive strategies to identify potential risks and evolve a framework for mitigation
- **Risk assessment and analysis**
Risk assessment is the objective evaluation of the quantitative and qualitative value of risk related to the uncertainties of a specific situation
- **Proactive risk governance measures**
This requires the organization to ascertain action plans to address identified issues and forestall potential damage
- **Comprehensive risk reporting**
Record the causes and mitigation measures for future reference

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Our continued success will depend in part on our ability to retain and attract key personnel with relevant skills, expertise and experience. We are aware of the challenge in attracting and retaining the best of talents in the industry. Presently, our company has 525 employees at various levels. We have in place a well-drawn out HR Policy and a working environment encouraging innovation, cost reduction and a time bound completion of projects along with measures targeted to emerge as a merit driven organization in these challenging times. The management has been paying special attention to various aspects like employee training, welfare and safety thereby strengthening the human resources.

CONCLUSION

In spite of the recent economic crises, worldwide uncertainty, inflation, higher interest rates, a generally tough business environment resulting in slow-down of business in general, we have shown resolve to continue with our tasks and perk up every aspect of our performance. We are constantly re-engineering our activities, putting up stronger efforts at revising our overheads and costing and minimizing expenditure. We have initiated measures for faster revenue collections and have focused on efficient and timely project execution.

Report on Corporate Governance

Company's philosophy on Code of Governance
The Company's philosophy on code of governance is to ensure that its obligations are discharged in a fair and transparent manner in order to protect the interests of its stakeholders. The Company emphasizes the best practices towards preserving the environment and adherence to the highest safety standards across all operations. The Company aims at achieving transparency, accountability and equity in all facets of its operations, and in all interactions with stakeholders, including shareholders, employees, government, lenders and other constituents, while fulfilling the role of a responsible corporate representative committed to good corporate practices. The Company is committed to achieve good standards of Corporate Governance on a continuous basis by laying emphasis on ethical corporate citizenship and establishment of good corporate culture which aims at true Corporate Governance.

The Company believes that all its operations and actions must result in enhancement of the overall shareholder value in terms of maximizing shareholder's benefits, over a sustained period of time.

Board composition

Size and composition of the Board

The policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the Board functions of governance and management. The total strength of the Board presently is Eight Directors comprising of Two Executive Promoter Directors, Two Non-Executive Directors and Four Independent Directors. The Board periodically evaluates the need for increasing or decreasing its size. Following is the present composition of our Board and their number of directorships in other companies.

Name of the Director	Category	Number of Directorship in other Public Companies *		Number of Committee Positions in other Public Companies **	
		Member	Chairman	Member	Chairman
Mr. P Arulsundaram	PD/ED	1	-	-	-
Mrs. A Nithya	PD/ED	1	-	-	-
Mr. P Muralithasan	NED	-	-	-	-
Mr. S Thirunavukkarasu	NED	-	-	-	-
Mr. S Swaminathan	ID/NED	1	-	-	-
Mr. K Natarajan ¹	ID/NED	-	-	-	-
Mr. APC Krishnamoorthy	ID/NED	-	-	-	-
Mr. V. Subramanian ²	ID/NED	-	-	-	-
Mr. R Meenakshisundaram ³	ID/NED	-	-	-	-
Mr. A Murugesan ⁴	ID/NED	-	-	-	-
Mr. A N Vasu Rao ⁵	ID/NED	-	-	-	-

PD- Promoter Director; ED- Executive Director; NED-Non Executive Director; ID- Independent Director

* The directorship does not include directorship in Private Limited Company which are not subsidiary of Public Limited Company, Section 25 Companies and Companies incorporated outside India.

** In accordance with clause 49 of the Listing Agreement, Membership/ Chairmanship of only Audit Committee / Investor Grievances Committee has been considered.

1 Appointed as Additional Director wef. 22-08-2011

2 Resigned from Board on 01-04-2011

3 Resigned from Board on 01-08-2011

4 Passed away on 14-11-2011

5 Appointed as Additional Director wef 03-05-2012

As mandated by Clause 49 of the Listing Agreement, none of the Directors on Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such Companies in which he is a Director.

As per the declarations received by the Company, none of the Directors are disqualified under Section 274(1) (g) of the Companies Act, 1956 read with Companies (Disqualification of Directors under Section 274(1) (g) of the Companies Act, 1956) Rules, 2003.

Directors Profile

Mr. P Arul Sundaram, Chairman and Managing Director, aged 45 years, holds a Bachelor of Engineering Degree in Civil Engineering from Sri Vinayaka Mission Research Foundation, Deemed University, Salem and a Diploma in Civil Engineering from Kongu Engineering College, Erode, Tamil Nadu. He has over 23 years of experience in civil works in the fields of transportation / power / commercial buildings and irrigation projects. He has been responsible for strategic direction and development of our Company and is in overall control of our operations. His experience and his intimate understanding of the businesses verticals of our operations have played a central role in the rapid growth of our Company.

Ms. A Nithya, Whole Time Director, aged 38 years, holds a Master's degree in Business Administration from Anna University, Chennai. She is responsible for the finance, accounting and treasury functions of our Company.

Mr. P Muralithasan, aged 45 years, holds a bachelor's degree in Civil Engineering from Bangalore University.

Mr. S Thirunavukkarasu, aged 38 years, holds a Diploma in Electronics and Communications Engineering from the State Board of Technical Education and Training, Government of Tamil Nadu. He has over 16 years of experience in the construction industry.

Mr. S Swaminathan, aged 63 years, has four decades of experience in the various facets of technology management and holds bachelor's degree in Mechanical Engineering from Regional Engineering collage, Trichy (RECT) and PG Diploma in Advanced Systems from Indian Institute of Management, Ahmedabad. He has held senior positions with challenging responsibilities from Green field start-ups to Global Revenue responsibilities. He has also worked on M&A assignments involving Technology Companies in India and abroad. He is well versed with practices in Strategic Planning, Business Process Analysis, Enterprise Resource Planning, Marketing, Vendor Management and Customer Acquisition.

Mr. K Natarajan, aged 54 years, has over 20 years of experience in International business and development. Mr. Natarajan holds bachelor's degree in Commerce. He is having wide experience in Indonesian coal mines.

Mr. A P C. Krishnamoorthy, aged 57 years, is an advocate by profession holds a B.Com degree from Annamalai University. He has over 35 years of experience as a practicing council in the Bar and handles both Civil and Criminal cases.

Mr. A N Vasu Rao has over 30 years of experience in various sectors such as power, sugar, steel, communication and education. He has in-depth knowledge in liasoning and public affairs, staff management, administration and Project management.

Name of the Director	No. of Board Meetings held	Board Meetings Attended	Attendance at Previous AGM
Mr. P Arulsundaram	12	4	Yes
Ms. A Nithya	12	12	Yes
Mr. P Muralithasan	12	6	No
Mr. S Thirunavukkarasu	12	12	Yes
Mr. S Swaminathan	11	4	Yes
Mr. K Natarajan ¹	6	-	No
Mr. APC Krishnamoorthy	12	12	Yes
Mr. V Subramanian ²	NA	NA	NA
Mr. R Meenakshisundaram ³	6	-	NA
Mr. A Murugesan ⁴	9	2	Yes
Mr. A N Vasu Rao ⁵	NA	NA	NA

- 1 Appointed as Additional Director wef. 22-08-2011
- 2 Resigned from Board on 01-04-2011
- 3 Resigned from Board on 01-08-2011
- 4 Passed away on 14-11-2011
- 5 Appointed as Additional Director wef 03-05-2012

Board Meeting held during the year

The Board of Directors met twelve times during the year under review on 12th April 2011, 21st April 2011, 04th May 2011, 20th June 2011, 13th July 2011, 25th July 2011, 1st August 2011, 22nd August 2011, 1st November 2011, 14th November 2011, 3rd February 2012 and 13th February, 2012. The maximum time gap between any two consecutive meetings did not exceed four months.

Committee of Directors

The Board has constituted the following committees:

- Audit committee
- Remuneration committee
- Shareholders/ Investors Grievance committee

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement, the Board has constituted an Audit

committee. The primary objective of the Committee is to ensure the highest levels of transparency, integrity and quality of Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

During the year under review the Audit Committee of the Board was re-constituted due to the demise of Mr. A Murugesan, director of the Company. Presently the committee comprises of FOUR Non-Executive Directors out of which THREE are Independent Directors.

All the committee members have sound knowledge in finance and accounts. Mr. S Swaminathan, Director is the Chairman of the Audit Committee.

Number of meetings held and the dates on which held:

The Audit Committee met five times during the financial year on 04th May 2011, 20th June 2011, 1st August 2011, 14th November, 2011 and 13th February, 2012.

The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category/ Status	Meetings Held	Meetings Attended
Mr. S Swaminathan	Non Executive/ Independent / Chairman	5	4
Mr. APC Krishnamoorthy	Non Executive/ Independent/ Member	5	5
Mr. S Thirunavukkarasu	Non Executive/ Non Independent/ Member	5	1
Mr. A Murugesan ¹	Non Executive/ Independent/ Member	3	1
Mr. A N Vasu Rao ²	Non Executive/ Independent/ Member	-	-

1 Mr. A Murugesan passed away on 14-11-2011

2 Mr. A N Vasu Rao was inducted to the Audit committee on 14th of May 2012

Terms of reference

Following are the main terms of reference given by the Board of Directors to the Audit committee:

1. Regular review of accounts, accounting policies and disclosures.
2. Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
3. Review any qualifications in the draft audit report.
4. Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
5. Upon completion of the audit, attend discussions with the independent auditors to ascertain any area of concern.
6. Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems.
7. Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
8. Examine matters relating to the Director's Responsibility Statement for compliance with Accounting Standards and accounting policies.

9. Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
10. Examine any related party transactions, i.e., transactions of the Company that are of a material nature with promoters or management, their subsidiaries, relatives, etc., that may have potential conflict with the interests of the Company.
11. Appointment and remuneration of statutory and internal auditors.
12. To consider other matters, as may be referred to by the Board of directors from time to time.

Remuneration Committee

Pursuant to the provisions of Clause 49 of the Listing Agreement, Board has constituted Remuneration Committee. The Remuneration Committee presently consists of TWO Non- Executive Directors of which one is an Independent Director. Mr. A P C Krishnamoorthy is the Chairman of the Committee. The Committee determines and recommends to the Board of Directors, the remuneration payable to the Board of Directors. The resolution for the appointment and remuneration payable to the Board of Directors are approved by the shareholders of the Company.

Number of meetings held and the dates on which held:

The Remuneration Committee met once during the financial year on 22nd July 2011.

The composition of the Remuneration Committee and particulars of meetings attended by the members are given below:

Name	Category/ Status	Meetings Held	Meetings Attended
Mr. A P C Krishnamoorthy	Non Executive/ Independent / Chairman	1	1
Mr. P Muralithasan	Non Executive/ Non Independent / Member	1	1
Mr. A Murugesan ¹	Non Executive/ Independent / Member	1	-

¹ Mr. A Murugesan passed away on 14-11-2011

Terms of reference

The terms of reference of the Remuneration/Compensation Committee is set out below:

1. Determine the remuneration, review performance and decide on variable pay of executive Directors.
2. Establish and administer employee compensation and benefit plans.
3. Such other matters as may be required from time to time under any statutory, contractual or other regulatory requirement.

Remuneration to Directors

The remuneration paid/payable to the Executive Directors of the Company for the year ended 31st March 2012, are as under:

(Rs. in Lakhs)			
Name of the Director	Salary	Commission	Total
Mr. P Arul Sundaram	42.06	-	42.06
Mrs. A Nithya	18.00	-	18.00

The company does not pay remuneration to any of its Non-executive Directors barring sitting fees for attending the meeting(s). The sitting fees paid are Rs. 5,000/- for each Board meeting and Audit Committee Meeting and Rs. 1,000/- for each Committee Meeting (other than Audit Committee) attended by them.

ESOP Scheme

The Company does not have Employee Stock Option Scheme.

Shareholding of Directors

Details of shares held by the Directors in the Company as on 31st March 2012 are as follows:

Name of the Director	No. of Shares held
Mr. P Arulsundaram	97,88,443
Mrs. A Nithya	65,78,973
Mr. S Thirunavukkarasu	156
Mr. P Muralithasan	156
Mr. S Swaminathan	Nil
Mr. A P C Krishnamoorthy	Nil
Mr. A N Vasu Rao	Nil
Mr. K Natarajan	Nil

There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-executive directors during the year.

Shareholders'/ Investors' Grievance Committee:

To oversee and review all matters connected with transfer of securities, non-receipt of annual report, notices, dividend and for attending various grievances of the shareholders, the Board has constituted a Shareholders'/ Investors' Grievance Committee.

The Committee was once reconstituted during the financial year at the Board of Directors Meeting dated 01.11.2011. Presently the Committee consists of THREE Directors comprising of ONE Executive Director, ONE Non Executive Director and ONE Independent Director. The Committee has delegated the authority for share transfers to the Managing Director. The Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of investors' services.

The Investors' Relation Committee met four times during the financial year on 30th June 2011, 31st December 2011, 9th January 2012 and 31st March 2012.

The composition of the Investors' Relation Committee and particulars of meetings attended by the members are as follows:

Name	Category / Status	Meetings Held	Meetings attended
Mrs. A Nithya	Executive/ Promoter/ Member	4	3
Mr. S Thirunavukkarasu	Non Executive/ Non Independent/ Member	4	4
Mr. A P C Krishnamoorthy	Non Executive/ Independent/ Member	4	1

Compliance Officer

Mr. R Nithya Prabhu, Company Secretary acts as Compliance officer. Further the Company Secretary has been authorized to deal with all correspondence and complaints of the investors. He apprises the Committee about the status of Complaints/ Grievances.

Investors Grievance Redressal

During the year a total of 10 complaints were received and all the complaints were resolved to the satisfaction of shareholders. There were no outstanding complaints as on 31st March 2012.

Subsidiary Companies

The Company has three wholly owned subsidiaries and one Step-down subsidiary as on 31st March 2012. These Subsidiary companies are Board managed Companies. Brief profiles of the subsidiaries are given under Management Discussion and Analysis Report.

General Body Meeting

The details of the Annual General Meetings held during the preceding three years and the Special Resolutions passed there at are as under:

AGM	Financial Year	Date & Time	Venue	Special Resolutions passed
14 th	2008 – 2009	25 th September, 2009, 2.30 P.M	III Floor, P & C Tower, No. 140, Perundurai Road, Erode - 638 011, Tamil Nadu	None
15 th	2009 – 2010	30 th August, 2010 2.30 P.M	III Floor, P & C Tower, No. 140, Perundurai Road, Erode - 638 011, Tamil Nadu	None
16 th	2010 – 2011	22 nd August, 2011 10.00 A.M	Hotel Club Melaange, Perundurai Road, Erode - 638 011, Tamil Nadu	None

- o No Extra-Ordinary General Meeting was held during the year 2011-12.
- o No Court Convened Meeting of Members was held during the year 2011-12.
- o No resolutions were passed by Postal Ballot in the year 2011-12. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.

Disclosures

None of the transactions with any of the related parties viz., Promoters, Directors or the Senior Management, their Subsidiaries or relatives were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS 18) relating to "Related Party Transactions" have been made separately in the Annual Report.

The related party transactions with Subsidiary Companies are at arm's length and are based on consideration of business necessity and strategy for investments, profitability, legal requirements and the like.

During the last 3 years, no penalties or strictures have been imposed on the company by Stock Exchanges, SEBI or any statutory authority for non compliance on any matter relating to the capital markets.

The Company has not implemented Whistle Blower Policy. However no employee of the Company has been denied access to the Audit Committee.

The Company has complied with all the mandatory requirements of corporate governance norms as enumerated in Clause 49 of the Listing Agreement.

CEO/CFO Certification: In terms Clause 49 (V) of the Listing Agreement, a Certificate duly signed by Mr. P Arul Sundaram, Managing Director of the Company was placed before the Board of Directors along with the financial statements.

The company has not opted for the non-mandatory requirements as prescribed in Clause 49 of the Listing Agreement except for the Remuneration committee.

Code of Conduct

The Company has laid down a Code of Conduct ("the Code") for all the Board members and Senior Management personnel of the Company. The Code is also posted on the website of the Company.

All Board members and Senior Management personnel have affirmed their compliance with the code of conduct for the year under review. A declaration to this effect signed by the Managing Director of the Company is attached and forms part of this Report.

Means of Communication

In terms of Clause 54 of the Listing Agreement, the Company has been maintaining a functional website at www.rppiil.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

The quarterly, half-yearly and yearly financial results of the Company are disseminated at once to the Stock Exchanges after the approval by the Board. These are published in Business Standard (National Issue) and Dinamalar (Tamil daily), which are national and local dailies respectively and also posted on the website of the Company for the benefit of the stakeholders.

Results and reports of the company are also available in www.nseindia.com & www.bseindia.com.

There were no specific presentations made to Institutional investors or to analysts during the year. Official news releases are made whenever it is considered necessary.

General Shareholder information:

1. Information about 17th Annual General Meeting:

Date & Time : Saturday,
September 29, 2012 at 10.00 A.M
Venue : Builders' Welfare Trust Hall,
Builders' Association of India,
No.35, Perundurai Road,
Erode - 638 011, Tamil Nadu

2. **Financial Year**

The financial year of the Company commences with 1st April every year and ends with 31st March in the succeeding year.

Financial Calendar (tentative)

Results for the quarter ending:

June 30, 2012 - Second week of August, 2012

September 30, 2012 - Second week of November, 2012

December 31, 2012 - First week of February, 2013

March 31, 2013 - Second week of May, 2013

Annual General Meeting - August, 2013

3. **Date of Book Closure**

The Register of Members and Share Transfer Books shall be closed for a period of 9 days starting from Friday, 21st September 2012 to Saturday, 29th September 2012 (Inclusive of Both Days).

4. Dividend payment date

Dividend, if declared, shall be Credited/ dispatch of dividend warrants between October 20, 2012 and October 27, 2012.

5. Listing on Stock Exchanges

The Equity shares of the Company are listed on the **National Stock Exchange of India Limited (NSE)** and the **Bombay stock Exchange Limited (BSE)**.

6. Stock Code/ Symbol

National Stock Exchange: Stock Code: RPPINFRA,
Series: EQ

Bombay stock Exchange: Scrip Code: 533284

DEMAT ISIN in NSDL and CDSL for Equity Shares is: INE324L01013.

7. Payment of Listing Fees

The Company has paid the annual listing fees for the year 2012-13 to NSE and BSE.

8. Payment of Depository Fees

The Company has paid custodial fees for the year 2012-13 to National Securities Depository Limited and Central Depository Services (India) Limited.

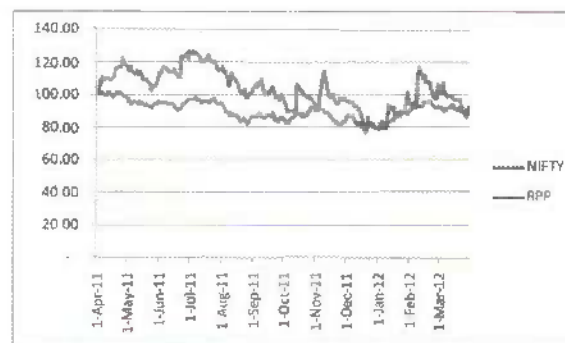
9. Market Price Data:

High/Low (Rs.) during each month of 2011-12 at BSE and NSE

Month	BSE		NSE	
	Low Rs.	High Rs.	Low Rs.	High Rs.
April 2011	65.00	88.80	64.10	82.45
May 2011	65.00	82.90	64.00	80.05
June 2011	70.35	95.00	70.00	83.40
July 2011	75.05	83.90	74.50	90.00
August 2011	52.80	80.00	61.00	83.00
September 2011	58.50	75.00	61.70	74.00
October 2011	56.50	71.95	57.00	71.85
November 2011	60.00	77.40	59.10	77.90
December 2011	49.90	63.95	49.05	65.00
January 2012	51.05	69.00	51.00	69.00
February 2012	80.00	78.75	59.70	80.00
March 2012	54.90	74.90	55.10	74.85

10. Share Performance

The following charts compare RPP share prices with the BSE Sensex and NSE Nifty respectively



Note: RPP share prices, Sensex & Nifty are indexed to 100 as on April 1, 2011

11. Registrars and Share Transfer Agents

M/s Cameo Corporate Services Limited,
"Subramanian Building"
No. 1, Club House Road,
Chennai 600 002, Tamil Nadu
Email: cameo@cameoindia.com

12. Share Transfer Process:

The company's shares are traded on the stock exchange only in electronic mode. Shares in physical form are processed by the Registrar and transfer agents M/s Cameo Corporate Services Limited only after getting approval from shareholders committee. The share transfers are registered and returned within period of 15 days of receipt if documents are in order.

13. Secretarial Audit:

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in intact with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

14. Shareholding Pattern as on March 31, 2012

Category	No. of shares held	Percentage of holding
Promoters	1,63,67,466	72.42
Financial Inst/ Banks	-	-
Insurance Companies	-	-
FII	-	-
Mutual Funds	-	-
Bodies Corporate	49,28,515	21.81
Non-Resident Indians	10,165	0.04
Public	12,94,438	5.73
Total	2,26,00,584	100.00

15. Distribution of Shareholding as on 31.03.2012:

Share holding	Share holders		Shares	
No of shares	Number	% of total	Nos	% of total
13 - 500	2865	84.26	382201	* 60
501 - 1000	314	08.86	195471	0.86
1001 - 2000	105	02.96	139728	0.62
2001 - 3000	39	01.10	102114	0.45
3001 - 4000	8	0.23	28359	0.14
4001 - 5000	20	0.55	93902	0.42
5001 - 10000	22	0.62	171067	0.75
*0001 & Above	50	01.41	21506742	95.16
Total	3544	100.00	22600584	100.00

16. Dematerialization status of shares as on 31.03.2012:

Particulars	No of Shares	% to Share capital
National Securities Depository Limited	1921348	8.50
Central Depository Services (India) Limited	20678389	91.49
Total	22599737	99.99

17. There are no Outstanding GDRs/ADRs/Warrants or any Convertible Instruments as on 31st March 2012.

18. Investor Correspondence:

R.P.P Infra Projects Limited,
 Secretarial Department,
 Registered Office: SF No. 454, Raghupathyaiken
 Palayam, Railway Colony Post,
 Poondurai Road
 Erode - 638002
 Tamil Nadu
 Phone: +91 424 2259022
 Fax: +91 424 2253130
 Email: ipo@rppi.com & secretary@rppi.com

19. Details of Unclaimed Shares

The following are the unclaimed shares in the Demat Suspense Account of the Company as at 31st March 2012

S.No	Name of the Shareholders	Outstanding shares in the Suspense Account lying at the end of the year
1.	Mrs. Patel Nee	80
2.	Mr. S Sivasaraman	80
3.	Mr. Saji Vasudevan (JAE)	1119
	Total	1279

20. Postal Ballot

The company has successfully completed the process of obtaining the approval of members vide postal Ballot on the following resolutions during the financial year 2012-2013.

- 1) Special Resolution under Section 17 for Change of Objects Clause of the Memorandum of Association
 - 2) Special Resolution under Section 149(2) (A) for commencement of any business as set out in other objects clause of the memorandum of association
 - 3) Ordinary Resolution under Section 293 (1) (d) for borrow moneys in excess of paid-up capital and free reserves.
 - 4) Ordinary Resolution under Section 293 (1) (a) for the approval of members for creation of charge on the assets of the Company to secure the borrowings of the company
- Mrs. S Saimathy, Practising Company Secretary were appointed as the Scrutinizers, who carried out the postal ballot process in a fair and transparent manner.

The Result of the postal ballot were announced on 30.06.2012 by the Chairman & Managing Director at the Company's Registered Office.

Declaration regarding compliance of company's code of conduct

The Code of Business Conduct & Ethics for Directors/ Management Personnel ('the Code') is a comprehensive Code applicable to all Directors and Management Personnel. A copy of the Code has been put on the Company's website www.rppi.com. The Code has been circulated to all the Directors and Management Personnel and the compliance of the same is affirmed by them annually.

A declaration signed by the Chairman and Managing Director of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct & Ethics for Directors/Management Personnel in respect of the financial year 2011-12.

P Arul Sundaram
 Chairman & Managing Director

Compliance Certificate

To the members of R.P.P Infra projects Limited,

We have examined the compliance of conditions of Corporate Governance by R.P.P Infra projects Limited, for the year ended on 31.3.2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Relations Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

-Sd -

S. Saimathy

Practicing Company Secretary

CP No. : 8537

Place : Chennai Date : August 27, 2012

REPORT OF THE AUDITORS TO THE SHARE HOLDERS OF R.P.P. INFRA PROJECTS LTD

1. We have audited the attached Balance Sheet of **M/s. RPP INFRA PROJECTS LIMITED** as at 31.03.2012, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, read with Companies' (Auditors' Report) (Amendment) Order 2004 dated 25.11.2004, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books. The Report of Auditors of the Branch of the Company in Srilanka has been audited by other Auditors and our opinion is solely based on the report of such other Auditors. This has been appropriately dealt with by us in the Company's Accounts.

iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches.

iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

v) On the basis of written representation received from the Board of Directors and taken on record by the Board of directors, we report that none of the directors are disqualified at the year end as per the provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India::

a) in the case of Balance Sheet, of the state of affairs of the Company as at March, 31, 2011.

b) in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date; and

c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For **KARTHIKEYAN & JAYARAM**
CHARTERED ACCOUNTANTS

Partner

Membership No: 200-027291

Firm Regn No: 007570S

Place: Erode,

Date : Aug 27, 2012

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our Report dated 27/08/2012)

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.

(b) All the assets have been physically verified by the management during the year and that there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As reported no material discrepancies have been noticed on such verification.

(c) Fixed Assets disposed of during the year were not substantial. According to the information and explanations given to us, we are of the opinion that disposal of the Fixed Assets has not affected the going concern status of the Company.

(ii) (a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of the verification is reasonable.

(b) The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. (a) The Company has not granted loans to the company covered in the register maintained under section 301 of the Companies Act, 1956.

(b) is not applicable as no loans were not given to these Companies except to M/s.RPP Energy Systems Private Limited and the maximum amount outstanding at any point of the year was a sum of Rs. 73,54,275.

(c) and (d) are not applicable as there are no stipulated terms for the repayment of principal and the loan is interest-free.

(e) to (g) are not applicable as the company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the work done. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal controls.

(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and the list containing the maximum amounts outstanding at any point of time is attached herewith.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.

(vii) In our opinion the Company has regular internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of subsection (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete.

(ix) (a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of above were in arrears, as at March 31, 2012 for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, excise duty and cess were in arrears as at 31st March, 2011, for a period of more than six months from the date they became payable except a sum of Rs.341245/- and Rs.65582/- towards Sales tax and Income tax respectively.

(c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute, except in respect of the particulars given here under:

S.No Tax Laws Forum where Dispute is pending Period Amount 1 Service Tax Commissioner of Central Excise, Salem F.Yr 2008-09 Rs.2,52,28,175/- 2 Income Tax Assistant Commissioner of Income Tax, Circle-I, Erode F.Yr 2005-06 Rs. 24,14,650/- 3 Income Tax Assistant Commissioner of Income Tax, Erode F.Yr 2008-09 Rs. 51,87,870/-

(x) There are no accumulated losses of the company. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution or bank. There are no debenture holders.

(xii) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures & other investments.

(xv) As per written undertaking taken on record from the Management, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

(xix) According to the information and explanations given to us, the Company has not issued any debentures.

(xx) The company has not raised any money by way of public issue during the year.

(xxi) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit.

For KARTHIKEYAN & JAYARAM
CHARTERED ACCOUNTANTS

CA. G.N. JAYARAM, F.C.A.
Partner

Membership No: 200-027291
Firm Regn.No: 007570S

Place: Erode,
Date : Aug 27, 2012

Balance Sheet as at 31st March, 2012

Particulars		Note No.	As at 31 March 2012	As at 31 March 2011
			(₹)	
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	2		22,60,05,840	22,60,05,840
(b) Reserves and surplus	3		70,81,17,916	58,67,12,647
2 Non-current liabilities				
(a) Long-term borrowings	4		12,72,03,278	8,87,82,847
(b) Deferred tax liabilities (Net)	5		95,38,276	35,02,345
(c) Long-term provisions	6		4,47,742	1,80,843
3 Current liabilities				
(a) Short-term borrowings	7		55,70,30,497	22,56,78,316
(b) Trade payables	8		51,04,72,014	36,01,04,817
(c) Other current liabilities	9		43,60,37,311	37,76,12,259
(d) Short-term provisions	10		6,49,08,251	7,58,58,444
TOTAL			2,63,97,61,127	1,94,44,38,358
II. ASSETS				
Non-current assets				
1 (a) Fixed assets				
(i) Tangible assets			49,17,04,066	27,43,50,395
(ii) Intangible assets	11		6,66,801	1,60,219
(iii) Capital work-in-progress			26,61,454	1,26,78,584
(b) Non-current investments	12		29,89,969	16,08,381
(c) Long-term loans and advances	13		1,81,90,176	3,67,28,156
(d) Other non-current assets	14		6,22,12,621	8,88,37,588
2 Current assets				
(a) Inventories	15		75,74,230	91,81,386
(b) Trade receivables	16		94,45,28,674	56,85,12,189
(c) Cash and cash equivalents	17		23,85,38,917	30,15,16,749
(d) Short-term loans and advances	18		37,26,50,297	34,73,75,014
(e) Other current assets	19		49,80,43,922	30,34,89,696
TOTAL			2,63,97,61,127	1,94,44,38,358
Significant to Accounting Policies		1		
The accompanying notes including other explanatory information form an integral part of the financial statements				

For and on behalf of the Board

P. Arulsundaram
Chairman and Managing DirectorA. Nithya
Whole Time DirectorR. Nithya Prabhu
Company SecretaryAs per our Report of even date
M/s. Karthikeyan & Jayaram
Chartered AccountantsCA G.N. Jayaram F.C.A.
(Partner)
Membership No. 200-027291
Firm Registration No. 0075705Place: Erode,
Date : Aug 27, 2012

Statement of Profit and loss statement for the year ended 31st March, 2012

Particulars		Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
			(₹)	
I.	Revenue from operations	20	2,40,96,53,196	2,07,71,49,868
II.	Other income	21	2,21,93,335	2,08,14,011
III.	Total Revenue (I + II)		2,43,18,46,531	2,09,79,63,879
IV.	Expenses:			
	Cost of materials consumed	22	52,27,23,895	50,50,47,504
	Direct Operating Cost	23	1,37,13,82,346	1,16,50,04,101
	Employee benefits expenses	24	6,55,16,747	6,59,57,939
	Finance cost	25	9,51,11,639	5,12,66,843
	Depreciation and amortization expenses	11	6,88,64,106	3,83,80,252
	Other expenses	26	12,49,94,729	8,69,14,151
	Total expenses		2,24,85,93,463	1,91,25,70,790
V.	Profit before exceptional and extraordinary items and tax (III-IV)		18,32,53,069	18,53,93,089
VI.	Exceptional items	27	-81,91,974	59,832
VII.	Profit before extraordinary items and tax (V - VI)		19,14,45,042	18,53,33,257
VIII.	Extraordinary items		-	-
IX.	Profit before tax (VII- VIII)		19,14,45,042	18,53,33,257
X	Tax expense:			
	(1) Current tax		4,69,06,617	4,95,18,768
	(2) Deferred tax	5	60,35,931	9,08,415
XI	Profit (Loss) for the period from continuing operations (IX - X)		13,85,02,494	13,49,08,075
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		13,85,02,494	13,49,08,075
XVI	Earnings per equity share:			
	(1) Basic		6.13	7.31
	(2) Diluted		6.13	7.31

For and on behalf of the Board

P. Arulsundaram
Chairman and Managing DirectorA. Nithya
Whole Time DirectorR. Nithya Prabhu
Company SecretaryAs per our Report of even date
M/s. Karthikeyan & Jayaram
Chartered AccountantsCA G.N. Jayaram F.C.A
(Partner)
Membership No:200-027291
Firm Registration No:007570SPlace: Erode,
Date : Aug 27, 2012

Cash Flow Statement for the year ended 31st March, 2012

Particulars	₹	
	Financial year	
	2011-12	2010-11
Cash Flows From Operating Activities		
Profit Before Tax	19,14,45,042	18,53,33,257
Add: Depreciation	6,88,64,106	3,83,80,252
Add: Interest	9,51,11,639	5,12,66,843
Less: Unrealised Forex (Gain / Loss - NET)	4,20,096	-
Less: Interest Received	81,64,314	86,74,069
Operating Profit Before Working Capital Changes	34,68,36,377	26,63,06,284
(Increase) / Decrease in Current Assets	-54,90,75,891	-74,67,22,436
Increase / (Decrease) in Current Liability	16,26,59,532	29,98,31,278
Operating Profit After Working Capital Changes	-38,64,16,359	-44,68,91,158
(Increase) / Decrease of Advance to Projects	-	-3,35,18,986
Cash Generated From Operations	-38,64,16,359	-48,04,10,143
Less: Tax Paid Including Dividend Tax	-5,48,19,386	-5,32,72,442
Less: Income Tax adjustment for prior Period	-35,00,000	-
Less: Dividend Paid	-1,13,00,292	-2,26,00,584
Net Cash Flow From Operating Activities	-10,91,99,659	-28,99,76,885
Cash Flow From Investing Activities		
Purchase of Fixed Assets	-29,80,04,816	-8,72,89,281
Sales of Fixed Assets	2,28,43,414	25,33,507
Profit on Sale of Fixed Assets	-15,45,827	-1,18,207
Advance paid for Capital Goods	-	-2,01,34,319
(Increase) / Decrease of Investments	-13,81,588	-8,24,100
Interest Received	81,64,314	86,74,069
Net Cash Flow From Investing Activities	-26,99,24,503	-10,24,61,538
Cash Flow From Financing Activities		
Proceeds from Issue of Shares including Share Premium	-	45,75,43,800
Interest Paid	-9,51,11,639	-5,12,66,843
Public Issue Expenses	-	-4,08,01,855
Increase / (Decrease) in Secured Long-Term Loan	5,84,72,362	5,18,33,552
Increase / (Decrease) in Secured working Capital Loan	33,13,52,182	1,65,43,001
Increase / (Decrease) in Unsecured Loan	1,53,97,494	18,65,01,722
(Increase) / Decrease in Deferred Tax Liability	60,35,931	-9,06,416
Net Cash Flow From Financing Activities	31,61,46,330	61,94,46,961
Net Increase / (Decrease) in Cash And Cash Equivalent	-6,29,77,833	22,70,08,538
Cash and Cash Equivalent at beginning of the period	30,15,16,749	7,45,08,211
Cash and Cash Equivalents at ending of the period	23,85,38,916	30,15,16,749

Notes :

Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3. "Cash Flow Statements" as specified in the Companies (Accounting Standard) Rule, 2006

Purchase of Fixed Assets includes movement of Capital Work-in-progress during the year

Cash and Cash equivalents at the end of the year represents Cash and Bank Balance which includes unpaid Dividend of Rs.9,08,742/-

Previous year's figures have been regrouped/reclassified wherever applicable

For and on behalf of the Board

P. Arulsundaram
Chairman and Managing Director

A. Nithya
Whole Time Director

R. Nithya Prabhu
Company Secretary

As per our Report of even date
M/s. Karthikeyan & Jayaram
Chartered Accountants

CA G.N. Jayaram F.C.A
(Partner)

Membership No.200-027291
Firm Registration No. 007570S

Place: Erode,
Date : Aug 27, 2012

Notes forming part of the Accounts**Note 1: Significant Accounting Policies****1. Basis of Accounting:**

The financial statements have been prepared as of a going concern on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles, Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2. Use of Estimate:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Cash Flow Statement:

Cash Flow Statement is prepared in accordance with "Indirect method" as explained in the Accounting standard 3 issued by the Institute of Chartered Accountants of India.

4. Classification of Assets and Liabilities:

The Revised Schedule VI to the Companies Act, 1956 requires assets and liabilities to be classified as either Current or Non-current.

a. An asset shall be classified as current when it satisfies any of the following criteria:

- i. It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is expected to be realized within twelve months after the reporting date; or
- iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

b. All assets other than current assets shall be classified as non-current.

c. A liability shall be classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle;
- ii. It is held primarily for the purpose of being traded;
- iii. It is due to be settled within twelve months after the reporting date; or
- iv. The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

d. All liabilities other than current liabilities shall be classified as non-current.

5. Operating Cycle:

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Notes forming part of the Accounts (contd.)

6. Fixed assets:

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation, amortisation and impairment losses, if any. All costs relating to the acquisition and installation of fixed assets are capitalized which includes borrowing costs directly attributable to construction or acquisition of fixed assets up to the date the asset is put to use.

7. Depreciation Accounting:

Depreciation is being charged on Written down Value method in accordance with rates specified under schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion to assets during the period has been provided on pro-rata basis with reference to the date of addition / deletion. Depreciation on assets, whose actual cost does not exceed five thousand rupees, has been provided at the rate of 100%.

8. Inventories :

Raw Materials and other construction materials are valued at the lower of cost and net realizable value on the basis of FIFO method.

9. Revenue Recognition :

Accounting of construction contracts: The Company follows the percentage completion method, as prescribed by The Institute of Chartered Accountants of India vide the Accounting Standard 7, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Total costs estimated to complete the contract are adopted as assessed by a qualified engineer and certified by the Management.

10. Accounting for Effects of changes in Foreign Exchange Rates:

Transactions in foreign currencies are recorded at the rate prevailing on date of transaction. Foreign Branch and Subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' and are shown in the Balance sheet.

11. Accounting for Investments:

Long Term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are stated at lower of cost and fair value, computed category-wise.

12. Employee Benefits :

- i) Employer's contribution to the recognized provident fund, which is a defined contribution scheme and ESI Contribution as per law are charged to the profit and loss account.
- ii) Provision for Gratuity has been provided for the year under group gratuity scheme with Life Insurance Corporation of India.

13. Earnings per Share :

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share are computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

Notes forming part of the Accounts (contd.)**14. Accounting for Taxes on Income :**

- i) **Current Income Tax:** Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961, after deducting the profit for which the company is likely to claim exemption U/s 80IA.
- ii) **Deferred Taxes:** Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Timing differences arising due to difference in depreciation as per accounting records and Income Tax Act has alone been considered. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

15. Impairment of Assets :

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

16. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resource to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

a) Disclosure pursuant to Accounting Standard 7 (Revised) "Construction contracts"

Particulars	₹ Lakh	
	2011-12	2010-11
Contract revenue recognized for the financial year	23,709.09	20,771.50
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) as at end of the financial year for all contracts in progress as at that date	21,612.50	18,759.76
Amount of customer advances outstanding for contracts in progress as at the end of the financial year	1,296.10	2,066.70
Retention amounts due from customers for contracts in progress as at the end of the financial year	2,192.70	1,617.20

Notes forming part of the Accounts (contd.)**b) Disclosure of Particulars of "Employees Benefits" as Required by Accounting Standard 15 – Gratuity Plan****Summary of key Result**

Particulars	₹ Lakh	
	2011-12	2010-11
Present value of Obligation	4.44	4.10
Fair Value of Plan Assets	4.97	3.42
Net Asset / (Liability) recognized in Balance Sheet	(0.53)	(0.68)
No of Employees	10	10
Assumptions : Discount Rate	8%	8%
Salary Escalation	8%	8.50%

Table Showing changes in Present Value of Obligations

Particulars	₹ Lakh	
	2011-12	2010-11
Present value of Obligation as at the beginning of the year	4.10	2.69
Interest Cost	0.33	0.22
Current Service Cost	0.36	0.25
Benefits Paid	-	-
Actual (Gain) / Loss on obligations	(0.34)	0.94
Present value of obligations as at end of the year	6.44	4.10

Table Showing changes in Fair Value of Plan Assets

Particulars	₹ Lakh	
	2011-12	2010-11
Fair Value of Plan assets at the beginning of the year	3.42	2.91
Expected return on plan assets	0.37	0.28
Contributions	1.18	0.23
Benefits Paid	-	-
Actual (Gain) / Loss on Plan Asset	Nil	Nil
Fair Value of plan asset as at end of the year	4.97	3.42

Actuarial Gain / Loss Recognised

Particulars	₹ Lakh	
	2011-12	2010-11
Actuarial (Gain) / Loss on Obligations	0.34	0.94
Actuarial (Gain) / Loss on Plan Assets	NIL	Nil
Actuarial (Gain) / Loss recognised in the year	0.34	0.94

Amount to be Recognised in the Balance Sheet and Statement of Profit & Loss

Notes forming part of the Accounts (contd.)

Particulars	₹ Lakh	
	2011-12	2010-11
Present value of obligations as at the end of the year	4.44	4.10
Fair Value of Plan Assets as at the end of the year	4.97	3.42
Funded Status	0.33	(0.68)
Net Assets / (Liability) recognised in the Balance Sheet	(0.53)	(0.68)

Expenses Recognised in the Statement of Profit & Loss

Particulars	₹ Lakh	
	2011-12	2010-11
Interest Cost	0.33	0.22
Current Service Cost	0.36	0.25
Expected Return on Plan Assets	(0.37)	(0.28)
Actuarial (Gain) / Loss recognised in the year	(0.34)	0.94
Expenses recognised in the Statement of Profit & Loss	(0.02)	1.13

c) Disclosure of related parties/ related party transactions pursuant to Accounting Standard 18
 "Related Party Disclosures"

List of related parties over which control exists

Name of the related party	Relationship
RPP Infra Overseas PLC	Subsidiary
RPP Infra Projects (Lanka) Limited	Subsidiary
RPP Energy Systems Private Limited	Subsidiary
RPP Infra Projects Gabon SA	Step down Subsidiary
SPAC Terminal Market Complex Limited	Associate
P Arul Sundaram – Chairman & Managing Director	Key Management Personnel
A Nithya – Whole Time Director	Key Management Personnel
RPP Selvam Infrastructure Private Ltd	Mr. Arul Sundaram (CMD) is the brother of Mr. P. Selvasundaram who is promoter of M/s. RPP Selvam Infrastructure Private Limited
P & C Constructions Pvt Ltd	Mrs. A. Nithya (WTD) is one of the share holder in M/s. P & C Construction Pvt Ltd and Mr. Periyasamy Chairman of M/s. P & C Constructions Pvt Ltd is the father of Mrs. A. Nithya
Sanjeevi Constructions	Mr. Muralihasan who is the Director, is Managing Partner of the Firm
Sakthi Constructions	Mr. Thirunavukkasu who is the Director, is Managing Partner of the Firm

Notes forming part of the Accounts (contd.)

Disclosure of related party transactions

Nature of Transaction/ Relationship/ Parties	₹ Lakh	
	2011-12	2010-11
<u>Purchase of Goods & Services/ Work Bills</u>		
Subsidiaries		
RPP Infra Projects (Lanka) Limited	3,210.98	
Other Related Parties		
P & C Construction Pvt Ltd	26.85	351.32
Sanjeevi Constructions	280.46	533.86
Sakthi Constructions	1,167.18	537.70
<u>Sale of goods/ contract revenue & services</u>		
Subsidiaries		
RPP Infra Projects Gabon SA	387.43	-
<u>Sale of Fixed Assets</u>		
Step Down Subsidiary		
RPP Infra Projects Gabon SA	1,267.86	-
<u>Subscription to equity shares (including application money paid)</u>		
Subsidiaries		
R.P.P. Energy Systems Pvt Ltd	-	5.00
RPP Infra Overseas PLC	-	2.24
RPP Infra Projects (Lanka) Limited	4.92	-
Advances Given / repaid		
Subsidiaries		
Other Related Parties	66.74	635.71
Amounts Receivable in respect of loans & advances as on Balance sheet date		
RPP Infra Overseas PLC	131.93	6.63
RPP Infra Projects (Lanka) Limited	41.26	-
R.P.P. Energy Systems Pvt Ltd	73.54	46.40
Amounts Payable in respect of loans & advances as on Balance sheet date		
RPP Infra Projects (Lanka) Limited	2,192.58	-
Other Related Parties	599.38	683.25
Payment of Salaries/ perquisites (Other than commission to Key management personnel)		
Mr. P. Arulsundaram - Chairman and Managing Director	42.05	45.50
Mrs. A. Nithya - Whole Time Directors	18.00	19.50
Commission paid to Directors	NIL	NIL
Commission paid to Key management personnel	NIL	NIL

Notes forming part of the Accounts (contd.)

d) Basic and Diluted earning per share (EPS) computed in accordance with Accounting Standard 20 "Earnings Per Share"

Particulars		(₹) / Nos	
		2011-12	2010-11
Basic			
Profit after tax as per accounts	A	13,85,02,495	13,49,08,075
Weighted Average number of shares outstanding	B	2,26,00,584	1,84,55,530
Basic EPS	A/B	6.13	7.31
Diluted			
Profit after tax as per accounts	A ₁	N.A.	N.A.
Weighted average number of shares outstanding	B	N.A.	N.A.
Add: Weighted average number of potential equity shares of dilutive nature	C	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	-	-
Diluted EPS	A/D	-	-
Face value per Share	Rs.	10	10

* Based on weighted average method

e) Contingent Liabilities

Particulars	Period	(₹ Lakhs)	
		2011-12	2010-11
Counter Indemnities given to Banks in respect of contracts		3,368.19	2,912.00
Income Tax Liability that may arise in respect of which Company is in appeal	2005-06	24.15	24.15
Income Tax Liability that may arise in respect of which Company is in appeal	2008-09	518.79	518.79
Service Tax liability that may arise in respect of matters in appeal	2008-09	252.28	252.28
Corporate Guarantees given on behalf of Subsidiary Companies		952.20	-

f) Commitments

Particulars	(₹)	
	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account (net of advances)	NIL	NIL

g) Auditors' remuneration (excluding service tax) and expenses charged to the accounts:

Particulars	₹ Lakh	
	2011-12	2010-11
As Auditor	6.25	5.98
For Taxation matters	0.68	-
For other services	6.25	1.04
For reimbursement of expenses	-	-

Notes forming part of the Accounts (contd.)**h) Value of Imports on CIF Basis:**

Particulars	(₹)	
	2011-12	2010-11
Raw Materials	NIL	NIL
Components and Spare parts	NIL	NIL
Capital Goods	NIL	NIL

i) Against the total projected utilization of Rs. 45.75 crores from the Initial Public Offering funds, the entire amount has been utilized towards funding margin requirement for working capital, investments in capital equipments, capitalization of subsidiaries which are SPV's carrying out projects overseas, general corporate purposes and issue expenses.

j) Expenditure in Foreign Currency

Particulars	₹ Lakh	
	2011-12	2010-11
On Overseas Contracts	3,210.96	-
Others	52.76	85.59

k) Earnings in foreign exchange

Particulars	₹ Lakh	
	2011-12	2010-11
Construction and project related activities		
Export of Services	387.43	-

Notes forming part of the Accounts (contd.)

Statement Pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	Unit	R.P.P Energy Systems Private Limited, India	R.P.P Infra Projects (Lanka) Limited, Sri Lanka	R.P.P Infra Overseas PLC, Mauritius
Financial year ending		31.03.2012	31.03.2012	31.03.2012
No. of Shares (fully paid up) held by the Company on the above dates	No	50000	116143	4980
Face Value of Each Share		₹ 10	SLR 10	\$ 1
Extent of Holding Company's Interest	%	100%	100%	100%
Net aggregate amount of Subsidiary's Profit / (Loss)	₹ Lakh	(2.47)	230.29	646.38
Not dealt with in the accounts of the Company				
for the year ended 31st March, 2012		-	-	-
for the previous financial year		-	-	-
Dealt with in the accounts of the Company				
for the year ended 31st March, 2012		-	-	-
for the previous financial year		-	-	-
Any change in the holding company's interest in the subsidiary between the end of the financial year and the end of the holding company's financial year		No	No	No
Details of any material changes which have occurred between the end of the financial year and the end of the holding company's financial year in respect of :		N.A.	N.A.	N.A.
i) subsidiary's Fixed Asset (Net)	₹ Lakh	-	18.74	358.38
ii) its Investments	₹ Lakh	-	-	10.73
iii) The money lent by it	₹ Lakh	-	-	-
iv) The money borrowed by it for any purpose other than that of meeting current liabilities	₹ Lakh	No	No	No
Exchange Rate in respect of Foreign Subsidiaries:	Net aggregate profit and losses of foreign subsidiaries are translated as per AS 11 of Accounting Standard.			

Notes forming part of the Accounts (contd.)

The details of subsidiaries in terms of General Circular No. 2/2011 dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212 (8) of the Companies Act, 1956, is as under:

Particulars	R.P.P Energy Systems Private Limited, India	R.P.P Infra Projects (Lanka) Limited, Sri Lanka	R.P.P Infra Overseas PLC, Mauritius
	₹ Lakh	₹ Lakh	₹ Lakh
Share Capital	5.00	4.92	2.24
Reserves and Surplus	(2.47)	289.57	1,280.22
Total Assets	76.09	2,274.08	3,448.02
Total Liabilities	0.02	1,784.48	2,033.62
Details of investment (except in case of investment in the subsidiaries)	-	-	10.73
Turnover and Other Income	-	3,211.63	2,979.85
Profit / (Loss) Before Taxation	(2.47)	261.69	654.97
Provision for Taxation	-	31.40	8.59
Profit / (Loss) after Taxation	(2.47)	230.29	646.38
Proposed Dividend	Nil	Nil	Nil

m) Figures for the previous year have been regrouped/ reclassified wherever necessary.

PARUL SUNDARAM
Chairman & Managing Director

ANITHYA
Whole Time Director

RNITHYA PRABHU
Company Secretary

As per our report attached
For **KARTHIKEYAN & JAYARAM**
CHARTERED ACCOUNTANTS

G.N. JAYARAM
Partner,
Membership No: 200-027291
Firm Regn No: 07570S

Place: Erode ,
Date: Aug 27, 2012

Notes forming part of the Accounts (contd.)

Note No. 2

(A) Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 10 each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Issued Equity Shares of ₹ 10 each	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840
Subscribed & Paid up Equity Shares of ₹ 10 each fully paid	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840
Total	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840

Note No.2.1

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

Note No.2.2

Details of Shares in the Company held by each shareholders holding more than 5% total Shares Issued, Subscribed and Paidup.

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Arulsundaram	97,88,443	43.31%	97,88,443	43.31%
Mrs. A. Nithya	65,78,973	29.11%	63,10,665	27.92%

Note No.2.3

Bonus Shares/Buy Back/Shares for consideration other than Cash issued during past five years

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	1,37,50,000	-	-
Shares bought back	-	-	-	-	-

Note No.2.4 - Share reconciliation

Equity Shares - Number of Shares at the Beginning and at the end of the reporting period

Description	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	Value	No. of Shares	Value
Shares at the Beginning of the year	2,26,00,584	22,60,05,840	1,65,00,000	16,50,00,000
Add : IPO during the year	-	-	61,00,584	6,10,05,840
Shares at the End of the year	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840

Note No.2.5 - Proposed Dividend

The Directors recommend payment of dividend of Re.0.50 per equity share of Rs.10 each on the number of shares outstanding as on the record date. Provision for Dividend has been made in the books of account for 22600584 equity shares outstanding as at 31st March 2012 amounting to Rs. 1,13,00,292/-

Notes forming part of the Accounts (contd.)

Note No.3

<u>Reserves & Surplus</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Securities Premium Account		
Opening Balance	39,65,37,960	-
Add : Share Premium credited on IPO	-	39,65,37,960
Closing Balance	39,65,37,960	39,65,37,960
b. Surplus		
Opening balance	19,06,45,036	8,21,44,874
(+) Net Profit/(Net Loss) For the current year	13,85,02,494	13,49,08,075
(+) Transfer from Reserves	-	-
(-) Income Tax adjustment pertaining to prior periods	35,00,000	53,707
(-) Proposed Dividend including Dividend Tax	1,31,77,129	2,63,54,258
Closing Balance	31,24,70,454	19,06,45,036
c. Other Reserves		
Foreign Currency Translation Reserve		
Opening Balance	4,70,349	
For the period	-4,20,149	-4,70,349
Closing Balance	-6,90,498	-4,70,349
Total	70,81,17,916	58,67,12,647

Notes forming part of the Accounts (contd.)

Note No.4

<u>Long Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<u>Secured</u>		
(a) Term loans		
from banks (refer Note 4.1)	4,37,47,544	3,22,91,588
from Non-Banking Financial Institutions (refer Note No.4.1)	3,76,38,778	3,87,13,488
	8,13,86,322	7,10,05,076
<u>Unsecured</u>		
(b) Term loans		
from banks (refer Note No.4.1)	4,16,66,674	-
from Non-Banking Financial Institutions (refer Note No.4.1)	41,50,282	1,77,77,771
	4,58,16,956	1,77,77,771
Total	12,72,03,278	8,87,82,847

Notes forming part of the Accounts (contd.)
Note No.4.1

Long Term Borrowings	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Non-Current Portion		Current Portion	
	₹	₹	₹	₹
Secured				
(a) Term loans				
(i) From Banks				
Centurion Bank Ltd	-	-	-	6,73,231
HDFC Bank Ltd	3,03,41,867	2,84,74,131	2,92,63,402	2,50,02,802
ICICI Bank Ltd	9,05,865	36,43,211	27,37,346	28,05,173
Kotak Mahindra Bank Ltd	-	1,74,246	1,74,246	4,87,716
(Secured by First charge by way of Hypothecation of Capital Asset and Hire Purchase Loan)				
Axis Bank Ltd	1,24,99,812	-	3,38,70,592	-
(Secured by First charge by way of Hypothecation of Chennai Guindy Office towards Land and Super Structure)				
	4,37,47,544	3,22,91,588	6,60,45,586	2,89,68,921
(ii) from Non-Banking Financial Institutions				
Reliance Capital Ltd	-	-	-	39,726
SREI Equipment Finance (P) Ltd	59,282	7,70,711	7,11,429	7,11,432
Sundaram Finance Ltd	-	41,500	41,500	2,38,500
Tata Capital Ltd	2,84,01,856	2,84,77,491	2,54,28,251	1,74,44,843
CITI Group Ltd	91,77,638	94,23,786	70,58,753	35,14,215
Bajaj Finance Ltd	-	-	-	2,76,766
(Secured by First charge by way of Hypothecation of Capital Asset and Hire Purchase Loan)				
	3,76,38,778	3,87,13,488	3,32,39,933	2,22,25,482
Total Secured Term Loan Borrowing	8,13,86,322	7,10,05,076	9,92,85,519	5,11,94,403
Unsecured Loan				
(b) Term loans				
from banks				
HDFC Bank Ltd	4,16,66,674	-	1,83,33,326	-
Kotak Mahindra Bank Ltd	-	-	-	89,657
	4,16,66,674	-	1,83,33,326	89,657
from other parties				
TATA Capital Ltd	-	1,77,77,771	1,77,77,771	5,33,33,340
Bajaj Finance Ltd	41,50,282	-	47,76,376	-
Reliance Capital Ltd	-	-	-	1,06,167
	41,50,282	1,77,77,771	2,25,54,147	5,34,39,507
Total Unsecured Long Term Borrowing	4,58,16,956	1,77,77,771	4,08,87,473	5,35,29,164

Notes forming part of the Accounts (contd.)

Note No.5

Deferred tax liabilities	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
Opening Balance (Depreciation)		35,02,345		25,95,930
During the year				
(a) As per Companies Act	6,87,41,645		3,83,11,384	
(b) As per Income Tax Act	8,73,71,061		4,09,78,095	
Difference (a) & (b)	1,86,29,416		26,66,711	
Tax (DTL)		60,35,931		9,06,415
Closing Balance		95,38,276		35,02,345

Note No.6

Long Term Provisions	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Provision for employee benefits		
Gratuity	4,47,742	1,80,843
Total	4,47,742	1,80,843

Notes forming part of the Accounts (contd.)

Note No.7

Short Term Borrowings	As at 31 March 2012	As at 31 March 2011
	₹	₹
Secured		
(a) Loans repayable on demand from banks (refer Note No.7.1)	55,70,30,497	22,56,78,316
Total	55,70,30,497	22,56,78,316

Note No.7.1

The Company enjoys Cash Credit facilities which are secured by ways of Book Debts, Work In Progress and Inventories at sites and these loans are repayable on demand from the respective Financial Institutions.

Fund Based Limit Enjoyed by the Company

Name of Lending institutions	Type of Loan	Sanctioned Limit	Utilised (2011-12)	Utilised (2010-11)
Indian Overseas Bank, Surampatti Branch, Erode	Cash Credit	50,00,00,000	43,83,49,554	18,45,99,393
Axis Bank Ltd, Mount Road, Chennai	Cash Credit	15,00,00,000	11,86,80,944	4,10,78,923
Total		65,00,00,000	55,70,30,497	22,56,78,316

Non-Fund (Bank Guarantee and Letter of Credit)Based Limit Enjoyed by the Company

Name of Lending institutions	Type of Loan	Sanctioned Limit	Utilised (2011-12)
Indian Overseas Bank, Surampatti Branch, Erode	Bank Guarantee and Letter of Credit Limit	40,00,00,000	37,47,80,724
ICICI Bank Ltd	Bank Guarantee and Letter of Credit Limit	15,00,00,000	
Total		55,00,00,000	37,47,80,724

Notes forming part of the Accounts (contd.)

Note No.8

Trade Payable	As at 31 March 2012	As at 31 March 2011
	₹	₹
Payable towards Goods Purchased and Services Received during normal course of Business		
(i) Related Parties		
Subsidiaries	28,09,92,309	6,98,25,284
(ii) Others	22,94,79,706	29,02,79,533
	51,04,72,014	36,01,04,817

Note No.9.1

The Company has no due to the suppliers under the Micro, Small and Medium enterprises Development Act, 2006 as at 31st Mar, 2012

The above information is required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the company

Notes forming part of the Accounts (contd.)

Note No.9

Other Current Liabilities	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Current maturities of Long-Term Secured Debt	9,92,85,518	5,11,94,403
(b) Current maturities of Long-Term Unsecured Debt	4,08,87,473	5,35,29,164
(c) Other payables	-	-
Mobilisation Advances from customers	10,51,68,139	5,79,98,946
Advances from customers	2,44,42,167	14,86,71,113
Retention Money - Sub Contractors		
Retention Money - Related Parties	15,71,695	88,64,935
Retention Money - Others	7,58,94,738	4,56,56,887
Statutory Dues payable	56,26,923	63,54,737
Due to Directors	-	3,00,000
Expenses Payable	69,26,916	50,42,074
Payables on purchase of fixed assets	7,53,25,001	-
Unpaid Dividend	9,08,742	-
Total	43,60,37,311	37,76,12,259

Note No.10

Short Term Provisions	As at 31 March 2012	As at 31 March 2011
	₹	₹
(b) Others	-	-
Provision for Income Tax	5,17,31,121	4,95,04,186
Dividend Tax Payable	18,76,837	37,53,674
Proposed Dividend	1,13,00,292	2,26,00,584
Total	6,49,08,251	7,58,58,444

Notes forming part of the Accounts (contd.)

Note No.11

	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 01/04/2011	Additional/ (Disposals)	Balance as at 31/03/2012	Balance as at 01/04/2011	Depreciation charge for the year	On disposals	Balance as at 31/03/2012	Balance as at 31/03/2011
a	Tangible Assets								
	Land	1,03,48,690	5,47,71,366	6,51,20,276	-	-	-	6,51,20,276	1,03,48,690
	Plant & Machinery	23,08,37,516	3,25,02,033	26,33,39,550	8,51,75,946	2,29,12,750	27,49,623	10,53,38,973	14,56,61,670
	Office Equipment	1,35,74,577	90,94,674	2,26,69,451	48,97,531	23,75,612	8,809	72,64,334	86,77,045
	Light Motor Vehicle	1,50,46,369	28,99,595	1,79,45,964	74,53,655	20,80,222	-	95,33,677	75,32,733
	Two Wheeler	31,08,600	(4,433)	31,04,167	15,89,053	4,12,698	1,23,444	18,78,307	15,19,546
	Heavy Vehicle	14,11,41,702	7,12,88,269	21,24,30,971	4,07,75,572	4,00,75,390	57,07,223	7,51,43,839	10,03,66,029
	Computer	40,49,256	13,35,748	53,84,992	38,64,555	3,78,743	-	42,43,299	1,94,661
	Building	-	32,71,138	32,71,138	-	1,28,157	-	1,28,157	-
	Furniture	-	40,18,350	40,18,350	-	2,89,205	-	2,89,205	-
	Windmill	-	9,82,80,467	9,82,80,467	-	41,278	-	41,278	-
	Total	41,81,06,709	27,74,59,628	69,55,66,335	14,37,56,313	6,86,94,054	65,89,099	20,38,81,269	27,43,50,395
b	Intangible Assets								
	Computer software	1,60,219	6,76,634	8,36,853	-	1,70,092	-	1,70,092	1,60,219
c	Capital Work In Progress / Asset In Transit	1,26,78,584	1,00,17,130	26,61,454	-	-	-	-	1,26,78,584
	Previous Year (2010-11)	43,09,45,511	29,81,18,130	69,90,63,641	14,37,56,313	6,86,94,054	65,89,099	20,40,31,320	28,71,69,186
		34,83,02,464	8,45,63,027	43,09,45,511	10,61,37,702	3,83,80,292	27,81,640	14,37,56,313	28,71,69,186

Notes forming part of the Accounts (contd.)

Note No.12

Particulars	As at 31 March 2012	As at 31 March 2011
	₹	₹
1 Trade Other Investments (Refer Note No.12.1)		
Investment in Equity Instruments	17,74,281	8,84,281
2 Trade Investments (Refer Note No.12.2)		
Investment in Subsidiaries	12,15,688	7,24,100
Grand Total	29,89,969	16,08,381

Note No.12.1

A. Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			Mar-2012	Mar-2011			Mar-2012	Mar-2011	Mar-2012	Mar-2011		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	Investment in Equity Instruments											
	3 Infosys Limited	Other	1000	1000	Quoted	Fully Paid			71,789	71,789	Yes	N.A.
	Canara Bank	Other	460	460	Quoted	Fully Paid			80,942	80,942	Yes	N.A.
	Chemplast Sarman Limited	Other	16500	16500	Quoted	Fully Paid			1,17,910	1,17,910	Yes	N.A.
	Electro Steel Casting Limited	Other	3000	3000	Quoted	Fully Paid			61,170	61,170	Yes	N.A.
	Hindustan Construction Company Ltd	Other	9000	9000	Quoted	Fully Paid			2,17,635	2,17,635	Yes	N.A.
	IVRCL Infrastructure and Projects Ltd	Other	900	900	Quoted	Fully Paid			88,664	88,664	Yes	N.A.
	Nagarjuna Constructions Ltd	Other	500	500	Quoted	Fully Paid			24,826	24,826	Yes	N.A.
	Sakthi Sugar Ltd	Other	500	500	Quoted	Fully Paid			24,085	24,085	Yes	N.A.
	Thermax Ltd	Other	600	600	Quoted	Fully Paid			97,361	97,361	Yes	N.A.
	SPAC Terminal Market Complex Ltd	Other	99000	10000	Unquoted	Fully Paid			9,90,000	1,00,000	Yes	N.A.
Total									17,74,281	8,84,281		

Note No.12.2

B. Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
			Mar-2012	Mar-2011			Mar-2012	Mar-2011	Mar-2012	Mar-2011		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(b)	Investment in Equity Instruments											
	R.P.P. Energy Systems Pvt Ltd, Erode, India	Wholly Owned Subsidiary	50000	50000	Unquoted	Fully Paid	100%	100%	5,00,000	5,00,000	Yes	N.A.
	R.P.P. Infra Overseas P.L.C, Mauritius (4960 shares of USD 1 each)	Wholly Owned Subsidiary	4960	4960	Unquoted	Fully Paid	100%	100%	2,24,100	2,24,100	Yes	N.A.
	R.P.P. Infra Projects (Lanka) Ltd (116143 shares of SLR 10 each)	Wholly Owned Subsidiary	116143	-	Unquoted	Fully Paid	100%	-	4,91,588	-	Yes	N.A.
Total									12,15,688	7,24,100		

Notes forming part of the Accounts (contd.)

Note No.13

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Capital Advances				
Unsecured, considered good				
Advance for Capital Good Purchase	45,14,118		2,01,34,319	
		45,14,118		2,01,34,319
b. Security Deposits				
Unsecured, considered good				
<u>Deposits</u>				
Deposit with Customers	63,56,692		29,96,296	
Other Deposits	5,74,787		49,33,871	
		69,31,479		79,30,167
d. Other loans and advances (specify nature)				
Unsecured, considered good				
Advance Recoverable in cash or kind	15,81,365		19,57,246	
Prepaid Expenses	51,63,214		67,06,424	
		67,44,579		86,63,670
		1,81,90,176		3,67,28,156

Note No.14

	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good	-	-
Unsecured, considered good	50,672	50,000
	50,672	50,000
b. Others		
Unsecured, considered good		-
R.P.P. Infra Overseas PLC Mauritius (Office)	1,31,93,251	6,63,188
R.P.P Energy Systems (P) Ltd	73,54,275	46,40,018
R.P.P. Infra Projects (Lanka) Ltd	14,09,420	
Insurance Claim	-	5,30,240
Non-Trade Receivable	24,87,387	31,98,402
Deposit with Stock Exchange	48,75,000	48,75,000
Mass Housing Project	-	3,35,18,986
Interest Receivable on FDR	17,13,000	17,42,247
	3,10,32,333	4,91,68,080
d. Unamortised portion of IPO Expenses (IPO)		
IPO Share issue Expenses	3,11,29,616	3,96,19,508
	6,22,12,621	8,88,37,588

Notes forming part of the Accounts (contd.)

Note No.15

Inventories	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Raw Materials	75,74,230	91,81,386
Total	75,74,230	91,81,386

Note No.15.1

Inventories and other construction materials are valued at the lower of cost and net realizable value.

Note No.16

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	61,99,51,882	50,54,91,891
	61,99,51,882	50,54,91,891
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	32,45,76,792	6,30,20,298
	32,45,76,792	6,30,20,298
Total	94,45,28,674	56,85,12,189

Note No.17

Cash and cash equivalents	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Balances with banks		23,43,93,085		29,62,13,719
This includes:				
Unpaid Dividend	9,08,742			
Margin money	10,97,46,223		14,79,68,387	
EEFC Account	8,269		4,67,97,600	
b. Cash on hand		41,45,832		53,03,030
		23,85,38,917		30,15,16,749

Notes forming part of the Accounts (contd.)

Note No.18

Short-term loans and advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
Unsecured, considered good				
Retention by Customers	21,92,70,119		16,17,19,512	
Advance to Subcontractors	9,70,66,880		6,00,76,077	
Inter Corporate Deposits	-		5,00,00,000	
Advance to Employees	58,22,645		26,93,662	
Advance to Suppliers	89,35,699		3,50,88,242	
Balances with Revenue Authorities	4,15,54,953		3,77,97,521	
		37,26,50,297		34,73,75,014

Note No.19

Other Current Assets	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Others				
Unsecured, considered good				
Unbilled Revenue	49,80,43,922		30,34,89,696	
		49,80,43,922		30,34,89,696

Notes forming part of the Accounts (contd.)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Note No.20 - Revenue from Operations		
Contract Revenue	237,09,09,899	207,71,49,868
Other operating revenues	3,87,43,297	-
Total Revenue from Operation	240,96,53,196	207,71,49,868
Note No.21 - Other Income		
Hire charges Received	4,609,084	44,152
Dividend Received	20,350	17,820
Interest Income	8,164,314	8,674,069
Miscellaneous Income	1,292,992	2,203,958
Prior Period Income	5,070,579	108,353
Profit on Sale of Assets	1,545,827	118,207
Sub-Contractors' Recovery	-	5,016,913
Excess Provision Written Back	-	1,450,658
Forex Gain (Net)	1,490,189	3,179,881
Total Other Income	22,193,335	20,814,011
Note No.22 - Cost of materials consumed		
Opening Stock	9,181,386	11,392,192
ADD : Purchase	521,116,739	502,836,698
LESS : Closing Stock	7,574,230	9,181,386
Net Consumption of Raw Materials	522,723,895	505,047,504
Note No.23 - Direct Cost		
Labour Cost	1,331,458,901	1,109,304,361
Other Operating Cost	39,923,445	55,699,740
Total Direct Cost	1,371,382,346	1,165,004,101
Note No.23.1		
Works Contract Payment	1,006,261,980	730,496,612
Labour Wages	325,196,921	378,807,749
Freight Charges	13,465,213	13,455,469
Customers' Debit Note for supply of common items Power, Water, Labour & Machines - Net	8,882,124	24,885,659
Temporary Shed Erection, Maintenance and Purchase of Materials for Temporary and aiding works	15,015,697	14,351,539
Power Cost	2,560,411	3,007,073
	1,371,382,346	1,165,004,101

Notes forming part of the Accounts (contd.)

Note No.24 - Employee benefits expenses		
Directors' Remuneration	60,05,073	65,00,000
Salary Expenses	5,41,14,739	5,36,33,379
Company's Contribution to Employees' Provident Fund	15,75,879	13,60,389
Company's Contribution to Employees' State Insurance Corporation	9,10,275	11,02,545
Gratuity	4,47,742	1,80,843
Staff Welfare	24,63,039	31,90,803
Total Employee Cost	6,55,16,747	6,59,57,939
Note No.25 - Finance cost		
Interest paid on Term Loans and Other Loans	2,23,72,880	1,25,65,529
Interest paid on Working Capital Loans	6,01,55,351	2,69,35,004
Bank Charges and Bank Guarantee Commission	1,18,46,422	1,07,44,311
Interest on Statutory Dues	7,36,986	10,21,999
Total Finance Cost	9,51,11,639	5,12,66,843
Note No.26 - Other expenses		
Advertisement	8,30,676	11,02,847
Business Development Expenses	20,15,165	51,11,641
Brokerage	94,664	19,672
Donation	13,64,294	1,70,596
Miscellaneous Expense	12,50,229	10,36,671
Equipment Hire Charges	-	12,000
Insurance	42,43,350	24,12,950
Repairs & Maintenance - Machinery	7,18,95,702	5,78,23,482
Repairs & Maintenance - Others	6,60,895	2,57,693
Postage & Telegraph	4,24,989	4,27,649
Professional Charges	39,71,311	22,65,326
Books & Periodicals	47,662	44,656
Printing and Stationery	10,30,748	14,99,988
Rent & Electricity	41,20,632	10,89,375
Club Expenses	8,886	3,58,247
Audit Fee	6,24,720	4,63,375
Bad Debts	1,40,93,627	4,34,048
Secretarial Expenses	2,99,826	1,82,658
Rates and Taxes	9,12,571	18,06,238
Telephone Expenses	17,53,168	22,57,467
Travelling Expenses	68,41,722	53,07,406
Preliminary Expenses / Share Issue Expenses Written Off	84,89,892	28,29,964
Loss on Forex Transactions	-	-
Total Other Expenses	12,49,94,729	8,69,14,151
Note No.27 - Exception Items [Expenses /(Income)]		
Realisation from Award of Arbitration	-84,64,795	-
Prior Period Expenses	2,72,821	59,832
Total Exceptional Items	-81,91,974	59,832

**AUDITORS REPORT ON CONSOLIDATED FINANCIAL STATEMENTS
OF RPP INFRA PROJECTS LTD**

The Board of Directors of RPP Infra Projects Ltd

We have audited the attached Consolidated Balance Sheet of **M/s. RPP INFRA PROJECTS LIMITED** and its subsidiaries, as at 31.03 2012, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Group's management and have been prepared by the management on the basis of the separate Financial Statements and Other Financial Information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the Financial Statements of the Subsidiary Companies in Mauritius and Sri Lanka, whose Financial Statements reflected the details as given below for the year ended 31st March, 2012 which have been audited by Other Auditors whose report has been furnished to us, and our opinion is based solely on the report of such Other Auditors.

Particular	Sri Lanka WOS	Mauritius WOS
Total Assets	22,74,07,956/-	34,48,01,600/-
Profit before Tax	2,61,68,930/-	6,54,97,768/-

We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of AS-21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

Based on the audit and on the consideration of report of Other Auditor and to the best of our information and explanations given to us, the Consolidated Balance Sheet, Profit & Loss A/c and Cash Flow Statement read together with the notes thereon give a true & fair view in conformity with the accounting principles generally accepted in India:

- In the case of Consolidated Balance Sheet, of the State of affairs of the Group as at 31st March, 2012;
- In the case of Consolidated Profit & Loss A/c, of the Profit of the Group for the year ended on that date;
- In the case of Consolidated Cash Flow Statement, of the Cash flows of the Group for the year ended on that date.

For **KARTHIKEYAN & JAYARAM**
CHARTERED ACCOUNTANTS

CA. G.N. JAYARAM, F.C.A.
Partner
Membership No: 027291
Firm Registration No:007570S

Place: Erode
Date : 27th Aug, 2012

Consolidated Balance Sheet as at 31st March, 2012

Particulars		Note No.	As at 31 March 2012	As at 31 March 2011
			(₹)	
I. EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	2		22,60,05,840	22,60,05,840
(b) Reserves and surplus	3		86,48,50,033	63,76,85,666
2 Non-current liabilities				
(a) Long-term borrowings	4		12,91,97,958	8,87,82,847
(b) Deferred tax liabilities (Net)	5		95,38,279	35,02,345
(c) Long-term provisions	6		4,47,742	1,80,843
3 Current liabilities				
(a) Short-term borrowings	7		65,22,50,118	22,56,78,316
(b) Trade payables	8		45,38,51,553	37,03,72,754
(c) Other current liabilities	9		55,39,74,743	37,81,52,522
(d) Short-term provisions	10		6,89,31,472	7,74,38,563
TOTAL			2,95,90,47,738	2,00,77,99,696
II. ASSETS				
Non-current assets				
1 (a) Fixed assets				
(i) Tangible assets			52,94,00,548	27,45,10,614
(ii) Intangible assets	11		6,80,127	-
(iii) Capital work-in-progress			26,61,454	1,26,78,584
(b) Non-current investments	12		17,74,281	8,84,281
(c) Long-term loans and advances	13		1,85,33,613	3,67,28,156
(d) Other non-current assets	14		4,31,51,527	8,35,74,401
2 Current assets				
(a) Inventories	15		75,74,230	91,81,388
(b) Trade receivables	16		1,05,96,47,586	63,25,36,716
(c) Cash and cash equivalents	17		27,01,55,914	30,18,40,849
(d) Short-term loans and advances	18		38,97,00,717	35,23,75,013
(e) Other current assets	19		63,57,67,741	30,34,89,696
TOTAL			2,95,90,47,738	2,00,77,99,696
Significant to Accounting Policies	1			
The accompanying notes including other explanatory information form an integral part of the financial statements				

For and on behalf of the Board

P. Arulsundaram
Chairman and Managing DirectorA. Nithya
Whole Time DirectorR. Nithya Prabhu
Company SecretaryAs per our Report of even date
M/s. Karthikeyan & Jayaram
Chartered AccountantsCA G.N. Jayaram F.C.A
(Partner)
Membership No. 200-027291
Firm Registration No. 007570SPlace: Erode,
Date: Aug 27, 2012

Consolidated Profit and loss statement for the year ended 31st March, 2012

Particulars		Refer Note No.	For the year ended 31 March 2012	For the year ended 31 March 2011
			(₹)	
I.	Revenue from operations	20	2,65,49,52,843	2,14,20,93,790
II.	Other income	21	3,44,94,655	2,08,14,011
III.	Total Revenue (I + II)		2,68,94,47,498	2,16,29,07,800
IV.	Expenses:			
	Cost of materials consumed	22	65,00,36,832	50,50,47,504
	Direct Operating Cost	23	1,36,90,53,384	1,17,54,23,815
	Employee benefits expenses	24	7,75,89,137	6,64,14,358
	Finance cost	25	10,07,47,183	5,12,66,843
	Depreciation and amortization expenses	11	7,65,81,148	3,83,80,252
	Other expenses	26	14,07,02,242	8,76,67,109
	Total expenses		2,41,47,09,926	1,92,41,99,881
V.	Profit before exceptional and extraordinary items and tax (III-IV)		27,47,37,572	23,87,07,919
VI.	Exceptional items [(Income) / Expense]	27	(81,26,675)	59,832
VII.	Profit before extraordinary items and tax (V - VI)		28,28,64,247	23,86,48,087
VIII.	Extraordinary items			
IX.	Profit before tax (VII- VIII)		28,28,64,247	23,86,48,087
X	Tax expense:			
	(1) Current tax		5,09,06,249	5,10,98,886
	(2) Deferred tax	5	60,35,931	9,06,415
XI	Profit (Loss) for the period from continuing operations (IX - X)		22,59,22,067	18,66,42,786
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV	Profit (Loss) for the period (XI + XIV)		22,59,22,067	18,66,42,786
XVI	Earnings per equity share:			
	(1) Basic		10.00	10.11
	(2) Diluted		10.00	10.11

For and on behalf of the Board

P. Arulsundaram
Chairman and Managing Director

A. Nithya
Whole Time Director

R. Nithya Prabhu
Company Secretary

As per our Report of even date
M/s. Karthikeyan & Jayaram
Chartered Accountants

CA G.N. Jayaram F.C.A
(Partner)

Membership No:200-027291
Firm Registration No:0075705

Place: Erode,
Date : Aug 27, 2012

Consolidated Cash Flow Statement for the year ended 31st March, 2012

Particulars	(₹)	
	Financial year	
	2011-12	2010-11
Cash Flows From Operating Activities		
Profit Before Tax	28,28,64,247	23,86,48,087
Add: Depreciation	7,65,81,148	3,83,80,252
Add: Interest	10,07,47,183	5,02,44,844
Less: Unrealised Forex (Gain / Loss - NET)	-1,79,19,429	-
Less: Interest Received	86,74,069	86,74,069
Operating Profit Before Working Capital Changes	46,94,37,938	31,85,99,114
(Increase) / Decrease in Current Assets	-73,64,90,043	-81,64,94,970
Increase / (Decrease) in Current Liability	21,56,11,404	31,22,19,599
Operating Profit After Working Capital Changes	-52,08,78,639	-50,42,75,371
(Increase)/Decrease of Advance to Projects		-3,35,18,986
Cash Generated From Operations	-52,08,78,639	-53,77,94,356
Less: Tax Paid Including Dividend Tax	-5,88,19,017	-5,48,52,560
Less: Income Tax adjustment for prior Period	-35,00,000	-53,707
Less: Dividend Paid	-1,13,00,292	-2,26,00,584
Net Cash Flow From Operating Activities	-12,50,60,010	-29,67,02,093
Cash Flow From Investing Activities		
Purchase of Fixed Assets	-34,75,43,170	-8,74,07,485
Sales of Fixed Assets	2,89,28,932	24,15,300
Profit on Sale of Fixed Assets	-35,19,842	1,18,207
Advance paid for Capital Goods		-2,01,34,319
(Increase)/Decrease of Investments	-8,90,000	-1,00,000
Interest Received	86,74,069	86,74,069
Net Cash Flow From Investing Activities	-31,43,50,012	-9,64,34,229
Cash Flow From Financing Activities		
Proceeds from Issue of Shares including Share Premium	-	45,75,43,800
Interest Paid	-10,07,47,183	-5,02,44,844
Public Issue Expenses		-4,08,01,855
Increase/(Decrease) in Secured Long-Term Loan	5,84,72,362	5,18,33,552
Increase/(Decrease) in Secured working Capital Loan	42,65,71,802	1,65,43,001
Increase/(Decrease) in Unsecured Loan	1,73,92,174	18,65,01,722
(Increase)/Decrease in Deferred Tax Liability	60,35,931	-9,06,416
Net Cash Flow From Financing Activities	40,77,25,087	62,04,68,960
Net Increase/(Decrease) in Cash And Cash Equivalent	-3,16,84,934	22,73,32,638
Cash and Cash Equivalent at beginning of the period	30,18,40,849	7,45,08,211
Cash and Cash Equivalents at ending of the period	27,01,55,914	30,18,40,849

Notes :

Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3. "Cash Flow Statements" as specified in the Companies (Accounting Standard) Rule, 2006

Purchase of Fixed Assets includes movement of Capital Work-In-progress during the year

Cash and Cash equivalents at the end of the year represents Cash and Bank Balance which includes unpaid Dividend of Rs.9,08,742/-

Previous year's figures have been regrouped/reclassified wherever applicable

For and on behalf of the Board

P. Arulsundaram
Chairman and Managing Director

A. Nithya
Whole Time Director

R. Nithya Prabhu
Company Secretary

As per our Report of even date
M/s. Karthikeyan & Jayaram
Chartered Accountants

CA G.N. Jayaram F.C.A
(Partner)

Place: Erode,
Date : Aug 27, 2012

Membership No:200-027291
Firm Registration No. 007570S

Notes forming part of the Consolidated Accounts

Note 1: Significant Accounting Policies

1. Basis of Accounting:

The financial statements have been prepared as of a going concern on historical cost convention and on accrual method of accounting in accordance with the generally accepted accounting principles. Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2. Use of Estimate:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Cash Flow Statement:

Cash Flow Statement is prepared in accordance with "Indirect method" as explained in the Accounting standard 3 issued by the Institute of Chartered Accountants of India.

4. Classification of Assets and Liabilities:

The Revised Schedule VI to the Companies Act, 1956 requires assets and liabilities to be classified as either Current or Non-current.

- a. An asset shall be classified as current when it satisfies any of the following criteria:
 - i. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
 - ii. It is held primarily for the purpose of being traded;
 - iii. It is expected to be realized within twelve months after the reporting date; or
 - iv. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- b. All assets other than current assets shall be classified as non-current.
- c. A liability shall be classified as current when it satisfies any of the following criteria:
 - i. It is expected to be settled in the company's normal operating cycle;
 - ii. It is held primarily for the purpose of being traded;
 - iii. It is due to be settled within twelve months after the reporting date; or
 - iv. The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
- d. All liabilities other than current liabilities shall be classified as non-current.

5. Operating Cycle:

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

Notes forming part of the Consolidated Accounts (Contd)

6. Fixed assets:

Fixed assets are stated at cost of acquisition or construction, less accumulated depreciation, amortisation and impairment losses, if any. All costs relating to the acquisition and installation of fixed assets are capitalized which includes borrowing costs directly attributable to construction or acquisition of fixed assets up to the date the asset is put to use.

7. Depreciation Accounting:

Depreciation is being charged on Written down Value method in accordance with rates specified under schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion to assets during the period has been provided on pro-rata basis with reference to the date of addition / deletion. Depreciation on assets, whose actual cost does not exceed five thousand rupees, has been provided at the rate of 100%.

8. Inventories :

Raw Materials and other construction materials are valued at the lower of cost and net realizable value on the basis of FIFO method.

9. Revenue Recognition :

Accounting of construction contracts: The Company follows the percentage completion method, as prescribed by The Institute of Chartered Accountants of India vide the Accounting Standard 7, based on the stage of completion at the balance sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of the actual work done. Total costs estimated to complete the contract are adopted as assessed by a qualified engineer and certified by the Management.

10. Accounting for Effects of changes in Foreign Exchange Rates:

Transactions in foreign currencies are recorded at the rate prevailing on date of transaction. Foreign Branch and Subsidiaries are classified as non-integral foreign operations. Assets and Liabilities (both monetary and non-monetary) are translated at the closing rate at the year end. Income and expenses are translated at the monthly average rate. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' and are shown in the Balance sheet.

11. Accounting for Investments:

Long Term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are stated at lower of cost and fair value, computed category-wise.

12. Employee Benefits :

- i) Employer's contribution to the recognized provident fund, which is a defined contribution scheme and ESI Contribution as per law are charged to the profit and loss account.
- ii) Provision for Gratuity has been provided for the year under group gratuity scheme with Life Insurance Corporation of India.

13. Earnings per Share :

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20, Earnings Per Share notified by the Companies (Accounting Standards) Rules, 2006. Basic earnings per equity share are computed by dividing the net profit for the year attributable to the Equity Shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti dilutive.

Notes forming part of the Consolidated Accounts (Contd)

14. Accounting for Taxes on Income :

- i) Current Income Tax: Provision for Current Tax is made based on taxable income computed for the year under the Income Tax Act, 1961, after deducting the profit for which the company is likely to claim exemption U/s 80IA.
- ii) Deferred Taxes: Deferred Tax is accounted for by computing the tax effect of timing differences which arise during the year and reverse in subsequent periods. Timing differences arising due to difference in depreciation as per accounting records and Income Tax Act has alone been considered. Deferred tax assets are recognized and carried forward only to the extent that there is a certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

15. Impairment of Assets :

The carrying amount of assets, other than inventories is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the assets is estimated. The recoverable amount is the greater of the asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present values. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

16. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resource to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation, in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

a) Disclosure pursuant to Accounting Standard 7 (Revised) "Construction contracts"

Particulars	₹ Lakh	
	2011-12	2010-11
Contract revenue recognized for the financial year	26,142.61	20,771.50
Aggregate amount of contract costs incurred and recognized profits (less recognized losses) as at end of the financial year for all contracts in progress as at that date	23,204.50	18,759.76
Amount of customer advances outstanding for contracts in progress as at the end of the financial year	1,296.10	2,066.70
Retention amounts due from customers for contracts in progress as at the end of the financial year	2,236.69	1,617.20

Notes forming part of the Consolidated Accounts (Contd)

b) Disclosure of Particulars of "Employees Benefits" as Required by Accounting Standard 15 – Gratuity Plan

Summary of key Result

Particulars	₹ Lakh	
	2011-12	2010-11
Present value of Obligation	4.44	4.10
Fair Value of Plan Assets	4.97	3.42
Net Asset / (Liability) recognized in Balance Sheet	(0.53)	(0.68)
No of Employees	10	10
Assumptions : Discount Rate	8%	8%
Salary Escalation	8%	8.50%

Table Showing changes in Present Value of Obligations

Particulars	₹ Lakh	
	2011-12	2010-11
Present value of Obligation as at the beginning of the year	4.10	2.69
Interest Cost	0.33	0.22
Current Service Cost	0.36	0.25
Benefits Paid	-	-
Actual (Gain) / Loss on obligations	(0.34)	0.94
Present value of obligations as at end of the year	6.44	4.10

Table Showing changes in Fair Value of Plan Assets

Particulars	₹ Lakh	
	2011-12	2010-11
Fair Value of Plan assets at the beginning of the year	3.42	2.91
Expected return on plan assets	0.37	0.28
Contributions	1.18	0.23
Benefits Paid	-	-
Actual (Gain) / Loss on Plan Asset	Nil	Nil
Fair Value of plan asset as at end of the year	4.97	3.42

Actuarial Gain / Loss Recognised

Particulars	₹ Lakh	
	2011-12	2010-11
Actuarial (Gain) / Loss on Obligations	0.34	0.94
Actuarial (Gain) / Loss on Plan Assets	NIL	NIL
Actuarial (Gain) / Loss recognised in the year	0.34	0.94

Notes forming part of the Consolidated Accounts (Contd)

Amount to be Recognised in the Balance Sheet and Statement of Profit & Loss

Particulars	₹ Lakh	
	2011-12	2010-11
Present value of obligations as at the end of the year	4.44	4.10
Fair Value of Plan Assets as at the end of the year	4.97	3.42
Funded Status	0.33	(0.68)
Net Assets / (Liability) recognised in the Balance Sheet	(0.53)	(0.68)

Expenses Recognised in the Statement of Profit & Loss

Particulars	₹ Lakh	
	2011-12	2010-11
Interest Cost	0.33	0.22
Current Service Cost	0.36	0.25
Expected Return on Plan Assets	(0.37)	(0.28)
Actuarial (Gain) / Loss recognised in the year	(0.34)	0.94
Expenses recognised in the Statement of Profit & Loss	(0.02)	1.13

c) Disclosures pursuant to Accounting Standard 17 "Segment Reporting"

The Company is engaged in one business segment, namely "Construction and Infrastructure Development". The Company and its subsidiaries (including Step-down Subsidiary in Republic of Gabon) operate in India, Sri Lanka and Gabon. As the revenues from the overseas operations constitutes more than 10% of the total revenue, geographical segment has been considered as the primary segment for consolidated financial results and there are no other reportable segments as required to be disclosed under Accounting Standard 17 "Segmental Reporting".

PARTICULARS	₹ Lakh	
	2011-12	2010-11
Segmental Revenues (Net Sales / Income)		
India	23,487.47	20,305.10
Overseas	6,660.49	1,115.83
Total Revenues	30,147.96	21,420.93
Less : Inter segmental revenues	3,598.39	-
Net Sales / Income from Operations	26,549.57	21,420.93
Add : Other Income	-	208.14
Revenues	26,549.57	21,629.07
Segmental Profits (Prof before Interest & Tax)		
India	2,770.49	2,308.49
Overseas	1,065.62	590.56
Less : Interest & Finance Charges	1,007.47	512.67
Profit Before Tax	2,828.64	2,386.48
Capital Employed (Segmental Assets minus Liabilities)		
India	17,207.86	11,880.36
Overseas	2,604.28	553.61
Total	19,812.14	12,433.98

Notes forming part of the Consolidated Accounts (Contd)

d) Disclosure of related parties/ related party transactions pursuant to Accounting Standard 18
 "Related Party Disclosures"

List of related parties over which control exists

Name of the related party	Relationship
RPP Infra Overseas PLC	Subsidiary
RPP Infra Projects (Lanka) Limited	Subsidiary
RPP Energy Systems Private Limited	Subsidiary
RPP Infra Projects Gabon SA	Step down Subsidiary
SPAC Terminal Market Complex Limited	Associate
P Arul Sundaram – Chairman & Managing Director	Key Management Personnel
A Nithya – Whole Time Director	Key Management Personnel
RPP Selvam Infrastructure Private Ltd	Mr. Arul Sundaram (CMD) is the brother of Mr. P. Selvasundaram who is promoter of M/s. RPP Selvam Infrastructure Private Limited
P & C Constructions Pvt Ltd	Mrs. A. Nithya (WTD) is one of the share holder in M/s. P & C Construction Pvt Ltd and Mr. Periyasamy Chairman of M/s. P & C Constructions Pvt Ltd is the father of Mrs. A. Nithya
Sanjeevi Constructions	Mr. Muralithasan who is the Director, is Managing Partner of the Firm
Sakthi Constructions	Mr. Thirunavukkasu who is the Director, is Managing Partner of the Firm

Disclosure of related party transactions

Nature of Transaction/ Relationship/ Parties	₹ Lakh	
	2011-12	2010-11
<u>Purchase of Goods & Services/ Work Bills</u>		
Subsidiaries		
RPP Infra Projects (Lanka) Limited	3,210.96	-
Other Related Parties		
P & C Construction Pvt Ltd	26.85	351.32
Sanjeevi Constructions	280.46	533.86
Sakthi Constructions	1,167.18	537.70

Notes forming part of the Consolidated Accounts (Contd)

Nature of Transaction/ Relationship/ Parties	₹ Lakh	
	2011-12	2010-11
<u>Sale of goods/ contract revenue & services</u>		
Subsidiaries		
RPP Infra Projects Gabon SA	387.43	-
<u>Sale of Fixed Assets</u>		
Step Down Subsidiary		
RPP Infra Projects Gabon SA	1,267.86	-
<u>Subscription to equity shares (including application money paid)</u>		
Subsidiaries		
R.P.P. Energy Systems Pvt Ltd	-	5.00
RPP Infra Overseas PLC	-	2.24
RPP Infra Projects (Lanka) Limited	4.92	-
<u>Advances Given / repaid</u>		
Subsidiaries		
Other Related Parties	66.74	635.71
<u>Amounts Receivable in respect of loans & advances as on Balance sheet date</u>		
RPP Infra Overseas PLC	131.93	6.63
RPP Infra Projects (Lanka) Limited	41.26	-
R.P.P. Energy Systems Pvt Ltd	73.54	46.40
<u>Amounts Payable in respect of loans & advances as on Balance sheet date</u>		
RPP Infra Projects (Lanka) Limited	2,192.58	-
Other Related Parties	589.38	683.25
<u>Payment of Salaries/ perquisites (Other than commission to Key management personnel)</u>		
Mr. P. Arulsundaram - Chairman and Managing Director	42.05	45.50
Mrs. A. Nithya - Whole Time Director	18.00	19.50
Commission paid to Directors	NIL	NIL
Commission paid to Key management personnel	NIL	NIL

Notes forming part of the Consolidated Accounts (Contd)

e) Basic and Diluted earning per share (EPS) computed in accordance with Accounting Standard 20 "Earnings Per Share"

Particulars		(₹) / Nos	
		2011-12	2010-11
Basic			
Profit after tax as per accounts	A	22,59,22,067	18,66,42,786
Weighted Average number of shares outstanding	B	2,26,00,584	1,84,55,530
Basic EPS	A/B	10.00	10.11
Diluted			
Profit after tax as per accounts	A	N.A.	N.A.
Weighted average number of shares outstanding	B	N.A.	N.A.
Add: Weighted average number of potential equity shares of dilutive nature	C	-	-
Weighted average number of shares outstanding for diluted EPS	D=B+C	-	-
Diluted EPS	A/D	-	-
Face value per Share	Rs.	10	10

f) Contingent Liabilities

Particulars	Period	(₹ Lakhs)	
		2011-12	2010-11
Counter Indemnities given to Banks in respect of contracts		3,368.19	2,912.00
Income Tax Liability that may arise in respect of which Company is in appeal	2005-06	24.15	24.15
Income Tax Liability that may arise in respect of which Company is in appeal	2008-09	518.79	518.79
Service Tax liability that may arise in respect of matters in appeal	2008-09	252.28	252.28
Corporate Guarantees given on behalf of Subsidiary Companies		952.20	-

Notes forming part of the Consolidated Accounts (Contd)

g) Commitments

Particulars	(₹)	
	2011-12	2010-11
Estimated amount of contracts remaining to be executed on capital account (net of advances)	NIL	NIL

h) Auditors' remuneration (excluding service tax) and expenses charged to the accounts:

Particulars	₹ Lakh	
	2011-12	2010-11
As Auditor	10.18	6.86
For Taxation matters	0.66	-
For other services	6.25	1.04
For reimbursement of expenses	-	-

Notes forming part of the Consolidated Accounts (Contd)**l) Earnings in foreign exchange**

Particulars	₹ Lakh	
	2011-12	2010-11
Construction and project related activities		
Export of Services	387.43	-

m) Figures for the previous year have been regrouped/ reclassified wherever necessary.

PARUL SUNDARAM
Chairman & Managing Director

ANITHYA
Whole Time Director

R NITHYA PRABHU
Company Secretary

As per our report attached
For **KARTHIKEYAN & JAYARAM**
CHARTERED ACCOUNTANTS

G.N. JAYARAM
Partner.
Membership No: 200-027291
Firm Regn No: 07570S

Place: Erode ,
Date : Aug 27, 2012.

Notes forming part of the Consolidated Accounts (Contd)

Note No. 2

(A) Share Capital	As at 31 March 2012		As at 31 March 2011	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 10 each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Issued Equity Shares of ₹ 10 each	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840
Subscribed & Paid up Equity Shares of ₹ 10 each fully paid	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840
Total	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840

Note No.2.1

The Company has only one class of equity shares having a par value of ₹10/- per share. Each holder of equity share is entitled to one vote per share.

Note No.2.2

Details of Shares in the Company held by each shareholders holding more than 5% total Shares Issued, Subscribed and Paidup.

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Arulsundaram	97,88,443	43.31%	97,88,443	43.31%
Mrs. A. Nithya	65,78,973	29.11%	63,10,665	27.92%

Note No.2.3

Bonus Shares/Buy Back/Shares for consideration other than Cash issued during past five years

Particulars	Year (Aggregate No. of Shares)				
	2011-12	2010-11	2009-10	2008-09	2007-08
Equity Shares :					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	1,37,50,000	-	-
Shares bought back	-	-	-	-	-

Note No.2.4 - Share reconciliation

Equity Shares - Number of Shares at the Beginning and at the end of the reporting period

Description	As at 31 March 2012		As at 31 March 2011	
	No. of Shares	Value	No. of Shares	Value
Shares at the Beginning of the year	2,26,00,584	22,60,05,840	1,65,00,000	16,50,00,000
Add : IPO during the year	-	-	61,00,584	6,10,05,840
Shares at the End of the year	2,26,00,584	22,60,05,840	2,26,00,584	22,60,05,840

Note No.2.5 - Proposed Dividend

The Directors recommend payment of dividend of Re.0.50 per equity share of Rs.10 each on the number of shares outstanding as on the record date. Provision for Dividend has been made in the books of account for 22600584 equity shares outstanding as at 31st March 2012 amounting to Rs. 1,13,00,292/-

Notes forming part of the Consolidated Accounts (Contd)

Note No.3

<u>Reserves & Surplus</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Securities Premium Account		
Opening Balance	39,65,37,960	-
Add : Share Premium credited on IPO		39,65,37,960
Closing Balance	39,65,37,960	39,65,37,960
b. Surplus		
Opening balance *	24,23,79,695	8,21,44,874
(+) Net Profit/(Net Loss) For the current year	22,59,22,067	18,66,42,786
(-) Income Tax adjustment pertaining to prior periods	35,00,000	53,707
(-) Proposed Dividends + Dividend Tax	1,31,77,129	2,63,54,258
Closing Balance *	45,16,24,633	24,23,79,695
c. Other Reserves		
Foreign Currency Translation Reserve		
Opening Balance	-12,31,989	-
For the period	1,79,19,429	-12,31,989
	1,66,87,440	-12,31,989
Total	86,48,50,033	63,76,85,666

Notes forming part of the Consolidated Accounts (Contd)

Note No.4

<u>Long Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<u>Secured</u>		
(a) Term loans		
from banks (refer Note 4.1)	4,37,47,544	3,22,91,588
(Secured by the Hypothication of Asset acquired out of the Loan)		
from Non-Banking Financial Institutions (refer Note No.4.1)	3,76,38,778	3,87,13,488
(Secured by the Hypothication of Asset acquired out of the Loan)		
	8,13,86,322	7,10,05,076
<u>Unsecured</u>		
(b) Term loans		
from banks (refer Note No.4.1)	4,16,66,674	-
from Non-Banking Financial Institutions (refer Note No.4.1)	61,44,962	1,77,77,771
	4,78,11,636	1,77,77,771
Total	12,91,97,958	8,87,82,847

Notes forming part of the Consolidated Accounts (Contd)

Note No.4.1

Long Term Borrowings	As at 31 March 2012	As at 31 March 2011	As at 31 March 2012	As at 31 March 2011
	Non-Current Portion		Current Portion	
	₹	₹	₹	₹
Secured				
(a) Term loans				
(i) From Banks				
Centurion Bank Ltd	-	-	-	6,73,231
HDFC Bank Ltd	3,03,41,867	2,84,74,131	2,92,63,402	2,50,02,802
ICICI Bank Ltd	9,05,885	36,43,211	27,37,348	28,05,173
Kotak Mahindra Bank Ltd	-	1,74,246	1,74,246	4,87,716
(Secured by First charge by way of Hypothecation of Capital Asset and Hire Purchase Loan)				
Axis Bank Ltd	1,24,99,812	-	3,36,70,592	-
(Secured by First charge by way of Hypothecation of Chennai Gundy Office towards Land and Super Structure)				
	4,37,47,544	3,22,91,588	6,60,45,586	2,89,68,922
(ii) from Non-Banking Financial Institutions				
Reliance Capital Ltd	-	-	-	39,726
SREI Equipment Finance (P) Ltd	59,282	7,70,711	7,11,429	7,11,432
Sundaram Finance Ltd	-	41,500	41,500	2,38,500
Tata Capital Ltd	2,84,01,858	2,84,77,491	2,54,28,251	1,74,44,843
CITI Group Ltd	91,77,638	94,23,786	70,58,753	35,14,215
Bajaj Finance Ltd	-	-	-	2,76,766
(Secured by First charge by way of Hypothecation of Capital Asset and Hire Purchase Loan)				
	3,76,38,778	3,87,13,488	3,32,39,932	2,22,25,482
Total Secured Term Loan Borrowing	8,13,86,322	7,10,05,076	9,92,85,518	5,11,94,404
Unsecured Loan				
(b) Term loans				
from banks				
HDFC Bank Ltd	4,16,66,674	-	1,83,33,326	-
Kotak Mahindra Bank Ltd	-	-	-	89,657
	4,16,66,674	-	1,83,33,326	89,657
from other parties				
TATA Capital Ltd	-	1,77,77,771	1,77,77,771	5,33,33,340
Bajaj Finance Ltd	41,50,282	-	47,76,376	-
Reliance Capital Ltd	-	-	-	1,06,167
Republic of Gabon	-	-	-	-
Global Consultancy FZC	19,94,680	-	-	-
	61,44,962	1,77,77,771	2,25,54,147	5,34,39,507
Total Unsecured Long Term Borrowing	4,78,11,636	1,77,77,771	4,08,87,473	5,35,29,164

Notes forming part of the Consolidated Accounts (Contd)

Note No.5

Deferred tax liabilities	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
Opening Balance (Depreciation)		35,02,345		25,95,930
During the year				
(a) As per Companies Act	6,87,41,645		3,83,11,384	
(b) As per Income Tax Act	8,73,71,061		4,09,78,095	
Difference (a) & (b)	1,86,29,416		26,66,711	
Tax (DTL)		60,35,934		9,06,415
Closing Balance		95,38,279		35,02,345

Note No.6

Long Term Provisions	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Provision for employee benefits		
Gratuity (LIC)	4,47,742	1,80,843
Total	4,47,742	1,80,843

Note No.7

<u>Short Term Borrowings</u>	As at 31 March 2012	As at 31 March 2011
	₹	₹
<u>Secured</u>		
(a) Loans repayable on demand		
from banks (refer Note No.7.1)	65,22,50,118	22,56,78,316
Total	65,22,50,118	22,56,78,316

Notes forming part of the Consolidated Accounts (Contd)**Note No.7.1**

The Company enjoys Cash Credit facilities which are secured by ways of Book Debts, Work In Progress and Inventories at sites and these loans are repayable on demand from the respective Financial Institutions.

Fund Based Limit Enjoyed by the Company

Name of Lending institutions	Type of Loan	Sanctioned Limit	Utilised (2011-12)	Utilised (2010-11)
Indian Overseas Bank, Surampatti Branch, Erode	Cash Credit	50,00,00,000	43,83,49,554	18,45,99,393
Axis Bank Ltd, Mount Road, Chennai	Cash Credit	15,00,00,000	11,86,80,944	4,10,78,923
Cash Credit from Indian Overseas Bank, Sri Lanka			83,59,777	-
Loan from ICICI Bank			8,68,59,844	-
Total			65,22,50,118	22,56,78,316

Note No.8

Trade Payable	As at 31 March 2012	As at 31 March 2011
	₹	₹
Payable towards Goods Purchased and Services Received during normal course of Business		
(i) Related Parties		
(a) Subsidiaries	6,17,34,509	6,98,25,284
(b) Associates		
(ii) Others	39,21,17,044	30,05,47,471
	45,38,51,553	37,03,72,754

Note No.9.1

The Company has no due to the suppliers under the Micro, Small and Medium enterprises Development Act, 2006 as at 31st Mar, 2012

The above information is required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the company

Notes forming part of the Consolidated Accounts (Contd)

Note No.9

Other Current Liabilities	As at 31 March 2012	As at 31 March 2011
	₹	₹
(a) Current maturities of Long-Term Secured Debt	9,92,85,518	5,11,94,403
(b) Current maturities of Long-Term Unsecured Debt	4,08,87,473	5,35,29,164
(c) Other payables		
Mobilisation Advances from customers	10,51,68,139	5,79,98,946
Advances from customers	2,44,42,167	14,86,71,113
Retention Money - Sub Contractors		
Retention Money - Related Parties	15,71,695	88,64,935
Retention Money - Others	9,53,51,107	4,56,56,887
Statutory Dues payable	56,29,276	63,54,737
Due to Directors	-	6,03,620
Expenses Payable	10,54,05,625	52,78,717
Payables on purchase of fixed assets	7,53,25,001	-
Unpaid Dividend	9,08,742	-
Total	55,39,74,743	37,81,52,522

Note No.10

Short Term Provisions	As at 31 March 2012	As at 31 March 2011
	₹	₹
(b) Others		
Provision for Income Tax	5,57,54,343	5,10,84,305
Dividend Tax Payable	18,76,837	37,53,674
Proposed Dividend	1,13,00,292	2,26,00,584
Total	6,89,31,472	7,74,38,563

Notes forming part of the Consolidated Accounts (Contd)

Note No.12

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 01/04/2011	Additions/ (Disposals)	Balance as at 31/03/2012	Balance as at 01/04/2011	Depreciation charge for the year	On disposals	Balance as at 31/03/2012	Balance as at 31/03/2011
a Tangible Assets								
Land	1,00,48,690	5,47,71,586	6,51,20,276	-	-	-	6,51,20,276	1,00,48,690
Plant & Machinery	23,00,37,516	4,26,03,349	27,34,40,865	8,51,76,846	2,43,43,677	27,50,384	16,66,71,676	14,58,61,670
Office Equipment	1,36,74,577	1,06,73,194	2,42,47,770	48,97,931	25,91,209	8,809	1,67,57,839	86,77,045
Light Motor Vehicle	1,50,46,389	42,80,822	1,93,27,210	74,63,655	22,14,322	-	96,67,977	75,92,733
Two Wheeler	31,08,600	1,74,555	32,83,154	16,69,053	4,17,567	1,23,444	13,94,978	15,19,546
Heavy Vehicle	14,11,41,702	10,26,59,489	24,38,01,190	4,07,75,672	4,57,61,562	57,07,223	16,29,71,179	10,09,66,029
Computer	40,49,236	20,06,902	60,56,138	38,64,655	5,94,778	-	15,96,604	1,84,681
Building	-	32,71,138	32,71,138	-	1,26,157	-	31,42,981	-
Furniture	-	41,39,828	41,39,828	-	3,18,547	-	38,21,281	-
Windmill	-	9,82,80,467	9,82,80,467	-	41,276	-	9,82,39,189	-
Total	41,61,06,709	32,26,71,436	74,09,78,147	14,37,56,313	7,64,11,696	85,68,910	52,94,00,548	27,43,50,395
b Intangible Assets								
Computer software	1,60,219	6,89,959	8,50,178	-	1,70,052	-	6,80,127	1,60,219
Total	1,60,219	6,89,959	8,50,178	-	1,70,052	-	6,80,127	1,60,219
c Capital Work In Progress / Asset In Transit								
	1,26,78,584	1,00,17,130	26,61,454	-	-	-	26,61,454	1,26,78,584
Total	1,26,78,584	1,00,17,130	26,61,454	-	-	-	26,61,454	1,26,78,584
Previous Year (2010-11)								
	43,09,45,511	31,05,44,288	74,14,89,799	14,37,56,313	7,65,81,148	85,98,810	53,27,42,128	26,71,89,199
Total	43,09,45,511	31,05,44,288	74,14,89,799	14,37,56,313	7,65,81,148	85,98,810	53,27,42,128	26,71,89,199

Notes forming part of the Consolidated Accounts (Contd)

Note No.12

	Particulars	As at 31 March 2012	As at 31 March 2011
		₹	₹
1	Trade Other Investments (Refer Note No.13.1)		
	(b) Investment in Equity Instruments	17,74,281	8,84,281
	Total	17,74,281	8,84,281

Note No.13.1

Details of Other Investments					
Sr. No.	Name of the Body Corporate	Extent of Holding (%)		Amount (₹)	
		Mar-2011		Mar-2012	Mar-2011
(a)	Investment in Equity Instruments				
	3i Infotech Limited			71,789	71,789
	Canara Bank			80,942	80,942
	Chemplast Sanmar Limited			1,17,810	1,17,810
	Electro Steel Casting Limited			61,170	61,170
	Hindustan Construction Company Ltd			2,17,635	2,17,635
	IVRCL Infrastructure and Projects Ltd			88,664	88,664
	Nagarjuna Constructions Ltd			24,826	24,826
	Sakthi Sugar Ltd			24,085	24,085
	Thermax Ltd			97,361	97,361
	SPAC Terminal Market Complex Ltd			9,90,000	1,00,000
	Total			17,74,281	8,84,281

Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.
Yes	N.A.

Notes forming part of the Consolidated Accounts (Contd)

Note No.13

Long Term Loans and Advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Capital Advances				
Unsecured, considered good				
Advance for Capital Good Purchase	45,14,118		2,01,34,319	
		45,14,118		2,01,34,319
b. Security Deposits				
Unsecured, considered good				
<u>Deposits</u>				
Deposit with Customers	63,56,692		29,96,296	
Other Deposits	5,78,482		49,33,871	
		69,35,174		79,30,167
d. Other loans and advances (specify nature)				
Unsecured, considered good				
Advance Recoverable in cash or kind	17,49,162		19,57,246	
Prepaid Expenses	53,35,159		67,06,424	
		70,84,321		86,63,670
		1,85,33,613		3,67,28,156

Notes forming part of the Consolidated Accounts (Contd)

Note No.14

	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Long term trade receivables (including trade receivables on deferred credit terms)		
Secured, considered good		
Unsecured, considered good	50,672	50,000
	50,672	50,000
b. Others		
Unsecured, considered good		
R.P.P. Infra Projects Gabon S.A. (Share Application Money)	50,648	-
Insurance Claim	-	5,30,240
Non-Trade Receivable	24,87,387	31,98,402
Deposit with Stock Exchange	48,75,000	48,75,000
Mass Housing Project	-	3,35,18,986
Interest Receivable on FDR	39,76,545	17,42,247
	1,13,89,580	4,38,64,875
	-	-
d. Unamortised portion of IPO Expenses (IPO)		
IPO Share issue Expenses / Preliminary Expenses A15	3,17,11,275	3,96,59,526
	4,31,51,527	8,35,74,401

Notes forming part of the Consolidated Accounts (Contd)

Note No.15

Inventories	As at 31 March 2012	As at 31 March 2011
	₹	₹
a. Raw Materials and components	75,74,230	91,81,386
Total	75,74,230	91,81,386

Note No.16

Trade Receivables	As at 31 March 2012	As at 31 March 2011
	₹	₹
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	63,13,50,376	56,95,16,419
	63,13,50,376	56,95,16,419
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	42,82,97,209	6,30,20,298
	42,82,97,209	6,30,20,298
Total	1,05,96,47,586	63,25,36,716

Note No.17

Cash and cash equivalents	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Balances with banks		26,54,48,944		29,64,37,819
This includes:				
Unpaid Dividend	9,08,742		-	
Margin money	12,17,61,555		14,79,68,387	
EEFC Account	8,269		-	
b. Cash on hand		47,06,970		54,03,030
		27,01,55,914		30,18,40,849

Notes forming part of the Consolidated Accounts (Contd)

Note No.18

Short-term loans and advances	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
Unsecured, considered good				
Retention by Customers	22,36,68,810		16,17,19,512	
Advance to Subcontractors (Ref Note 19.1)	9,70,66,880		6,00,76,077	
Inter Corporate Deposits	-		5,00,00,000	
Advance to Employees	60,45,004		26,93,662	
Advance to Suppliers	2,03,19,167		4,00,88,242	
Balances with Revenue Authorities	4,26,00,856		3,77,97,521	
	-	38,97,00,717	-	35,23,75,013

Note No.19

Other Current Assets	As at 31 March 2012		As at 31 March 2011	
	₹	₹	₹	₹
a. Others				
Unsecured, considered good				
Unbilled Revenue	63,57,67,741		30,34,89,696	
		63,57,67,741		30,34,89,696

Notes forming part of the Consolidated Accounts (Contd)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Note No.20 - Revenue from Operations		
Contract Revenue	2,57,55,18,114	2,07,71,49,868
Other operating revenues	7,94,34,730	6,49,43,921
Total Revenue from Operation	2,65,49,52,843	2,14,20,93,790
Note No.21 - Other Income		
Hire charges Received	96,56,578	44,152
Dividend Received	20,350	17,820
Interest Income	83,69,230	86,74,069
Miscellaneous Income	21,42,675	22,03,968
Prior Period Income	50,70,579	1,08,353
Profit on Sale of Assets	35,19,839	1,18,207
Sub-Contractors' Recovery	-	50,16,913
Excess Provision Written Back	-	14,50,658
Forex Gain (Net)	57,15,403	31,79,881
Total Other Income	3,44,94,655	2,08,14,011
Note No.22 - Cost of materials consumed		
Opening Stock	91,81,386	1,13,92,192
ADD : Purchase	64,84,29,676	50,28,36,698
LESS : Closing Stock	75,74,230	91,81,386
Net Consumption of Raw Materials	65,00,36,832	50,50,47,504
Note No.23 - Direct Cost		
Labour Cost	1,26,64,62,166	1,10,93,04,361
Other Operating Cost	10,25,91,218	6,61,19,454
Total Direct Cost	1,36,90,53,384	1,17,54,23,815
Note No.23.1		
Works Contract Payment	68,51,65,893	73,04,96,612
Labour Wages	58,12,96,274	37,88,07,749
Freight Charges	1,36,37,756	1,34,55,469
Customers' Debit Note for supply of common items Power, Water, Labour & Machines - Net	88,82,124	2,48,85,659
Temporary Shed Erection, Maintenance and Purchase of Materials for Temporary and aiding works	7,27,36,516	1,43,51,539
Power Cost	28,07,500	30,07,073
Consultancy Charges	45,27,321	1,04,19,714
	1,36,90,53,384	1,17,54,23,815

Notes forming part of the Consolidated Accounts (Contd)

Particulars	For the year ended 31 March 2012	For the year ended 31 March 2011
	₹	₹
Note No.24 - Employee benefits expenses		
Directors' Remuneration	79,58,030	68,07,292
Salary Expenses	6,31,83,117	5,37,82,506
Company's Contribution to Employees' Provident Fund	15,75,679	13,50,389
Company's Contribution to Employees' State Insurance Corporation	9,10,275	11,02,545
Gratuity	4,47,742	1,80,643
Staff Welfare	35,16,094	31,90,803
Total Employee Cost	7,75,89,137	6,64,14,358
Note No.25 - Finance cost		
Interest paid on Term Loans and Other Loans	2,29,84,609	1,25,65,529
Interest paid on Working Capital Loans	6,14,55,592	2,69,35,004
Bank Charges and Bank Guarantee Commission	1,55,69,996	1,07,44,311
Interest on Statutory Dues	7,36,986	10,21,999
Total Finance Cost	10,07,47,183	5,12,66,843
Note No.26 - Other expenses		
Advertisement	9,19,512	11,02,647
Business Development Expenses	24,24,598	51,11,641
Brokerage	97,984	19,672
Donation	13,85,762	1,70,596
Miscellaneous Expense	14,13,422	10,36,671
Equipment Hire Charges	-	12,000
Insurance	51,09,832	24,12,950
Repairs & Maintenance - Machinery	7,18,98,713	6,78,23,482
Repairs & Maintenance - Others	28,42,322	2,57,693
Postage & Telegraph	4,79,356	4,27,649
Professional Charges	59,68,997	22,65,326
Books & Periodicals	61,780	44,858
Printing and Stationery	15,22,568	14,99,988
Rent & Electricity	53,17,345	10,89,375
Club Expenses	8,886	3,58,247
Audit Fee	10,29,384	5,53,145
Bad Debts	1,40,93,627	4,34,048
Secretarial Expenses	3,23,251	6,41,683
Rates and Taxes	12,06,743	18,06,238
Telephone Expenses	24,57,158	22,57,467
Travelling Expenses	1,34,12,603	55,11,369
Preliminary Expenses / Share Issue Expenses Written Off	87,25,997	28,29,964
Total Other Expenses	14,07,02,242	8,76,67,109
Note No.27 - Exception Items [Expenses/(Income)]		
Realisation from Award of Arbitration	-84,64,795	-
Prior Period Expenses	3,38,120	59,832
Total Exceptional Items	-81,26,675	59,832

R.P.P. INFRA PROJECTS LIMITED

Regd Office: S F No. 454, Ragupathynaicken Palayam, Poondurai Road, Erode 638 002

ATTENDANCE SLIP

(To be presented at the entrance of the Meeting venue)

Folio No. :

DP- ID No :

Client ID No :

Name of the Shareholder :

Name of the Proxy (in Block Letters) :

(to be filed in if the Proxy attends

instead of the member)

I hereby register my presence at the 17th Annual General Meeting held on Saturday, September 29, 2012 at 10.00 A.M at Builders' Welfare Trust Hall, Builders' Association of India, No. 35, Perundurai Road, Erode 638 011.

Member's / Proxy's Signature

R.P.P. INFRA PROJECTS LIMITED

Regd Office: S F No. 454, Ragupathynaicken Palayam, Poondurai Road, Erode 638 002

PROXY FORM

I/We of being a Member/Member's of R.P.P Infra Projects Limited, hereby appoint of or failing him of or failing him of as my/our proxy to attend and vote for me / us / on my/our behalf at the 17th Annual General Meeting held on Saturday, September 29, 2012 at 10.00 A.M at Builders' Welfare Trust Hall, Builders' Association of India, No. 35, Perundurai Road, Erode 638 011 and at any adjournment thereof

Signed this day of 2012

Folio No :

DP- ID No :

Client ID No :

Affix Re. 1
revenue
stamp

Note

This proxy form must be deposited at the Registered Office of the Company at S F No. 454, Ragupathynaicken Palayam, Poondurai Road, Erode 638 002, not less than forty – eight hours before the time for holding the aforesaid meeting.

Book Post

To

If undelivered please return to:

R.P.P. INFRA PROJECTS LIMITED

S F No. 454, Ragupathynaicken Palayam,

Poondurai Main Road,

Erode 638 002, Tamilnadu, India

Phone: 0424 – 2284077, Fax: 0424 – 2282077

E-mail: ao@rppipl.com Website: www.rppipl.com