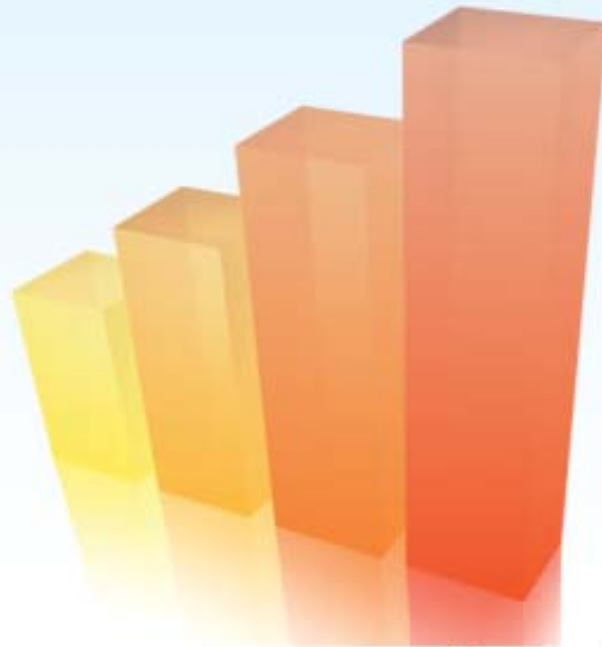




Constructing a better Future

16th

Annual Report 2010 - 2011



Reputation - Performance - Passion



ANNUAL REPORT
2010-2011

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COMPANY INFORMATION

◆ **BOARD OF DIRECTORS**

P. Arulsundaram, Chairman cum Managing Director

A. Nithya, Whole-time Director

A.P.C. Krishnamoorthy, Director

R. Meenakshisundaram, Director

A. Murugesan, Director

S. Thirunavukarasu Director

P. Muralithasan, Director

S.Swaminathan, Additional Director

◆ **COMPLIANCE OFFICER & COMPANY SECRETARY**

S.Saritha

Company Secretary

◆ **AUDITORS**

Karthikeyan & Jayaram

Chartered Accountants,

'Sri Towers'

30, Bharathidasan Street,

Teachers Colony,

Erode – 638 011.

◆ **BANKERS**

Indian Overseas Bank

Axis Bank

◆ **REGISTERED OFFICE**

No. 140, Perundurai Road,

P and C Towers, III Floor,

Erode – 638 011.

RPP Infra Projects Ltd

◆ **WEBSITE**

www.rppiopl.com

◆ **REGISTRAR & TRANSFER AGENT**

M/s. Cameo Corporate Services Limited,
“Subramanian Building”,
#1, Clubhouse Road, Chennai – 600 002.

◆ **LISTED ON**

National Stock Exchange of India Limited
Bombay Stock Exchange Limited

A Note from CMD's Desk

The Indian economic juggernaut continues to remain on a roll, even as the global recessionary winds show signs of warning.

In the last year, the global economic scenario witnessed the sub prime concerns coupled with inflationary pressures in the backdrop of rising crude and commodity prices and other recessionary trends. Given the increasing economic integration amongst regions, India too bore the brunt but to a lesser extent. But make no mistake, the fact is it still remains the second fastest growing economy across the globe and is expected to maintain a growth rate of over 8%.



As per the revised survey and forecast of RBI, the Indian economy is expected to grow at 8.4 per cent in the current fiscal (2010-11) and 8.5 per cent in the next fiscal (2011-12). The twin engines of this robust growth are expected to be the investments (led by the private sector) and consumption expenditure.

It is imperative that to sustain the current rate of economic expansion, massive investments are required within the infrastructure space to bridge the infrastructure deficit in the country. The Infrastructure & Construction segment continues to be the epicentre of our economic development and has received a tremendous impetus by the strong political will demonstrated by the Central and State Governments. This is evident in the form of increasing private sector participation and higher budgeted outlays.

A host of new initiatives are already underway in sectors such as roads & highways (Golden Quadrilateral & the NSEW corridor), ports, airports and addition of capacities in the power sector among others. With India's patchy infrastructure sector getting its due attention, the demand for engineering and construction services is likely to remain robust.

In the industry marked by a plethora of unorganized segment, such concrete policy initiatives by the Government, stand to benefit organized players such as RPP Infra Projects.

We also intend to strengthen our foothold across more cities in Southern India and gradually spread our reach across the rest of India in a planned manner. Internationally we have already forayed into Sri Lanka with a Railway project and concrete efforts are being made to tap opportunities in South East Asian and African markets.

Going ahead, we are confident of scaling new heights by consistently delivering quality, leveraging on the experience and expertise of the management team which we believe is our key differentiator.

RPP Infra Projects Ltd

We have assiduously built up a team with rich experience in the various verticals of our business. We are sure this strategy of having high calibre associates will be a great differentiator.

It thus gives me immense pleasure to report to you, we are now quite prepared to face these challenges and are therefore looking to expand our business horizon by expanding the scope of our services in engineering, procurement and construction, foraying into BOT projects and penetrating new geographies.

Further, even as we recorded robust expansion in business, we did not lose sight of the business challenges that lay ahead of us. These include response to intense competition, scalability in operations and strong management bandwidth to name a few. For human resource management too it has implemented people's initiatives to recruit and retain the same.

With opportunities abound; we at RPP Infra Projects are quite excited about the times ahead. Given the promoter's decades-long experience in the infrastructure space our company is headed towards rapid expansion across our business segments. And our value-based focus will ensure that the rapid expansion is not merely seen at the top line level but is also well translated into a healthy jump in our bottom line.

Given the emerging opportunities and the conducive macro-economic environment, I am quite confident of our company repeating and improving on our performance of the last five years and traversing higher growth trajectories.

Finally, I take this opportunity to thank every employee, customer, supplier and you, fellow Shareholders, for bestowing your faith upon us. At RPP Infra Projects, we continue to focus on growing our business, improving profits and profitability, which we believe is the road towards enhancing shareholder value.



P. Arul Sundaram

Chairman & Managing Director

NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Monday 22nd August 2011 at 10.00 a.m at Hotel Club Melaange, Perundurai Road, Erode – 638 011 to transact the following business.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March 2011 and the Balance Sheet as on that date along with the Reports of the Directors and Auditors thereon.
2. To declare a dividend on the Equity shares at Re.1/- per equity share bearing face value of Rs.10/- each.
3. To appoint a director in place of Mr. P.Muralithasan, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in place of Mr. S.Thirunavukkarasu, Director who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and pass the following with or without modification as an ordinary resolution :
RESOLVED that Mr.S.Swaminathan, who was appointed as an Additional director of the company, at the meeting of the Board of directors of the company held on Thursday 21st April 2011 and whose term expires at this meeting and in respect of whom a Notice under section 257(1) of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr.S.Swaminathan as a candidate for the office of Director of the company, be and is hereby appointed as a director of the company and that his term of office is liable to be determined by retirement of directors by rotation.
7. To consider and pass the following with or without modification as an ordinary resolution :
RESOLVED THAT pursuant to the provisions of Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII and all other applicable provisions and Rules, the consent of the members be and is hereby extended for the payment of a commission of 5% on net profit to Mr. P.Arulsundaram, CMD for the financial year 2010 – 2011.

RPP Infra Projects Ltd

8. To consider and pass the following with or without modification as an ordinary resolution :

RESOLVED THAT pursuant to the provisions of Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII and all other applicable provisions and Rules, the consent of the members be and is hereby extended for the payment of remuneration detailed as under to Mr.P.Arulsundaram, CMD w.e.f. 01.04.2011, subject to the approval of the Central Government if found necessary –

Salary – Rs.3.5 Lakhs per month
Commission – Not exceeding 5% on Net Profit.
Perquisites –

- i. Medical expenses of CMD and family.
- ii. Insurance including Medical Insurance for CMD and family.
- iii. Education of children covering tuition fees and expenses on overseas higher education.
- iv. Foreign trip once a year with family covering all expenses to be incurred including LTC.
- v. Inland trip twice a year with family covering all expenses to be incurred including LTC.
- vi. Club membership for maximum of two clubs.

9. To consider and pass the following with or without modification as an ordinary resolution :

RESOLVED THAT pursuant to the provisions of Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII and all other applicable provisions and Rules, the consent of the members be and is hereby extended for the payment of remuneration detailed as under to Ms.A.Nithya, WTD w.e.f. 01.04.2011, subject to the approval of the Central Government if found necessary –

Salary – Rs.1.5 Lakhs per month
Commission – Not exceeding 5% on Net Profit.
Perquisites –

- i. Medical expenses of WTD and family.
- ii. Insurance including Medical Insurance for WTD and family.
- iii. Education of children covering tuition fees and expenses on overseas higher education.
- iv. Foreign trip once a year with family covering all expenses to be incurred including LTC.
- v. Inland trip twice a year with family covering all expenses to be incurred including LTC.
- vi. Club membership for maximum of two clubs.

**ON BEHALF OF THE BOARD OF DIRECTORS
R.P.P INFRA PROJECTS LIMITED**

Place : Erode

(Sd/-)

Mr. P. ARULSUNDARAM

Date : 25.07.2011

(CHAIRMAN CUM MANAGING DIRECTOR)

NOTES

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.
2. Proxies in order to be effective must be lodged at the Registered Office of the Company at No. 140, Perundurai Road, P and C Towers, III Floor, Erode – 638 011 at least 48 hours before the time fixed for Annual General Meeting.
3. Members/Proxies should bring the Attendance Slip/Proxy Form duly filled in for attending the meeting.
4. Members are requested to intimate change of address if any to, Cameo Corporate Services Limited, Chennai the Registrar and Share Transfer Agent of the company.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday 25th July 2011 to Tuesday 02nd August 2011 (both days inclusive).

**EXPLANATORY STATEMENT UNDER SEC.173(2) OF THE COMPANIES
ACT, 1956**

SPECIAL BUSINESS

Subject No.6

The Board of Directors has appointed Mr.S.Swaminathan as an Additional Director w.e.f. 21.04.2011 and his term expires at the beginning of the Sixteenth Annual General Meeting scheduled for Tuesday 02nd August 2011. The Board recommends the appointment of Mr.S.Swaminathan as a director of the company, liable to retire by rotation and place the resolution under this item for your approval.

Subject No.7

The Board has decided to pay a commission of 5% on Net Profit to Mr.P.Arulsundaram, CMD for the financial year ended 31.03.2011, in view of the remarkable performance of the company during the said financial year.

The resolution under this subject is placed before you for your approval.

Mr.P.Arulsundaram, CMD and Ms.A.Nithya, WTD are interested in this subject.

Subject No.8 and 9

The Board has decided to alter the remuneration package of Mr.P.Arulsundaram, CMD and Ms.A.Nithya, WTD, on the recommendation of the Remuneration Committee, as an acknowledgement for the services being rendered by them to the company.

The resolutions under these subjects are placed before you for your approval.

Mr.P.Arulsundaram, CMD and Ms.A.Nithya, WTD are interested in these subjects.

**On behalf of the Board of Directors
R.P.P INFRA PROJECTS LIMITED**

(Sd/-)

**P.ARULSUNDARAM
Chairman Cum Managing Director**

(Sd/-)

**A.NITHYA
(WHOLE – TIME DIRECTOR)**

Place : Erode

Date : 25.07.2011

PROFILE OF DIRECTORS WHO RETIRE BY ROTATION

- a) Mr.P.Muralithasan, Director retires by rotation at the ensuing AGM and is eligible for re-appointment

PROFILE:

Name : Mr.P.Muralithasan
Date of Appointment : 01.04.2008
Status : Non Executive Director
Age : 47 years
Qualification : BE (Civil)
Occupation : Business
Other Directorships : Nil

Mr.Muralithasan has been associated with the company from 01.04.2008 and has a vast knowledge of the industry.

- b) Mr.S.Thirunavukkarasu, Director retires by rotation at the ensuing AGM and is eligible for re-appointment

PROFILE:

Name : Mr.S.Thirunavukkarasu
Date of Appointment : 01.04.2008
Status : Non Executive Independent Director
Age : 39 years
Qualification : Diploma in ECE
Occupation : Business
Other Directorships : Nil

Mr.S.Thirunavukkarasu has been associated with the company from 01.04.2008 and has a vast knowledge of the industry.

RPP Infra Projects Ltd

- c) Mr.S.Swaminathan, Additional Director who retires by rotation at the ensuing AGM and eligible for re-appointment

PROFILE:

Name : Mr.S.Swaminathan
Date of Appointment : 21.04.2011
Status : Additional Director
Age : 62 years
Qualification : B.E. (Mechanical)
PG Diploma in Advanced Systems - IIM ICWA (Inter)
Occupation : Business
Other Directorships : Brite Ideas Solutions (P) Ltd
First Financial Services Ltd

Mr.S.Swaminathan has been associated with the company from 21.04.2011 and has a vast experience and knowledge will be of great advantage to the company.

**ON BEHALF OF THE BOARD OF DIRECTORS
For R.P.P INFRA PROJECTS LIMITED**

(Sd/-)

Mr. P. ARULSUNDARAM

(CHAIRMAN CUM MANAGING DIRECTOR)

Place : Erode

Date : 25.07.2011

DIRECTOR'S REPORT

Ladies and Gentlemen,

Your directors are pleased to present the Sixteenth Annual Report of your company and the Audited Annual Accounts for the financial year ended 31st March 2011.

FINANCIAL RESULTS

Financial highlights of the company for the year ended 31.03.2011.

(in Lakhs)

		2010-11	2009-10
Direct Income & Other Income		21,629.08	14,693.53
Profit before Interest, Depreciation & Tax	EBIDTA	3,272.73	1,714.67
LESS : Interest and Finance Charges		502.45	315.72
LESS : Depreciation and Amortisation		383.80	240.92
Profit before Tax PBT		2,386.48	1,158.03
Tax Expenses		520.05	326.81
Profit after Tax PAT		1,866.43	831.22
PAT %		8.63%	5.66%
<u>Proposed Dividend</u>			
Dividend Rate		10%	15%*
Dividend Amount		226.01	89.76
Corporate Dividend Tax		37.54	14.91
Current Year Surplus	(a)	1,602.89	726.56
Accumulated Reserves and Surplus upto previous year	(b)	821.45	1,484.98
LESS : Bonus Share 5:1 on 05/12/2009	(c)	-	1,375.00
LESS : Adjustments due to Income Tax for prior periods	(d)	0.54	15.09
ADD :Share Premium Reserve	(e)	3,965.38	-
Forex Currency Translation Reserve	(f)	(12.32)	-
Reserves and Surplus at the end of the period	(g)=(a)+(b)-(c) -(d)+(e)-(f)	6,376.86	821.45

*On pro-rata Basis

RPP Infra Projects Ltd

01. REVIEW OF OPERATIONS

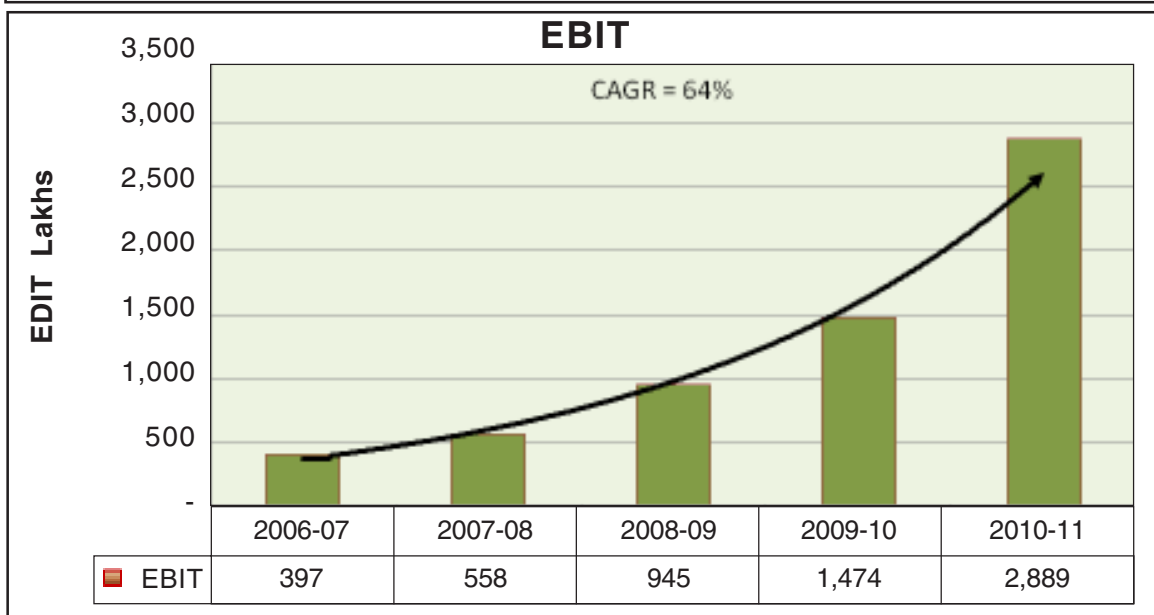
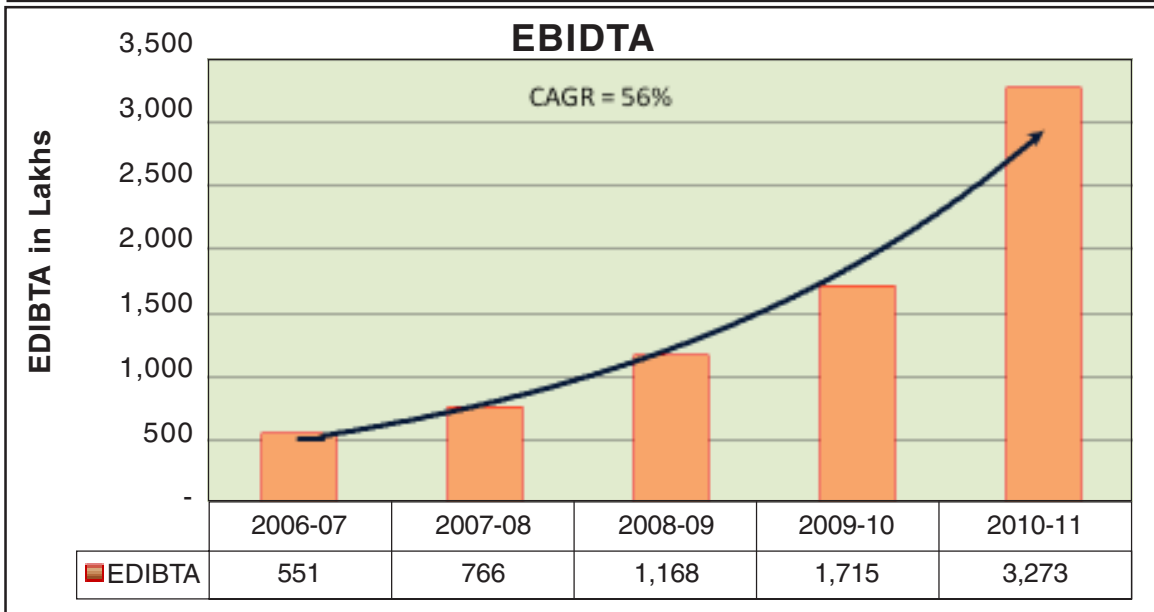
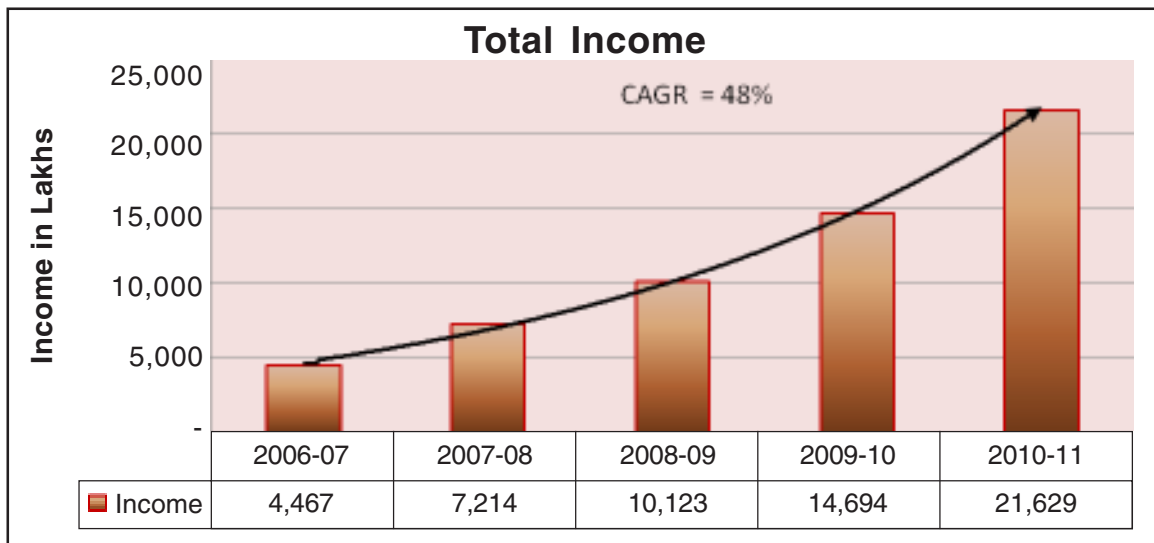
Your Company is mainly engaged in infrastructure development and construction business. The Revenue of the Company for the year increased to Rs.21,629.08 lakh in 2010-11 compared to Rs.14,693.53 lakh in 2009-10. The Company's net profit before tax for the year was Rs.2,378.56 lakh compared to Rs.1158.03 lakh last year, thereby registering an annual growth of 105.40%. The PAT for the year ended March 31, 2011 was Rs.1,867.76 lakh compared to Rs.831.22 lakh last year.

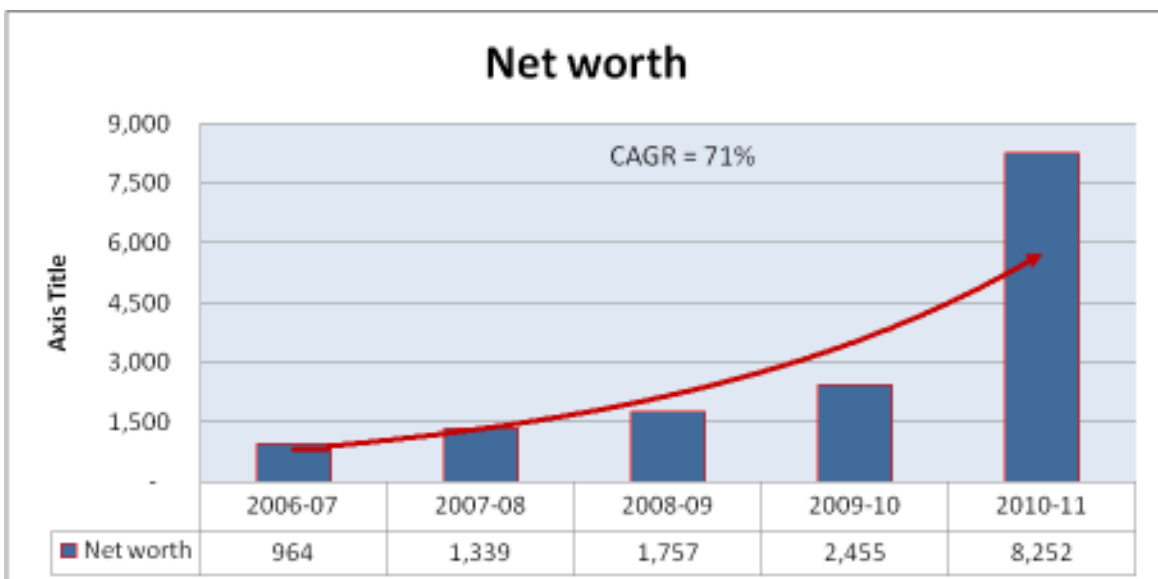
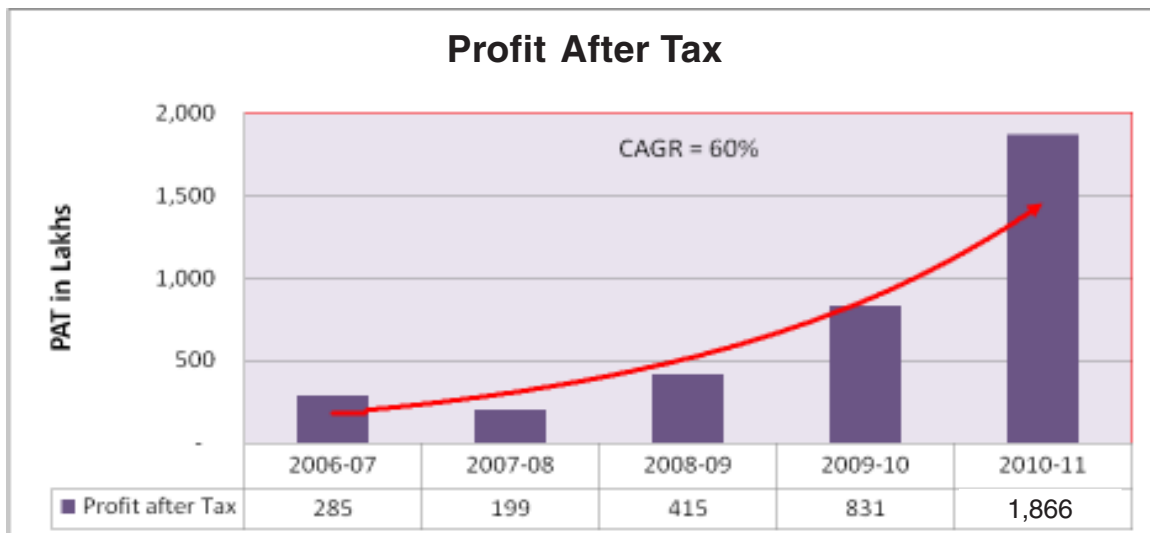
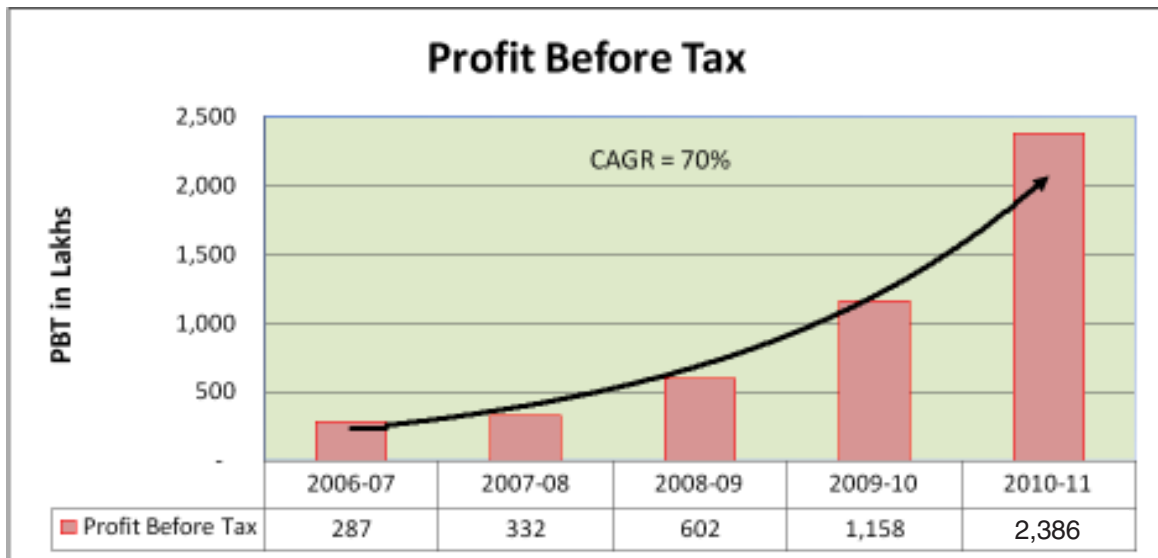
02. GROWTH OF THE COMPANY

Your directors are very happy to state that the company has been growing steadily and the performance has been improving remarkably year after year. The financial highlights of the company during the last 5 years which is furnished under reveals the encouraging growth of the company.

(in Lakhs)

	2006-07	2007-08	2008-09	2009-10	2010-11
Direct Income	4,393.42	7,075.73	10,009.81	14,454.47	21,420.94
Indirect Income	73.76	137.86	112.73	239.07	208.14
Total Income	4,467.18	7,213.59	10,122.54	14,693.53	21,629.08
YoY Growth %	7.49%	61.48%	40.33%	45.16%	47.20%
EBIDTA	551.06	765.96	1,168.17	1,714.67	3,272.73
EBIDTA %	12.34%	10.62%	11.54%	11.67%	15.13%
Depreciation	153.67	207.87	222.80	240.92	383.80
EBIT	397.39	558.09	945.37	1,473.75	2,888.93
EBIT %	8.90%	7.74%	9.34%	10.03%	13.36%
Interest and Finance Cost	110.63	226.54	343.70	315.72	502.45
Profit Before Tax	286.76	331.55	601.67	1,158.03	2,386.48
PBT %	6.42%	4.60%	5.94%	7.88%	11.03%
Tax Expenses	2.22	132.08	187.14	326.81	520.05
Profit After Tax	284.54	199.46	414.52	831.22	1,866.43
PAT %	6.37%	2.77%	4.10%	5.66%	8.63%





03. ON GOING PROJECTS

Your directors are happy to inform you that the Board is highly satisfied with the progress of the various on-going projects being executed at different sites. The details of the on-going projects and the projects awarded to the company during the year under review is furnished in the attached Management Discussion Analysis Report.

04. DIVIDEND

The Board of Directors recommend the payment of Rs. 1/- per fully paid equity share of the company for the financial year ended 31st March 2011 to the members whose names appear in the Register of Members as on the closing of Friday 22nd July 2011.

The Dividend for the financial year 2010 – 2011 shall be subject to tax on dividend to be paid by your company but will be tax free in the hands of the share holders.

05. CHANGE IN CAPITAL STRUCTURE : INTIAL PUBLIC OFFER (IPO)

During the year, the Company has successfully completed Initial Public Offering of 65,00,000 Equity shares of Rs.10/- each at a premium of Rs.65/- per Equity Share aggregating to Rs.75/- per Equity Share.

The initial Public Offer was over – subscribed to the extent of 2.97 times.

06. LISTING OF SHARES

The Initial Public Offer was open from 18.11.2010 to 22.11.2010. The company's shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited and trading commenced w.e.f. 06th December 2010.

07. SUBSIDIARIES

During the year under review the company has set up a 100% subsidiary of the company under the name R.P.P Infra Overseas PLC at Mauritius. Further during the review period the company has acquired the shares of R.P.P Energy systems Private Limited, which has become a 100% subsidiary of the company.

08. CONSOLIDATED FINANCIAL STATEMENT

Your Directors have pleasure in attaching the Consolidated Financial Statement pursuant to clause 32 of the Listing Agreement entered in to with the stock exchanges and prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India in this regard.

09. DETAILS OF UNCLAIMED SHARES

Following are the unclaimed shares in demat suspense account of the company as at 31st March 2011.

RPP Infra Projects Ltd

Aggregate number of shareholders	Outstanding shares in the suspense account lying at the end of the year
1. Mrs. Patel Nee	80
2. Mr. S. Sivaraman	80
3. Mr. Saji Vasudevan (UAE)	1119
	1279

10. DIRECTORS

Mr. P.Muralithasan and Mr. S.Thirunavukkarasu, Directors retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-election.

The Board of Directors has appointed Mr.S.Swaminathan as an Additional Director w.e.f. 21.04.2011 and his term expires at the beginning of the ensuing Sixteenth Annual General Meeting of the company. Mr.S.Swaminathan being eligible, offers himself for re-appointment.

Mr.P.Sivakumar and Mr.S.Sekar, Directors were relieved from the Board w.e.f. 01.09.2010.

11. AUDITORS

M/s.Karthikeyan & Jayaram, Chartered Accountants, Erode the auditors of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The said auditors have confirmed their eligibility and willingness to accept the office of Auditors if re-appointed. Members are requested to consider their re-appointment on remuneration to be decided by the Board of directors of your company in due consultation with the said auditors.

12. PUBLIC DEPOSITS

The company has not accepted any deposit from the public during the year under review.

13. CORPORATE GOVERNANCE

The Board of Directors of your company has taken all necessary steps to comply with Clause 49 of the Listing Agreement entered by the company with the National Stock Exchange and Bombay Stock Exchange. A Report on Corporate Governance is annexed with this Report.

14. MANAGEMENT DISCUSSION REPORT

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

15. 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, foreign exchange earnings and outgo is provided in Annexure forming part of the Report.

16. PARTICULARS OF EMPLOYEES

The details of remuneration of employees, as required under Section 217(2A) of The Companies Act, 1956 read with Companies (Particulars of Employee Rules 1975) is not furnished since the company has not employed any person who draws remuneration in excess of the limits set under the said section.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217 (2AA) of The Companies Act, 1956 your directors have :

- a. followed in the preparation of the Annual Accounts, the applicable accounting standards.
- b. selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company, at the end of the financial year and of financial position of the company for the period.
- c. taken proper and sufficient care for the maintenance of adequate according records in accordance with the provisions of The Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d. prepared the attached statement of accounts for the year ended 31st March 2011 on a going concern basis.

ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation and thanks for the valuable cooperation and support received from the employees of the company at all levels, Company's Banker, Financial Institutions, Central and State Government Authorities, J.V.partners, clients, consultants, suppliers and members of the company and look forward for the same in greater measure in the coming years.

**On behalf of the Board of Directors
R.P.P INFRA PROJECTS LIMITED**

(Sd/-)

**P.ARULSUNDARAM
Chairman Cum Managing Director**

Place : Erode

(Sd/-)

Date : 25.07.2011

**A.NITHYA
(WHOLE – TIME DIRECTOR)**

ANNEXURE TO DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

FORM - A

NOT APPLICABLE

FORM – B

RESEARCH AND DEVELOPMENT

The Company has no separate Research and Development Department.

TECHNOLOGY ABSORPTION

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.

FOREIGN EXCHANGE EARNING AND OUTGO		31.03.11	31.03.10
(i) Expenditure on Foreign Travel	Rs.	————	————
(ii) Foreign Exchange Earned	Rs.	3,179,881	(26,137,500)

**On behalf of the Board of Directors
R.P.P INFRA PROJECTS LIMITED**

(Sd/-)

**P.ARULSUNDARAM
Chairman Cum Managing Director**

Place : Erode

(Sd/-)

Date : 25.07.2011

**A.NITHYA
(WHOLE – TIME DIRECTOR)**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Board of Directors present the following details which are relevant to the industry in general and those which are relevant to the company in particular.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Continuously enhancing project execution capabilities: One of the crucial parameters for success in our capital intensive industry we at RPP Infra Projects are continuously enhancing project management capabilities aimed at increasing productivity and maximizing asset utilization. Acquiring and retaining a talented pool of engineers, and facilitating continuous learning with in-house and external training is also an integral part of the strategy here. This holistic approach, we believe, will help us expand our realms continuously.

Focus on High Value Contract: As we move higher up the value chain it is imperative to focus on higher value contracts by bidding for mega – projects both in terms of value and technological complexity on BOT basis. We will also look at joint venture partners to begin with and gain a foothold in this segment. In the long run we expect this strategic initiative to reduce our operating costs and boost margins.

Foray into BOT & BOOT Projects : Given the huge outlay in the Infrastructure segment, the Government has framed policies to channelize private investment in infrastructure development projects. The Build-Operate-Transfer (Toll), Build-Operate-Transfer (Annuity) and BOOT approaches are gaining significant momentum especially in the road, bridges and power segment and we are undertaking this fund raising exercise to capitalize on the opportunity. This, we believe, will take us into the higher league.

Geographical Expansion : RPP Infra Projects has successfully proven its overseas project implementation capability by undertaking the RITES and HPF projects in Sri Lanka and SEZ and Mass housing projects in Republic of Gabon. Our Business development department has already short listed potential projects in overseas and work is underway to tap markets in South East Asia and Africa. Our long standing experience and presence in the developing markets should catalyze our chances of success in these regions.

Client Relationship and Strategic Partnerships : It has been an integral aspect of our growth strategy to develop and maintain strategic alliances with other contractors to enter into specific joint venture or sub-contracting relationships. This enables us to diversify the risk and grow our business with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our prospects. Thus far the quality of our work and timely execution has enabled us to earn the client's goodwill resulting in repeat orders.

Technological Superiority & Design Capabilities : The company has design capabilities in the water irrigation sectors, which enables it to provide turnkey construction services in this sector. We are looking at extend these design capabilities to potent sectors such as Building Construction, Transportation and Water Management so as to provide turnkey solutions across various segments. This will give us the competitive edge.

Fortifying our existing Financial Strength : The company has grown at a CAGR of 36% in terms of the topline over the last 5 years and in terms of profitability it has clocked a 52% growth for the same period. Also the company has managed to remain positive at the net cash flow level in the last three years. Our networth has grown at 28% over the last five years enabling us to garner the benefit of bidding for larger projects. With the fund raising exercise we further aim to strengthen our balance sheet which will elevate us to the next growth curve.

OPPORTUNITIES AND THREATS

As per the RBIs Annual Policy document for 2010-11 the estimated rate of growth of the Indian Economy is pegged at around 8 per cent. Notably, the spending on Infrastructure sector as a percentage of GDP was just about 5 per cent for the Tenth Plan as compared to China, which spends double that of India on infrastructure development. To enhance the infrastructure spending as a percentage of GDP, as per the Finance Ministry, the industry requires an investment of around USD 459 to USD 500 billion by 2012.

Further, investment in the infrastructure sector is expected to be around USD 425.2 billion during the Eleventh Five Year Plan (2007-12), as against USD 191.3 billion during the Tenth Plan. Meanwhile, private investment into the sector is also projected to increase to USD 157.3 billion in the Eleventh Plan, as compared to USD 47.84 billion in the Tenth Plan. This investment is likely to be fulfilled through public-private-partnership (PPP) projects that are based on long-term concessions.

Increasing allocation towards this sector and higher private participation is expected to benefit organized players like RPP Infra Projects who have the long standing experience and expertise in the sector.

Some of the key policy initiatives which reflect the opportunity presented by the industry we are present in are :

- * The National Highway Development Programme (NHDP) involves a total investment of USD 50 billion up to 2012. The Bharat Nirman Programme that aims to cover every village having a population of over 1,000 or over 500 in hilly and tribal areas, with all-weather roads. According to the Press Information Bureau, in the third week of December 2009, the government approved four-laning 384 km of highways with an investment of USD 669.2 million. The Tamil Nadu government has allocated USD 2.25 billion for a project envisaging laying of roads of international standard in 11 cities. As per XI 5 year plan for infrastructure, for the year 2010-11, out of USD 1640 Billion \$684 billion will be for Roads and bridges. In 2011 -12 it will be USD 800 billion. There is huge investment planned for the roads and bridges sector.
- * The World Bank has agreed to provide a USD 3 billion loan for developing National Highways. The World Bank assistance will be utilised for converting 6,372 km of one-lane highways to two-lane, out of the total of 19,702 km of single lane highways in the country.
- * An investment of USD 213.7 billion proposed for the capacity addition of 78,700 MW in the 11th Plan (2007-12) and USD 235.1 billion to add over 94,431 MW in the 12th Plan. Further, the Ministry of Power and Central Electricity Authority (CEA) have projected a total investment of USD 4.3 billion for renovation and modernisation, as well as extending the life span of various old power plants during 11th and 12th Five-Year Plans. Of this, USD 1.5 billion is planned for the 11th Plan and USD 3 billion for the 12th Plan.

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- * Private players are seeing significant opportunity in the water management and irrigation sector. The depletion of ground water resources and increasing demand for providing safe drinking water is increasing at a rapid pace. Recycling and effective water management has become a crucial activity given the scarce water resources. Resultantly, this could drive up investments in water infrastructure.
- * In the Union Budget 2010-11, the Finance Minister has increased the allocation for urban development was increased by more than 75 per cent from USD 660.3 million to USD 1.17 billion in 2010-11. Further, according to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth USD 8.4 billion from April 2000 to April 2010 wherein the sector witnessed FDI amounting USD 2.8 billion in the fiscal year 2009-10.
- * The Government's focus and sustained increased budgetary allocation and increased funding by international and multilateral development finance institutions for infrastructure development in India has resulted in, or is expected to result in, several large infrastructure projects across India. However on account of the huge gap in demand supply and the potential for development in the country, 30% of the total investments are expected to be made by the private sector. This opens up many opportunities for companies like RPP Infra Projects with a good track record and execution capabilities as it plans to foray into BOT projects.

OUTLOOK

* **Well Diversified Business Model**

The company's presence in the construction sector across diverse segments like roads, highways, bridges, power projects, SEZ development water management give visibility to its earnings and also diversifies revenue streams. With the foray into BOT projects and increasing 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 the industry. This is crucial to our success given that the industry requires strong execution capabilities and high level of skill sets. As of March 31, 2011 the company has forty five qualified engineers who lead the implementation of key projects. Notably, we have a track record of timely execution of the projects which minimizes cost overruns and strengthens our client relationships which is reflected in the repeat orders that we receive.

* **Presence in potent segments**

The company is present in the transport segment along with water and the power sector. Typically in these industries a lot of growth stems from the government initiatives and budgeted outlays. Very clearly there has been an uptrend in the budgeted outlays , year on year. In addition to this, the Government has framed favourable policies to encourage private sector participation. Hence the fund raising exercise will help us bid for higher value and

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more complex projects. Further as the company plans to foray into BOT and BOOT projects, it will take the company into a higher league.

*** Owned Equipment Base**

Owned equipment base offers the company two fold advantage of better utilization rate for the investments made in the machinery and resultantly higher margins. This also enables real time movement of machinery at the sites leading to saving time on deploying resources. RPP Infra Projects has the latest construction equipment comprising of piling rigs, crushers, hydraulic cranes, excavators, loaders, dozers, paver finishers, jack hammers, air compressors & transportation equipments such as trucks, tractors, trailers, jeeps, etc. We will continue to fortify this asset base in future also. As on 31st March, 2011, the company's equipment base stands at Rs. 2162 lakhs.

*** Strategic Partnerships & Pre-Qualification Criteria**

To enhance our project bidding and development opportunities we have and will continue to enter into strategic relationships with major players in the industry. These partnerships will enable us to optimize our ability to execute and deliver big projects and also help us to bid for complex projects. These alliances will enable us to augment our asset base and long standing experience as we expand our horizons.

RISK AND CONCERNS

Raw Material Costs

Timely Procurement of suitable quality material at competitive prices is crucial to our profitability as Raw Material comprises 65-70% of the total project cost. Hence our company has a dedicated team for procurement and the logistics to ensure timely availability of material at each of our project sites of the same. An extensive vendor database is in place and we have developed relations with a number of vendors for key material, services and equipment. Vendors are invited to negotiate before finalizing the terms and prices. The materials ordered are provided to the sites from time to time as per their scheduled requirements. Processes and systems are in place to maintain material procurement, tracking and control, which enables monitoring of our purchases and effective cost management.

Working Capital Management & Interest rate Risk

By their very nature infrastructure projects are capital intensive in nature as cash flows start accruing over a period of time. However, focus on timely completion of projects leads to minimizing cost which resultantly keeps the working capital requirements under control. Further Bank funding is inevitable for the construction industry and Project funding for Government projects are faster and provides for the required fund flow. The interest burden is taken care of by planned execution, timely billings and payment follow ups. Thus far banks have been comfortable in extending credit facilities with a competitive interest rates as most of our projects are state or central Government backed. Further, internally, working capital is largely contributed by Running Account bill settlement and recovery of retained money from our customers. We undertake joint measurement of work completed on a bi-monthly basis and record the same in Measurement book. Based on that we submit the Running Bill by last working day of every month and ensure that atleast 90% of adhoc payment is received within 20 days after submission of the RA bills.

Foray into BOT/ BOOT Projects

Infrastructure development, especially of roads requires huge investments. By and large only 30% of the outlay goes from Government; that too mainly towards rural road development. Another 40% will be generated from internal generations and market borrowings and the remaining 30% accounting to about Rs.6,19,5900 lakhs we expect will come from the PPPs with investor friendly projects. Thus we believe that there is huge opportunity for public private partnership models like BOT and BOOT.

Further, BOT contracts require the successful bidder to construct operate and maintain the asset over a pre-defined period (known as the "Concession Period") on his own expense. In return, the bidder is granted a right to collect revenues from the end users of the asset during the Concession Period through a pre-defined mechanism. Also the Annuity based contracts - typically provide for the facility to be constructed, maintained and financed by the bidder for which it receives annuity payments in predetermined amounts at predefined intervals during the course of the Concession Period. These models will enable us to generate higher revenues and better returns against the backdrop of our proven execution skills.

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With our vast experience in the Roads and Bridges sector, and undertaking projects on a JV basis, we are confident of floating SPVs and winning BOT and BOOT projects.

Moreover, the fund raising exercise is expected to strengthen our balance sheet and enable us to bid for larger size projects. This in turn is expected to result in higher revenue generation for contractors such as us by virtue of better than anticipated use of the asset and higher returns.

Operations Risk

As infrastructure projects are awarded by the Governmental authorities any change in the regulation or time lag in awarding projects exposes us to operational risk. However, the company is accredited with completing project ahead of schedule on the back of long standing experience. This adds to the credibility of our company in terms of execution capabilities.

Geographical Concentration

As of now we are a company with major presence in South India. However it is an integral growth strategy to expand our operations by diversifying across geographies as well as segments. We have ventured into Sri Lanka where we are currently working on a project in the Railway Sector. A dedicated team has been put in place to sense and tap opportunities not only in India but also in South East Asia and African countries where we can leverage upon the experience of operating in developing regions.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has in place, adequate systems of internal control. It has documented procedures covering all financial and operating 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 regulation and for ensuring reliability of financial reporting. The company has continued its efforts to align all its processes and controls with best practices in the areas as well.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

i. SIGNIFICANT PROJECTS COMPLETED DURING THE YEAR

- * CWSS to 175 rural habitations in Palani and Thoppampatti unions in Dindigul District including maintenance of the scheme for 12 months. (TWAD – Water Management)
- * Standardising and Strengthening the bank of Cauvery RB at Mile 103/7 to 111/0. (PWD WRO – Irrigation)
- * Rehabilitation of Irrigation Infrastructures in Ambuliar Sub Basin from Pallathividuthi Anicut and its group of Tanks to Senthangudi Anicut and its group of Tanks in Alangudi of Pudukkottai District (PWD WRO – Irrigation)
- * Creation of Common Infrastructure facility such as Internal Road, Storm Water Drains, cable Ducts, RCC Box Culverts, Compound Wall, gates and gate Pillars for Illandaikulam IT SEZ at Madurai, Tamil nadu (ELCOT – SEZ)
- * Construction of 36 Nos Lecturer’s Quarters at NIT, Trichy. SH: Building Portion including Internal Water Supply, Sanitary installations and Drainage.(CPWD – BUILDING)
- * Construction of Vegetable Shops (Type I-4 Blocks) at Mathuthavanai in Ward No.6 – Package I. (MADURAI CORPORATION – BUILDING)
- * Construction of Vegetable Shops (Type I-2 Blocks, Type IV-4 Blocks) at Mathuthavanai in Ward No.6 – Package II (MADURAI CORPORATION – BUILDING)
- * Construction of Vegetable Shops (TypeVI-8 Blocks, Type II-2 Blocks) at Mathuthavanai in Ward No.6 – Package III (MADURAI CORPORATION – BUILDING)
- * Construction of Vegetable Shops (TypeII-1 Block, Type V- 10 Blocks) at Mathuthavanai in Ward No.6 – Package IV (MADURAI CORPORATION – BUILDING)
- * Construction of Vegetable Shops (TypeII-7 Blocks) at Mathuthavanai in Ward No.6 – Package V (MADURAI CORPORATION – BUILDING)
- * Construction of Vegetable Shops (Type II - 2 Blocks, Type III-10 Blocks) at Mathuthavanai in Ward No.6 – Package VI (MADURAI CORPORATION – BUILDING)
- * Construction of Vegetable shops (Type III – 7), Toilet IV blocks, Borewell 5 Nos & Compound wall at Mattuthavani in ward No:6 – Package VII (MADURAI CORPORATION – BUILDING)

ii. SIGNIFICANT PROJECTS AWARDED TO THE COMPANY DURING THE YEAR

- * Construction of Dining Hall in the Terrace Floor, Landscaping work, UG sump, STP and providing water supply line from the existing well to the UG sump. (ELCOT – SEZ)
- * Providing Cement Concrete Pavement at SNM Nagar, Senbakavalli Nagar, Attukkara Street, GA Canle East Bank Road, Maharnobu Chavadi, Kennedy Street, LIC Colony and JJ Nagar Cross street. (THANJAVUR MUNICIPALITY – SEZ)

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- * Providing Cement Concrete Pavement at Old Thiruvaiyaru Road Lakshmi puram Agraharam and Vennar Head Works Road (THANJAVUR MUNICIPALITY – SEZ)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including Construction of 60000 Litre capacity sump – 2 nos, pump house 2m x 2m – 2 nos including maintenance for one year in the respective sump in which the pipes are laid for Thiruthirvalai feeder main in and Panayakurchi feeder main Anandur Vilakku Sump of R.S.Managalam Union. (TWAD – WATER MANAGEMENT)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including maintenance for one year in the respective sump in which the pipes are laid for Pandugudi sump in Thiruvadana Union. (TWAD – WATER MANAGEMENT)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including maintenance for one year in the respective sump in which the pipes are laid for Kadambur sump in Thiruvadana Union. (TWAD – WATER MANAGEMENT)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including maintenance for one year in the respective sump in which the pipes are laid for Maruthavayal Feeder main of Periakamoi sump in R.S.Mangalam Union. (TWAD – WATER MANAGEMENT)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including maintenance for one year in the respective sump in which the pipes are laid for Anandur Vilaku sump in R.S.Mangalam Union. (TWAD – WATER MANAGEMENT)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including maintenance for one year in the respective sump in which the pipes are laid for R.S.Mangalam Union Office sump in R.S.Mangalam Union. (TWAD – WATER MANAGEMENT)
- * TWAD Board – Supply, Delivery, laying and Jointing of PVC/GI Pipes & Specials, Supply, Erection and Commissioning of open well submersible pumpset including maintenance for one year in the respective sump in which the pipes are laid for Pagayana Union. (TWAD – WATER MANAGEMENT)
- * Construction of Chemical Additive Plant Building – Phase II under Mill Expansion Plan (MEP) (TNPL – BUILDING)
- * Upgradation of existing 2x5MVA, 33/11KV Sub-Station to 2x10MVA, 110/11KV Sub-Station at Hanumanal and Construction of 110KV SC line on DC towers from proposed 110/33/11KV Sub-Station at Hiregonnagar to the proposed 110/11KV Sub-Station at Hanumanal for a distance of 10.58 Kms in Kushtagi Taluk, Koppal District and Construction of 110KV Terminal

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Bay at proposed 110/33/11KV Sub-Station at Hiregonnagar for the proposed 110KV SC line to proposed 110/11KV Hanumanal Sub-Station on Total Turnkey Basis including Supply of all Materials / Equipments and Erection (including Civil Works) of all Materials / Equipments, Testing And Commissioning. (KPTCL – ELECTRICAL/BUILDING)

- * Construction of academic block for Tirunelveli Anna University Engineering College at Thoothukudi in Thoothukudi District. (TECHNICAL EDUCATION – BUILDING)
- * Reconstruction of Vulnerable houses (TSUNAMI IMPLEMENTATION UNIT – BUILDING)
- * Renovation and Modernisation of Malampuzha garden - Phase 2 - Renovation of Main garden at Palakkad Dist. (PWD – SEZ)
- * Vertical raising of “E” Pond of Thermal Power Station – I (NLC- BUILDING/POWER)
- * Construction of storm water drain work in South Buckingham Canal Water Shed, Chennai city. (CHENNAI CORPORATION – WATER MANAGEMENT)
- * Flood Protection works in Left Bank of Kollidam (Coleroon) river from L.S. 126.96Km to 135.21Km in Kattumannar Koil Taluk of Cuddalore District in TamilNadu. (PWD WRO – IRRIGATION)
- * Pipeline Corridor and Road for MSEZI Reach I (0 to 50 km and 1.73 to 1.80 km) (MSEZ – WATER MANAGEMENT)
- * Rehabilitation of Contour Canal from L.S. 0.000 KM to 11.480 KM (PWD WRO – IRRIGATION)
- * Rehabilitation of Contour Canal from L.S.30.100 KM to 49.300 km (PWD WRO – IRRIGATION)
- * Rehabilitation and Gunitting the North Branch from Vent No.1 to Vent No.30 Vadavar, and Coleroon North Rajan Channel of Lower Anicut(PWD WRO – IRRIGATION)
- * Formation of Flood Bank and improving drainge facilities to middle Paravanar River in Cuddalore District. (pack 18) (PWD WRO – IRRIGATION)
- * Permanent Flood Protection works to Manimuktha River from Paravalur to Gudaliyathur (L.S 46.10 km to 75.00 km) in Cuddalore District. (pack 12) (PWD WRO – IRRIGATION)
- * Formation of tank across Nallathangal Odai near Kathayam village of Oddanchatram Taluk of Dindigul District (PWD WRO – IRRIGATION)
- * Service facilities and Infrastructure works viz., Internal roads, Street Lights, Storm Water Drain, Service Ducts, Compond Wall, Culverts, Electrical and plumbing Works, Security Block, Sewage treatment Plant & Over Head Tank at Hosur-Viswanathapuram IT SEZ. (ELCOT– SEZ)
- * Construction of 10000 Dwelling Units in Gabon (BUILDING)
- * Construction of Roads, Overhead Tank, Entrance and Hotel Building at the SPECIAL ECONOMIC ZONE, NKOK (SEZ)

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

Our HR Philosophy

- * Quality manpower is the key to our success.
- * A Well-qualified workforce which has been instrumental in the implementation of our business strategies in the past.
- * A trained, motivated and well remunerated employee base is a competitive advantage. Our engineering skills and capabilities enable us to successfully implement a wide variety of construction projects that involve varying degrees of complexity.
- * The Top Management team sets an example of long term carrier growth along with the company and should be an inspiration for the rest.

Hence right from the recruitment process of the company to retaining and rewarding people, a lot of efforts are undertaken. Some of the key initiatives undertaken are ;

- * Continuous productivity enhancement through periodical subjective training for the executive and workers
- * Set the right attitude through motivational programs.
- * Monthly review with analytical discussions aimed at improving the speed of the work at project site and completing the work on schedule.
- * Rewards to workers for increasing productivity by increasing output and minimizing wastage
- * Soft skill training for the managers, executives and other staff members aimed at overall personality development resulting in better team management and better rapport with subordinates.
- * Administrative department undertakes recruitment of personnel in different categories. For recruiting the employees we approach HR consultants, use recruitment websites and through references.
- * Periodical training to our employees at various project sites and regular technical seminars and training sessions in addition to on the job and hands on training organized or sponsored by the Company.
- * Well thought out policies channelized towards facilitating the integration of the new employees into the Company and aligning their career goals with the overall corporate objectives.

REPORT ON CORPORATE GOVERNANCE

(In compliance with Clause 49 of the Listing Agreement)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is to ensure that its obligations are discharged in a fair and transparent manner.

BOARD OF DIRECTORS

The Board comprises of a Chairman cum Managing Director, 1 Whole-time director and Six Non-executive Directors.

The composition of the directors as on 31.03.2011 and their attendance at the Board meetings during the year and at the last Annual General Meeting are as follows:-

Name of the Director	Category of Director	No.of Board Meetings attended	Attendance at the last AGM	No.of other Directorships held in public Companies	Member-ship held in Other Committees	Member/ Chairman (As on 31.03.11)
P.Arulsundaram	CMD Executive Promoter	10	YES	1	YES	Management Committee-Member
A.Nithya	WTD Executive Promoter	14	YES	Nil	YES	Management Committee-Member
P. Muralithasan	Non-Executive Director	12	YES	Nil	YES	Management Committee-Member
A. Murugesan	Non-Executive Independent Director	5	YES	Nil	YES	Investor Relation Committee-Member Remuneration-Committee Member
R.Meenakshi Sundaram	Non-Executive Independent Director	3	YES	Nil	YES	Investor Relation Committee-Chairman Audit Committee Member

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Name of the Director	Category of Director	No.of Board Meetings attendance	Attendance at the last AGM	No.of other Director-ship held in Public Companies	Member-ship held in Other Committees	Member/ Chairman (As on 31.03.11)
S.Thirunavukkarasu	Non-Executive Director	12	YES	Nil	YES	Nil
V.Subramanian	Non-Executive Independent Director	6	YES	Nil	YES	Audit Committee-Chairman
A.P.C.Krishna moorthy	Non-Executive Independent Director	9	YES	Nil	YES	Investor Relation Committee-Member Remuneration Committee Audit Committee-Member

During the year under review, Mr.S.Sekar and Mr.P.Sivakumar resigned from the Board w.e.f.01.09.2010 and the details of Board Meeting and other committee meetings attended by them during their tenure as Director of the company is furnished as under –

Name of the Director	Category of Director	No.of Board Meetings attended	Attendance at the last AGM	No.of other Director-ships held in Public Companies	Member-ship held in Other Committees	Member/ Chairman (As on 31.03.11)
P. Sivakumar	Executive Director	1	YES	Nil	Nil	Nil
S. Sekar	Non - Executive Independent Director	1	YES	Nil	Nil	Nil

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14 Board Meeting were held during the 12 month period ended 31.03.2011. The details of meetings held during the review period is given under -

DATE OF MEETING	NO. OF DIRECTORS PRESENT
13.05.2010	4
20.07.2010	4
16.08.2010	7
01.09.2010	4
08.09.2010	4
25.10.2010	7
02.11.2010	8
12.11.2010	4
25.11.2010	4
30.11.2010	4
20.12.2010	8
30.12.2010	4
18.01.2011	6
09.03.2011	4

AUDIT COMMITTEE

The terms of reference of this committee is in compliance with the requirements of SEBI as laid under clause 49 of the Listing Agreement. The Audit Committee has power to do all activities within the terms of reference. The Audit Committee considered and reviewed the Financial Statements of the company before the same were placed before the board.

The Audit Committee is headed by Mr.V.Subramaniam for the financial year ended 31.03.2011. The members of the said committee are

1. Mr. V.Subramaniam - Chairman
2. Mr.A.P.C.Krishnamoorthy - Member
3. Mr.R. Meenakshisundaram - Member

The members of the committee met **5 times** during the year and the said meetings were held on the dates given under -

DATE OF MEETING	NO. OF MEMBERS PRESENT
27.07.2010	2
16.08.2010	2
30.08.2010	2
20.12.2010	2
18.01.2011	2

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REMUNERATION COMMITTEE

The Remuneration Committee is headed by Mr.V.Subramaniam for the financial year ended 31.03.2011. The members of the said committee are –

1. Mr. V. Subramanian - Chairman
2. Mr. A.P.C. Krishnamoorthy - Member
3. Mr. A. Murugesan - Member

The members of the said committee did not meet during the year under review.

The **Remuneration Policy** of the company is to Reward for Performance and Efforts.

The remuneration of the Managing and the Executive Directors are recommended by the Remuneration Committee and decided by the Board of Directors and the same is paid with the due consent of the members of the company.

Details of Remuneration paid to the directors for the year ended 31st March 2011.

(1) Executive Directors

Name	Position	Total Remuneration
P. Arulsundaram	CMD	Rs.48,57,292
A.Nithya	WTD	Rs.19,50,000

INVESTORS' RELATION COMMITTEE

The Investors Relation Committee was headed by Mr.R.Meenakshi Sundaram for the financial year ended 31.03.2011. The members of the said committee are –

1. Mr.R.Meenakshi Sundaram - Chairman
2. Mr. A.P.C.Krishnamoorthy - Member
3. Mr.A.Murugesan - Member

The members of the committee met **2 times** during the year after the Equity Shares of the company got Listed with National Stock Exchange Limited and Bombay Stock Exchange Limited w.e.f. 06.12.2010.

The details of the meeting(s) of Investors' Relation Committee are as follows:

DATE OF MEETING	NO. OF MEMBERS PRESENT
30.12.2010	2
16.03.2011	2

Compliance Officer : S.Saritha
Company Secretary

Investors' Complaint : 49 compliants were received during the review period and have been duly addressed.

No. of pending share transfers as on 31.03.2011 : Nil

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ANNUAL GENERAL MEETINGS

The last three Annual General Meetings were held as under

AGM	Financial year	Date	Time	Venue
13 th	2007 – 2008	29.09.2008	11.00 a.m	No. 140, Perundurai Road, P and C Towers, III Floor, Erode – 638 011
14 th	2008 – 2009	25.09.2009	2.30 p.m	No. 140, Perundurai Road, P and C Towers, III Floor, Erode – 638 011
15 th	2009 – 2010	30.08.2010	2.30 p.m	No. 140, Perundurai Road, P and C Towers, III Floor, Erode – 638 011

The Special resolutions as set out in the respective Notice to the members were passed by the shareholders. No special resolution requiring postal ballot was placed before the members at the last Annual General Meeting.

DISCLOSURES

- i. During the review period, the company has not entered into any fresh contract falling within the purview of section 297 of the Companies Act 1956.
- ii. The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets. No penalties have been imposed on the company by the stock exchanges where the company's shares are listed or by SEBI or by any other statutory authority on any matter.
- iii. The Company affirms that no employee of the Company has been denied access to the Audit Committee.
- iv. The company has duly complied with the mandatory requirements of clause 49 of the Listing Agreement.

MEANS OF COMMUNICATION

Quarterly Financial results of the company were published in Business Standard and Dinamalar. The same were also updated in the website of the company www.rppiplt.com

GENERAL SHAREHOLDERS INFORMATION

AGM – Date & Venue : **Monday 22nd August 2011 at 10.00 a.m**
at Hotel Club Melaange,
Perundurai Road, Erode – 638 011.

Financial Calendar for the year 2011 – 2012

First Quarter Unaudited Results : July 2011
Second quarter and Half-Yearly Audited Results : October 2011
Third Quarter Unaudited Results : January 2012
Fourth Quarter Unaudited Results : April 2012
Date of Book Closure : Monday 25th July 2011
to
Tuesday 02nd August 2011

Dividend Payment Data: Dividend of Re.1/- per equity share bearing face value of Rs.10/- each has been recommended for the financial year ended 31st March 2011.

Listing in Stock Exchange : 1. National Stock Exchange
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.
2. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Fort Mumbai – 400 001

Type of Security : Equity
Stock Code : BSE 533284
NSE RPP INFRA
ISIN : INE324L01013

Stock Market Price Data :

Month	Bombay Stock Exchange (BSE) (in Rs. per share)		National Stock Exchange (NSE) (in Rs. per share)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
December 2010	80.40	53.05	80.50	51.00
January 2011	63.00	55.80	68.50	55.10
February 2011	74.00	54.10	64.75	53.65
March 2011	80.00	63.10	78.70	62.90

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Share Transfer Agent : Cameo Corporate Services Limited,
Subramanian Building, #1,
Clubhouse road, Chennai – 600 002.

Trading in equity shares of the company
is permitted only in dematerialized form.

The time taken to process dematerialization
request is 10 days from the date of receipt of request.

DISTRIBUTION OF SHAREHOLDING VALUE-WISE AS ON 31.03.2011

Share Holding		Share Holders		Share Amount	
Rs	Rs	Number	% of total	Rs.	% of total
Upto	5000	3691	84.1349	4508470	1.9948
5,001	10,000	402	9.1634	2490960	1.1021
10,001	20,000	137	3.1228	1774150	0.7850
20,001	30,000	44	1.0029	1147980	0.5079
30,001	40,000	9	0.2051	329710	0.1458
40,001	50,000	21	0.4786	1005120	0.4447
50,001	1,00,000	24	0.5470	1759530	0.7758
1,00,001	and above	59	1.3448	212989920	94.2408
TOTAL		4387	100.0000	226005840	100.0000

Shares Dematerialised with : National Securities Depository Limited
4th Floor, Trade World,
Kamala Mills Compound, S.P.Marg
Lower Parel, Mumbai – 400 013.

Central Depository Services (India) Limited
P.J.Tower, 28th Floor, Dalal Street,
Mumbai – 400 001.

Address for Communication : Secretarial Department
R.P.P Infra Projects Limited
No. 140, Perundurai Road, P and C Towers, III Floor,
Erode – 638 011.

Phone : 0424 - 2259022

Fax : 0424 - 2253130

RPP Infra Projects Ltd

Address for Communication : Cameo Corporate Services Limited
regarding transfer of shares Subramanian Building, #1,
and related activities Clubhouse road, Chennai – 600 002.

Phone : 044 - 28460390

Fax : 044 - 28460129

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

I hereby declare that the Board of Directors of the Company have adopted a Code of Conduct for the Board members and Senior Management personnel of the Company and that all the Board members and Senior Management personnel to whom this Code of Conduct is applicable have affirmed the Compliance of Code of Conduct during the year 2010-2011.

Place : Erode

(Sd/-)

Date : 25.07.2011

P.ARULSUNDARAM
Chairman Cum Managing Director

CERTIFICATE

To the members of M/s. R.P.P Infra Projects Limited.

I have examined the compliance of conditions of Corporate Governance by M/s. R.P.P Infra Projects Limited, for the year ended on 31st March 2011 as stipulated in clause 49 of the Listing Agreement entered into by the company with Stock Exchanges.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the company.

I state that no Investor Grievance is pending for a period exceeding one month against the company as per the records maintained by the Investors' Relation Committee.

I further state that such compliance is either 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.

Place : Coimbatore

Date : 25.07.2011

S/d.

Indumathi Venkatesh
Practising Company Secretary
FCS No. 4023
CP No. 1939

RPP Infra Projects Ltd

KARTHIKEYAN & JAYARAM

Chartered Accountants

“Sri Tower”,
30, Bharathidhasan Street,
Teachers Colony, Erode-638 011.

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 31.03.2011, 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 One Subsidiary whose financial state reflected total assets which have been audited by Other Auditors whose report has been furnished to us, and our opinion is based solely on the report of the Other Auditors.

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, 2011;

RPP Infra Projects Ltd

KARTHIKEYAN & JAYARAM
Chartered Accountants

“Sri Tower”,
30, Bharathidhasan Street,
Teachers Colony, Erode-638 011.

- 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

(sd/-)

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

Membership No: 200-027291
Firm Regn No: 07570S

Place : Erode

Date : 25.07.2011



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Consolidated Balance Sheet as at 31/03/2011		(In Indian Rupees)	
PARTICULARS	Schedule	31/03/2011	31/03/2010
AUTHORISED SHARES:			
2,50,00,000 Equity Shares of Rs.10 each		250,000,000	250,000,000
I. SOURCES OF FUNDS:			
1. Share Holders Fund			
Equity Share Capital		226,005,840	165,000,000
a. 2,50,00,000 Equity Shares of Rs.10 each	1		
b. Reserves & Surplus	2	637,539,766	82,144,874
2. Loan Funds:			
a. Secured Loan	3 (a)	347,877,794	279,501,241
b. Unsecured Loan	3 (b)	71,306,935	3,605,213
3. Non-Current Liability	4	-	-
4. Deferred Tax Liability	5	35,02,346	2,595,930
		1,286,378,581	532,847,258
II. APPLICATION OF FUNDS			
5. Fixed Assets			
Gross Block		430,678,903	346,382,484
LESS :Depreciation	6	143,756,313	108,137,702
		287,189,198	238,244,782
6. Investments	7	884,281	784,281
7. Non-Current Assets	8	20,134,319	-
8. Current Assets, Loans & Advances			
a. Inventories	9	9,181,386	11,392,192
b. Debtors	10	632,536,716	84,075,823
c. Cash & Bank Balance	11	301,840,849	74,508,211
d. Other Current Assets	12	503,006,729	385,670,608
e. Loans & Advances	13	179,847,706	26,885,240
		1,626,413,386	582,532,074
9. (-) Current Liabilities & Provisions			
a. Current Liabilities	14	610,448,985	248,607,857
b. Provisions	15	77,453,144	41,793,657
		687,902,129	290,401,514
NET CURRENT ASSETS		938,755,457	292,130,559
10. Miscellaneous expenses not written off	16	39,659,526	1,687,635
		1,286,378,581	532,847,258
Notes on Accounts	21		

Schedules from 1 to 21 form an integral parts of the Accounts

For and on behalf of the Board

(Sd/-)

(P.Arulsundaram)

Chairman Cum Managing Director

(Sd/-)

(A. Nithya)

Whole Time Director

M/s. Karthikeyan & Jayaram

Chartered Accountants

sd..

Partner



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Consolidated Balance Sheet as at 31/03/2011		(In Indian Rupees)	
PARTICULARS	Schedule	31/03/2011	31/03/2010
Income			
Income from Operations		2,142,093,790	1,445,446,847
Other Income	17	20,814,011	23,906,534
		2,162,907,800	1,469,353,381
Expenditure			
Direct Expenditure	18	1,667,379,756	1,177,710,483
Administrative and Other Expenditure	19	168,915,874	120,175,736
Interest and Finance Charges	20	50,244,844	31,572,016
Depreciation / Amortisation	6	38,380,252	24,091,751
		1,924,259,713	1,353,549,986
Profit Before Tax		238,648,087	115,803,395
Provision for Taxation			
Current Tax		51,098,886	31,327,000
Deferred Tax		906,416	1,354,000
Profit After Tax		186,642,785	83,122,395
Proposed Dividend		22,600,584	8,975,647
Corporarte Dividend Tax		3,753,674	1,490,855
Balance Carried to Balance Sheet		160,288,527	72,655,893
Earnings per share of Face value Rs.10 each			
- Basic (Rs.)		10.11	5.27
- Diluted (Rs.)			
Significant Accounting Policies and Notes on Accounts	21		

For and on behalf of the Board

(Sd/-)

(P.Arulsundaram)

Chairman Cum Managing Director

(Sd/-)

(A. Nithya)

Whole Time Director

M/s. Karthikeyan & Jayaram

Chartered Accountants

sd..

Partner

Place : Erode

Date : 25.07.2011



Consolidated Cash Flow Statement		(In Indian Rupees)	
PARTICULARS	2010-11	2009-10	
Cash Flows from Operating Activities			
Profit Before Tax	238,648,087	115,803,395	
Add:			
Depreciation	38,380,252	24,091,751	
Interest	50,244,844	31,572,016	
Less: Interest Recd	8,674,069	1,636,000	
Operating Profit Before Working Capital Changes	318,599,114	169,831,162	
Increase /(Decrease) in Current Assets	(816,548,674)	(188,854,133)	
Increase /(Decrease) in Current Liability	397,500,615	111,009,545	
Increase/(Decrease) in Non-Current Liability	-	-	
Increase/(Decrease) in Non-Current Assets	(20,134,319)	-	
Cash Generated From Operations	(439,182,378)	(77,844,588)	
Less: Tax Paid Including Dividend Tax	(54,852,560)	(35,691,332)	
Less: Dividend Paid	(22,600,584)	(8,975,647)	
Net Cash Flow From Operating Activities	(198,036,408)	47,319,595	
Cash Flow From Investing Activities			
Purchase of Fixed Assets	(87,289,282)	(129,768,000)	
Sales of Fixed Assets	2,415,300	10,316,384	
Increase/(Decrease) of Investments	(100,000)	735,559	
Interest Received 8,674,069	1,636,000		
Net Cash Flow From Investing Activities	(76,299,913)	(117,080,057)	
Cash Flow From Financing Activities			
Proceeds From Issue of shares			
Proceeds from Issue of Shares including Share Premium	457,543,800	-	
Interest Paid	(50,244,844)	(31,572,016)	
Public Issue Expenses	(40,801,855)	(1,687,635)	
Increase/(Decrease) in Secured Long-Term Loan	68,376,553	125,193,676	
Increase/(Decrease) in Secured working Capital Loan	67,701,722	(3,047,632)	
Increase/(Decrease) Unsecured Loan			
Decrease in Deferred Tax Liability	(906,416)	(1,354,000)	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Consolidated Cash Flow Statement		(In Indian Rupees)	
PARTICULARS	2010-11	2009-10	
Net Cash Flow From Financing Activities	501,668,960	87,532,393	
Net Increase/(Decrease) in Cash And Cash Equivalent	227,332,638	17,771,931	
Cash and Cash Equivalent at beginning of the period	74,508,211	56,736,280	
Cash and Cash Equivalent at ending of the period	301,840,849	74,508,211	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No. 1				
Share Holders' Fund				
Share Capital				
Authorised				
2,50,00,000 equity shares of Rs.10 each		250,000,000		250,000,000
Issued, subscribed and paid up	226,005,840			165,000,000
2,26,00,584 equity shares of Rs.10 each				
		226,005,840	165,000,000	
Schedule No. 2				
(a) Reserves and Surplus				
Opening Balance	82,144,874			148,498,458
LESS : Bonus Shares allotted on 15/12/2009 5:1	-			137,500,000
LESS : Short Provision for Income tax in prior years now provided	-			1,509,477
ADD : Excess provision Income Tax for 2009-10 written Back	1,489,647			-
LESS : Income Tax paid for Assessment year 2006-07	700,000			-
LESS : Income Tax paid for Assessment year 2007-08	300,000			-
LESS : Income Tax paid for Assessment year 2008-09	543,300			-
	-	82,091,221	9,488,981	
ADD : Profit for the year		160,288,527	72,655,893	
		242,379,747	82,144,874	
(b) Share Premium Reserve		396,537,960	-	
(c) Forex Currency Translation Reserve		(1,232,042)	-	
Total Reserves & Surplus		637,685,666	82,144,874	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No. 3 (a) Secured Loan				
Working Capital Loan (Secured by First Charge by way of Hypothecation of Book Debts and Work-in-Progress)				
Axis Bank Ltd, Chennai (Cash Credit)	41,078,923			71,413,918
Indian Overseas Bank, Surampatti Branch, Erode (Cash Credit)	184,599,393			97,466,336
Indian Overseas Bank, Surampatti Branch, Erode (Miscellaneous Cash Credit)	-			25,255,060
Axis Bank Ltd, Chennai (Bank Guarantee Limit)	-			15,000,000
	3(a)	225,678,316	209,135,315	
Hire Purchase Loans (Secured by Hire Purchase Agreements in respect of assets acquired under the scheme)				
Centurion Bank of Punjab Ltd	673,231			2,957,070
Citicorp Finance (India) Ltd	276,766			894,596
HDFC Bank Ltd	53,476,932			43,684,668
ICICI Bank Ltd	6,448,384			6,279,279
Indusind Bank Ltd	-			47,143
Kotak Mahindra Prime Ltd	661,962			1,298,533
L & T Finance Ltd	-			102,857
Reliance Capital Ltd	39,726			547,034
Sundaram Finance Ltd	280,000			640,000
Bajaj Finance Ltd	12,938,000			-
SERI Equipment Finance (P) Ltd	1,482,143			-
TATA Capital Ltd	45,922,334			13,914,747
	3(b)	122,199,478	70,365,927	
	3 (a)+(b)	347,877,794	279,501,241	
3 (b). Unsecured Loans from Financial Institutions:				
India Bulls Financier Service	-			1,322,856
Kotak Mahindra Bank	89,657			1,064,992
Reliance Capital Ltd.	106,167			1,217,365
TATA Capital Ltd	71,111,111			-
		71,306,935	3,605,213	
Schedule No.5 Deferred Tax Liability				
Opening Balance (For Depreciation)		2,595,930	1,641,448	
During the year				
As per Company Law	38,311,384			24,091,751
As per Income Tax	40,978,095			28,075,049
	2,666,711			3,983,298
Tax @ 33.99% (DTL)		906,413	1,353,923	
		3,502,346	2,995,371	
		-	(399,441)	
		3,502,346	2,595,930	

Schedule forming part of Balance Sheet Schedule - 6 (Fixed Asset)												
Particulars	GROSS BLOCK						Depreciation / Amortisation				Net Block	
	Cost as on 1/4/2010	Addition during the year	Sale during the year	Cost as on 31/03/2011	Upto 31/03/2010	For the year	Sale and Adjustment	Upto 31/03/2011	As on 31/03/2011	As on 31/03/2010		
Land	7,542,115	2,806,575	-	10,348,690	-	-	-	-	10,348,690	7,542,115		
Building Materials	77,276,593	1,114,000	-	78,390,593	39,806,215	5,310,835	-	45,117,051	33,273,542	37,470,377		
Compressor & Pump	1,447,695	430,692	-	1,878,387	439,128	175,420	-	614,547	1,263,839	1,008,567		
Engine Assets	11,416,235	-	-	11,416,235	2,240,102	1,276,400	-	3,516,503	7,899,732	9,176,132		
Generator	4,817,591	2,112,100	-	6,929,691	2,293,048	451,406	-	2,744,454	4,185,237	2,524,543		
Heavy Vehicle	100,694,110	7,378,218	1,378,000	106,694,328	10,806,246	13,003,365	732,671	23,076,939	83,617,389	89,887,865		
Machinery	8,798,084	12,895,494	3,500	21,690,078	2,985,752	1,845,396	1,003	4,830,144	16,859,934	5,812,333		
Motor Assets	693,234	-	-	693,234	383,648	43,063	-	426,712	266,522	309,586		
Plant & Machinery	72,172,705	35,750,605	2,755,300	105,168,011	19,922,799	9,008,313	1,607,231	27,323,881	77,844,129	52,249,906		
Tipper	17,689,464	-	-	17,689,464	8,153,567	1,326,443	-	9,480,010	8,209,454	9,535,897		
Tractor	8,236,817	2,274,100	272,301	10,238,616	3,761,494	671,444	120,003	4,312,936	5,925,681	4,475,323		
Trailer	2,086,331	-	-	2,086,331	1,146,492	130,732	-	1,277,224	809,107	939,839		
Vibrator	1,800,242	2,871,046	-	4,671,288	333,180	269,374	-	602,554	4,068,734	1,467,062		
Office equipments	8,217,892	5,447,560	90,875	13,574,577	3,387,515	1,554,946	44,929	4,897,531	8,677,045	4,830,377		
Light Motor Vehicles	13,448,742	1,830,944	233,297	15,046,389	5,394,932	2,183,665	124,942	7,453,655	7,592,733	8,053,810		
Two wheeler	2,378,947	877,984	148,331	3,108,600	1,321,142	382,302	114,391	1,589,053	1,519,546	1,057,805		
Lorry	3,456,232	1,153,860	177,130	4,432,962	2,127,819	517,216	16,471	2,628,564	1,804,398	1,328,413		
Computer	3,609,184	-	-	3,609,184	3,070,056	215,651	-	3,285,707	323,477	539,128		
Printer	207,102	-	-	207,102	198,006	3,638	-	201,644	5,458	9,096		
UPS System	393,169	-	-	393,169	366,560	10,644	-	377,203	15,966	26,609		
Asset in Transit- Mauritius	-	12,678,584	-	12,678,584	-	-	-	-	12,678,584	-		
Previous Year	226,994,991	129,767,920	10380426	346,382,485	87,150,659	24,091,751	3,104,709	108,137,701	238,244,784	139,844,331		
			5,058,734	430,945,511	108,137,702	38,380,252	2,761,640	143,756,313	287,189,198	238,244,782		



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No.7 - Investments				
Shares, Bonds and Debentures				
Quoted - Fully Paid (At Cost):				
Investment in Equity Shares (Market Value = Rs.13,59,244/-)	784,281		784,281	
Investment in - Unquoted				
SPAC Terminal Market Complex Ltd, Erode, Tamil Nadu	100,000		-	
		884,281	784,281	
Schedule No.8 - Non-Current Assets				
Advance for Capital Goods	20,134,319			
		20,134,319	-	
Schedule No.9 - Inventories				
Stock of Materials, Steel, Cement etc		9,181,386	11,392,192	
Schedule No.10 - Sundry Debtors				
i. Outstanding for a period exceeding six months	63,020,298		2,637,000	
ii. Others	569,516,419		81,438,823	
iii. Due from Related Parties	-		-	
		632,536,716	84,075,823	
Schedule No.11-Cash and Bank Balances				
Cash on Hand	5,403,030		2,092,336	
Bank Balance in Scheduled Banks				
In Current Accounts	148,469,432		14,287,637	
In Deposit Accounts	147,968,387		58,128,238	
		301,840,849	74,508,211	
Schedule No.12 - Other Current Assets				
Unbilled Revenue	303,489,696		231,136,000	
Advance Income Tax	-		10,00,000	
TDS 2009- 10	-		28,904,690	
TDS 2010-11	33,596,497		-	
Advance Tamil Nadu VAT	160,254		-	
Sales Tax deducted by Department	3,316,522		1,474,412	
Works Tax Recovered by Rites	333,713		-	
Economic Service Charge	390,534		-	
Withheld by Department	161,719,512		123,155,505	
		503,006,729	385,670,608	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No.13 - Loans and Advances				
Deposits				
Deposits for Registration	1,043,625		718,625	
Deposits in Completed Sites	-		598,550	
Deposits with Electricity Board	173,424		249,284	
Deposits with Telephone Departments	65,722		54,175	
Inter Corporate Deposit	50,000,000		-	
Deposit with Stock Exchange	4,875,000		-	
Deposit with water Board	4,398,491		-	
Other Deposits	2,253,480		1,248,654	
Security Deposit With Rites	1,952,671		-	
Department Advance	60,017,691		14,433,707	
Staff Advance	1,302,952		316,203	
Other Advances	42,634,705		1,227,683	
Other Receivables	5,470,888		4,332,491	
Pre-paid Expenses	5,659,057		3,705,868	
		179,847,706	26,885,240	
Schedule No. 14 - Current Liabilities				
Sundry Creditors				
Salary Payable	1,47,345			
Advance Received from Customers / Department	29,871,113		10,153,343	
Mobilisation Advance Received from Customers/ Department	57,998,946		36,332,056	
Withheld from Sub-Contractors	54,521,822		43,407,538	
Payable to Directors	603,620		77,461	
Sundry Creditors for Material supplies and Labour Work	459,364,893		155,818,467	
Sundry Creditors - Others	1,054,790			
(a)		603,562,528	245,788,864	
Statutory Liabilities				
Sales Tax Payable, Tamilnadu	341,245		103,296	
Sales Tax Payable, Andhra Pradesh	-		7,500	
Sales Tax Payable, Karnataka	-		2,500	
Service Tax Payable	255,096		-	
EPF Payable	230,928		1,317,084	
Gratuity Payable	180,843		24,000	
TDS payable	4,151,518		24,636	
ESI Payable	93,673		1,069,977	
Economic Service Tax Payable	390,534		-	
National Building Tax Payable	864,497		-	
Interest on Service Tax Payable	12,664		140,000	
<u>Audit Fee Payable</u>				
Statutory Audit	329,459		110,000	
Tax Audit	36,000		20,000	
(b)		6,886,457	2,818,993	
(a) + (b)		610,448,985	248,607,857	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No. 15 - Provisions				
Income Tax 2009-10	-			31,327,156
Proposed Dividend	22,600,584			8,975,647
Income Tax 2010-11	51,084,305			-
SRL Payable	14,582			-
Corporate Dividend Tax	3,753,674			1,490,855
		77,453,144	41,793,658	
Schedule No.16 - IPO issue Expenses not written off				
Company Formation Expenses -				
R.P.P. Energy Systems Pvt Ltd	40,018			-
IPO-Advertisement Expenses	670,507			-
IPO-ASBA Commissioning	286,414			-
IPO-BSE Processing Fee	697,183			-
IPO-Cameo Corporate Services Ltd (Registrar)	70,000			75,000
IPO-CDSL Joining Fee	138,577			-
IPO-Conference Exp	5,674,352			-
IPO-Karthikeyan & Jayaram - Audit Fees	180,157			-
IPO-Karthikeyan & Jayaram - Restatement	51,473			-
IPO-Fitch Ratings India Pvt Ltd (Rating Agencies Fee)	308,840			-
IPO-General Expense	5,039,685			95,247
IPO-Listing Exp	102,947			-
IPO-Local Conveyance	11,289			-
IPO-Lodging Expenses	186,509			21,416
IPO-Lotus Knowlwealth Pvt Ltd - Annual Report	437,524			-
IPO-NSDL Joing Fee	101,864			-
IPO-NSE Processing Fee	998,583			-
IPO-One Source Ideas Pvt Ltd - Fee	1,158,337			645,000
IPO-Postage	4,488,302			-
IPO - Printing & Stationery	557,193			31,472
IPO-Rajani Associates (Legal)	700,000			200,000
IPO - Refreshment Expenses	192,606			-
IPO-SEBI Processing Fee	93,333			-
IPO-Stationery Expenses	28,751			-
IPO-Syndicate Fee	3,363,225			-
IPO-Travelling Expenses	854,209			68,500
IPO-Underwriters Fee	981,042			-
IPO-VC Corportes Advisors Private Ltd (Merchant Banker)	12,246,606			551,000
		39,659,526	1,687,635	



R.P.P. Infra Projects Ltd

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Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No.17 - Other Income				
Hire charges Receipts	44,152			9,271,990
Discount Received	31,891			6,028
Dividend Received	17,820			59,841
Interest Income on FDR	4,030,233			1,636,000
Miscellaneous Income	2,172,067			5,619,000
Prior Period Items	108,353			537,000
Profit on Sale of Assets	118,207			1,667,675
Sub-Cont's Dept. Recovery	5,016,913			1,451,000
Royalty Income	-			1,142,000
Excess Provision Written Back	1,450,658			-
Profit on Sale of Investments	-			1,751,000
Interest Income on Inter Corporate Deposit	4,643,836			-
Forex Gain	3,179,881			765,000
		20,814,011	23,906,534	
Schedule No.18 - Direct Expenses				
Material Consumption				
Opening Stock	11,392,192			9,894,000
ADD : Materials	502,836,698			460,442,000
LESS : Closing Inventories - Materials	9,181,386			11,392,192
Net Consumption (a)		505,047,504	458,943,808	
Power Consumption				
Electricity Charges		3,370,979	2,932,000	
Other Construction Cost				
Works Contract Payment	730,496,612			220,816,259
Wages	352,933,598			31,786,923
Piece Worker Payment	25,874,151			422,625,969
Department Recovery	24,885,659			35,541,105
Other Expenses including Camp Expenses	14,351,539			5,064,420
Consultancy Charges		10,419,714		
		1,148,541,559	715,834,675	
Cost of Sales / Services		1,667,379,756	1,177,710,483	



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Schedules annexed to and Forming part of Consolidated Balance Sheet	31/03/2011		31/03/2010	
Schedule No.19-Administrative Expenses				
Employees' Cost				
Directors' Remuneration	6,807,292		4,102,903	
Salary Expenses	53,963,349		34,123,889	
EPF Paid	1,350,369		464,429	
ESI Paid	1,102,545		532,204	
		63,223,555	39,223,425	
Overhead				
Advertisement	1,102,847		319,430	
Business Development Expenses	5,111,641		1,032,321	
Brokerage	19,672		-	
Impairment of Asset	-		1,578,593	
Donation	170,596		389,129	
Miscellaneous Expense	1,036,671		17,491,337	
Equipment Hire Charges	12,000		40,170	
Freight Charges	13,455,469		1,582,212	
Insurance	2,412,950		2,084,278	
Loss on Sale of Fixed Assets	-		1,445,898	
Repairs & Maintenance - Machinery	57,823,482		36,107,331	
Repairs & Maintenance - Others	257,693		904,240	
Prior Period Items	59,832		-	
Postage & Telegraph	427,649		493,116	
Professional Charges	602,831		1,154,016	
Books & Periodicals	44,858		-	
Legal Fees	1,545,500		-	
Printing and Stationery	1,499,988		1,049,038	
Rent - Office Premises	725,469		1,108,395	
Club Expenses	358,247		-	
Audit Fee	670,140		166,417	
Bad Debts	434,048		1,969,348	
ROC Charges	641,883		1,044,079	
Rates and Taxes	1,806,238		110,715	
Interest on Statutory Dues	1,021,999		2,060,404	
Staff Welfare	3,190,803		3,664,220	
Telephone Expenses	2,257,467		1,226,048	
Travelling Expenses	5,511,369		3,931,577	
Share Issue Expenses Written off	2,829,964		-	
		105,031,306	80,952,311	
Administrative Expenditure		168,254,861	120,175,736	
Schedule No.20 - Finance Cost				
Terms Loans & Others	12,565,529		8,678,020	
Work Capital Interest	26,935,004		18,724,483	
Bank Charges and BG Commission	10,744,311		4,169,513	
		50,244,844	31,572,016	

SCHEDULE 21

NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS:

I- PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to RPP Infra Projects Limited (the Company) and its Subsidiary Companies (together referred to as RPP Group). The consolidated financial statements have been prepared on the following basis:

The accompanying Consolidated Financial Statements are prepared under the historical cost convention on an accrual basis of accounting in conformity with accounting principles generally accepted in India to reflect the financial position of the company and its Subsidiaries.

In respect of Subsidiary Companies, the Financial Statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intragroup transactions in accordance with the Accounting Standard-(AS) - 21 'Consolidated Financial Statements' issued by the Institute Of Chartered Accountants Of India (ICAI).

Investments other than its subsidiaries, joint ventures and associates have been accounted in accordance with AS - 13 on "Accounting for Investments" issued by the ICAI.

The excess of the cost to the company of its investments in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the Consolidated Financial Statements as Goodwill.

- The financial statements of the subsidiaries, the jointly controlled entities and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2010
- In case of foreign subsidiaries being non integral foreign operations, revenue items are consolidated at monthly average of exchange rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in "Foreign Currency Translation Reserve".
- The consolidated financial statements are prepared to the extent possible using uniform accounting policies for like transactions and other events in similar circumstances and are presented to extent possible, in the same manner as the Company's separate financial statements.



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1. Significant Accounting Policies:

a. Method 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.

b. 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.

2. Valuation of Inventories:

Raw Materials, Stores & Spares:

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

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. 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%.

5. Accounting for fixed assets

Fixed assets are stated at cost of acquisition or construction (net of Cenvat credit if any availed). All costs relating to the acquisition and installation of fixed assets are capitalised which includes borrowing costs directly attributable to construction or acquisition of fixed assets up to the date the asset is put to use.



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6. Construction Contracts:

- **General:**

- Contract Revenue recognized as revenue in the period Rs.214.21 Crores
- For recognition of contract revenue, percentage completion method as prescribed by The Institute of Chartered Accountants of India vide the Accounting Standard 7 is adopted.
- Total costs estimated to complete the contract are adopted as assessed by a qualified engineer and certified by the Management.

- **In respect of Contracts in Progress:**

- Advance Payments received from Customers Rs.8.79 Crores.
- Retention amounts Rs.16.17 Crores.

7. 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.

8. 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 categorywise

9. Employee Benefits

- 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.
- Provision for Gratuity has been provided for the year under group gratuity scheme with Life Insurance Corporation of India.



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DISCLOSURE OF PARTICULARS OF “EMPLOYEE BENEFITS” AS REQUIRED BY ACCOUNTING STANDARD 15 – GRATUITY PLAN

PARTICULARS	AMOUNT(In Rupees)
SUMMARY OF KEY RESULTS:	
Present value of Obligation	409709
Fair Value of Plan Assets	342102
Net asset / (Liability) recognized in Balance Sheet	(67607)
No. of Employees	
<u>Assumptions:</u>	
Discount Rate	8%
Salary Escalation	8.50%

TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS:

PARTICULARS	AMOUNT (In Rupees)
Present value of obligations as at the beginning of the year	268900
Interest Cost	21512
Past service Cost	—
Current Service Cost	25139
Benefits Paid	—
Acturial (Gain) / Loss on Obligations	94158
Present value of obligations as at the end of the year	409709

TABLE SHOWING CHANGES IN FAIR VALUE OF PLAN ASSETS

PARTICULARS	AMOUNT (In Rupees)
Fair Value of Plan Assets as at the beginning of the year	291432
Actual Return on Plan Assets	27573
Contributions	23097
Benefits Paid	—
Fair Value of Plan Assets as at the end of the year	342102

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ACTUARIAL GAIN/ LOSS RECOGNISED :

PARTICULARS	AMOUNT (In Rupees)
Actuarial (Gain) / Loss on Obligations	94158
Actuarial (Gain) / Loss on Plan Assets	—
Actuarial (Gain) / Loss recognized in the year	94158

AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS:

PARTICULARS	AMOUNT (In Rupees)
Present value of obligations as at the end of the year	409709
Fair Value of Plan Assets as at the end of the year	342102
Funded Status	(67607)
Net Asset / (Liability) recognized in the Balance Sheet	(67607)

EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS:

PARTICULARS	AMOUNT (In Rupees)
Interest Cost	21512
Current Service Cost	25139
Expected Return on Plan Assets	(27573)
Actuarial (Gain) / Loss recognized in the year	94158
Expense recognized in the Statement of Profit & Loss	113236

10. Earning 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.

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Computation of Earnings per Share

Particulars	Earnings after tax	Weighted Average No. of Shares	Basic Earnings per Share
Basic	Rs.186,642,785	18,455,530	Rs.10.11
Diluted			

11. 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.

12. 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.

13. 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.



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Claims against the Company:

- * A show cause notice dated 20th October, 2009 has been issued by the Commissioner of Customs and Central Excise, Salem against the Company for alleged failure to pay service tax on the taxable services rendered by the Company in respect of several projects and for failure to file periodic Service Tax Returns. The said notice has been issued against the to show cause as to why the service tax amounting to Rs.6,20,49,021/- (including education cess) should not be demanded and why interest and penalty should not be levied for non compliance of service tax requirements.
- * The Company contended against it and after hearing, the above demand has been reduced to Rs.2,52,28,175/- by the order passed by The Commissioner of Customs & Central Excise, Salem. The company has also preferred an appeal against the same.
- * Income tax :
A demand notice had been received by the Company relating to income tax for Assessment year – 2006-2007 amounting to Rs. 24,14,650/-. The management is taking steps to reconcile the demand with pre-paid and self assessment taxes.
- * A demand notice had been received by the Company relating to income tax for Assessment year – 2009-2010 amounting to Rs. 5187870 out of which 3 lakhs has been paid. The balance amount represents tax deducted at source for which the relevant certificates are available and on submission of the same the major portion of the liability will be discharged.
- * Cases filed against the company in relation to labour matters:

Name of the Party	Claim (Lakhs)
Balakrishnan	5.00
A. Alex	5.00
K. Selvi	2.00
S. Vadivel Murugan	2.00

- * Value of bank guarantees and letter of credits outstanding as on 31.03.2011 are Rs.29.02 crores and Rs. 2.12 crores respectively.

Cases filed by the company:

1. The Company was awarded a contract by Superintending Engineer, PWD, WRO for the work of "Second Madras Water Supply Project – New Veeranam Improvement of Vadavar Channel. The Company entered into an agreement dated September 22, 1997 with the Superintending Engineer in relation to the above mentioned Project. The Company completed the Project on August 5, 2004 and handed over the completed Project site to PWD. But, certain payments amounting to Rs.363.85 lakhs were not settled and hence the Company invoked arbitration on December, 7, 2007 claiming an aggregate amount of Rs.363.85 lakhs (Rs.3,63,84,546) out of which Rs.97.65 lakhs (Rs.97,64,152) is the amount of pending Project bills. The matter is pending for Final Order.



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2. The Company has issued a notice dated July 16, 2008 on Cavery Hi-Tech Weaving Park for non-payment of Rs.212.42 lakhs (Rs.2,12,42,142.94) towards completion of construction of infrastructure development.
3. The Company has filed arbitration proceeding against M/s. South India Mills Association (SIMA) for a non-payment of Rs.380 Lakhs for the work done in the earth site at Cuddalore. Arbitration proceeding completed and awaiting for judgement.

14. Related Party Disclosures:

As per annexure enclosed.

3. OTHERS:

a) Capital

During the year, Company has completed its Initial Public Offer (IPO) and consequently, the Company has allotted 65,00,584 equity shares of Rs. 10/- each at a price of Rs. 75/- per share on 5/12/2010. Equity shares of the Company were listed for trading on National Stock Exchange and Bombay Stock Exchange on 06/12/2010.

b) Share issue expenses are to be amortised over a period of 5 years. Issue expenses which are apportionable, pertaining to the shares sold by the promoters, are charged to the promoters.

c) Schedule- XIII – Director’s Remuneration

Managerial Remuneration

Year Ended March 31,

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Remuneration to Managing Director & Whole-time Director	6,807,292	41,02,903

(b) Computation of Net Profit under Section 349 of the Companies Act,1956:

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Profit before taxation & Prior period items	238,648,078	11,58,03,395
Add : Managerial Remuneration	6,807,292	41,02,903
Less : Profit on sale of Fixed Assets		



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- | | | |
|----------------------------|-------------------|-------------------|
| d) Auditor's Remuneration: | <u>31.03.2011</u> | <u>31.03.2010</u> |
| Statutory audit | 630,140 | 146,417 |
| Taxation | 40,000 | 20,000 |
- e) Balances in the accounts of sundry creditors and debtors and loans and advances are subject to confirmation. Confirmation from the management has been relied upon for the non provision of bad and doubtful debts.
- f) Where external vouchers are not obtainable (e.g. sand, stone, bricks, etc.) internal vouchers have been relied upon.
- g) Management representation for Deposits amounting to Rs.2.69 Crores have been relied upon since external confirmations pertaining to the same are not available.
- h) Management has confirmed that the debit balances in withheld amounts pertaining to closed contracts amounting to Rs. 1.40 Crores are good for recovery.
- i) Last year's figures have been regrouped wherever necessary to conform to this year's classification.

On behalf of the Board of Directors

R.P.P INFRA PROJECTS LIMITED

(Sd/-)

P.ARULSUNDARAM

Chairman Cum Managing Director

(Sd/-)

A.NITHYA

(WHOLE – TIME DIRECTOR)

Place : Erode

Date : 25.07.11

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 31.03.2011, 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 Srilankan Branch Auditor’s report has been forwarded to us and has been appropriately dealt with by us.
 - 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.

RPP Infra Projects Ltd

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

(sd/-)

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

Membership No: 200-027291

Firm Regn No: 07570S

Place : Erode

Date : 25.07.2011

Re : R.P.P INFRA PROJECTS LTD

(Referred to in paragraph 3 of our Report dated 25.07.2011)

- (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) During the year the has disposed off only a negligible portion of its plant & Machinery and has made substantial additions. We are of the opinion that the sale of the said part of Plant & Machinery 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) 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 granted loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved during the year was Rs.46 lakhs and the year-end balance of loan was also Rs.46 Lakhs.
- (b) No interest is charged on the loan, and as the Company is paying interest on its borrowings from the bank it is prima facie prejudicial to the interest of the Company.
- (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

KARTHIKEYAN & JAYARAM
Chartered Accountants

“Sri Tower”,
30, Bharathidhasan Street,
Teachers Colony, Erode-638 011.

nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. 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
- (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) In our opinion and according to the information and explanations given to us, provisions of section 58A & 58 AA or any other relevant provisions of the companies Act, 1956 are not attracted as the Company has not accepted any deposits from the public.
- (vii) In our opinion the Company has regular internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion and according to information and explanations given to us, the provisions of section 209(1)(d) of the Companies Act, 1956 are not attracted in the nature of the activities undertaken by the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (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.
- (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:

KARTHIKEYAN & JAYARAM
Chartered Accountants

“Sri Tower”,
30, Bharathidhasan Street,
Teachers Colony, Erode-638 011.

S.No	Tax Laws	Forum where Dispute is pending	Period	Amount (In Rs.)
1.	Service Tax	Commissioner of Central Excise, Salem	F.Yr 2008-09	2,52,28,175
2.	Income Tax		F.Yr 2006-07	24,14,650
3.	Income Tax		F.Yr 2009-10	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. The trading in shares is only in the nature of 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.

RPP Infra Projects Ltd

KARTHIKEYAN & JAYARAM
Chartered Accountants

“Sri Tower”,
30, Bharathidhasan Street,
Teachers Colony, Erode-638 011.

- (xix) According to the information and explanations given to us, the Company has not issued any debentures.
- (xx) We have verified the end use of money raised by public issue as disclosed by the management in the notes to the Financial Statements.
- (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

(sd/-)

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

Partner.

Membership No: 200-027291

Firm Regn No: 07570S

Place : Erode

Date : 25.07.2011



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Balance Sheet as at 31/03/2011		(In Indian Rupees)	
PARTICULARS	Schedule	31/03/2011	31/03/2010
AUTHORISED SHARES:			
2,50,00,000 Equity Shares of Rs.10 each		250,000,000	250,000,000
I. SOURCES OF FUNDS:			
1.Share Holders Fund			
Equity Share Capital		226,005,840	165,000,000
a. 2,50,00,000 Equity Shares of Rs.10 each	1		
b. Reserves & Surplus	2	586,586,073	82,144,874
2. Loan Funds:			
a. Secured Loan	3 (a)	347,877,794	279,501,241
b. Unsecured Loan	3 (b)	71,306,935	3,605,213
3. Non-Current Liability	4	87,204,555	-
4. Deferred Tax Liability	5	3,502,346	2,595,930
		1,322,629,443	532,847,258
II APPLICATION OF FUNDS			
5. Fixed Assets			
Gross Block		430,945,511	346,382,484
LESS :Depreciation	6	143,756,313	108,137,702
		287,189,198	238,244,782
6. Investments	7	1,608,381	784,281
7. Non-Current Assets	8	27,361,066	-
8. Current Assets, Loans & Advances			
a. Inventories	9	9,181,386	11,392,192
b. Debtors	10	568,512,188	84,075,823
c. Cash & Bank Balance	11	301,516,749	74,508,211
d. Other Current Assets	12	503,006,729	385,670,608
e. Loans & Advances	13	174,847,706	26,885,240
		1,557,064,758	582,532,074
9. (-) Current Liabilities & Provisions			
a. Current Liabilities	14	514,359,768	248,607,857
b. Provisions	15	75,853,700	41,793,657
		580,213,468	290,401,514
NET CURRENT ASSETS		966,851,290	292,130,559
10. Miscellaneous expenses not written off	16	39,619,508	1,687,635
		1,322,629,444	532,847,258
Notes on Accounts	21		

Schedules from 1 to 21 form an integral parts of the Accounts

For and on behalf of the Board

(Sd/-)

(P.Arulsundaram)

Chairman Cum Managing Director

(Sd/-)

(A. Nithya)

Whole Time Director

M/s. Karthikeyan & Jayaram

Chartered Accountants

sd..

Partner



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Profit and Loss Account for the Year ended 31/3/2011		(In Indian Rupees)	
PARTICULARS	Schedule	31/03/2011	31/03/2010
Income			
Income from Operations		2,077,149,868	1,445,446,847
Other Income	17	20,814,011	23,906,534
		2,097,963,879	1,469,353,381
Expenditure			
Direct Expenditure	18	1,656,960,042	1,177,710,483
Administrative and Other Expenditure	19	167,045,484	120,175,736
Interest and Finance Charges	20	50,244,844	31,572,016
Depreciation / Amortisation	6	38,380,252	24,091,751
		1,912,630,622	1,353,549,986
Profit Before Tax		185,333,257	115,803,395
Provision for Taxation			
Current Tax		49,499,422	31,327,000
Deferred Tax		906,416	1,354,000
Profit After Tax		134,927,400	83,122,395
Proposed Dividend		22,600,584	8,975,647
Corporarte Dividend Tax		3,753,674	1,490,855
Balance Carried to Balance Sheet		108,573,142	72,655,893
Significant Accounting Policies and Notes on Accounts	21		

For and on behalf of the Board

(Sd/-)

(P.Arulsundaram)

Chairman Cum Managing Director

(Sd/-)

(A. Nithya)

Whole Time Director

M/s. Karthikeyan & Jayaram

Chartered Accountants

sd..

Partner

Place : Erode

Date :



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Consolidated Cash Flow Statement		(In Indian Rupees)	
PARTICULARS	2010-11	2009-10	
Cash Flows From Operating Activities			
Profit Before Tax	185,333,257	115,803,395	
Add:			
Depreciation	38,380,252	24,091,751	
Interest	50,244,844	31,572,016	
Less: Interest Recd	8,674,069	1,636,000	
Operating Profit Before Working Capital Changes	265,284,285	169,831,162	
Increase /(Decrease) in Current Assets	(748,370,637)	(188,854,133)	
Increase /(Decrease) in Current Liability	299,811,953	111,009,545	
Increase/(Decrease) in Non-Current Liability	87,204,555	-	
Increase/(Decrease) in Non-Current Assets	(27,361,066)	-	
Cash Generated From Operations	(388,715,194)	(77,844,588)	
Less: Tax Paid Including Dividend Tax	(53,253,116)	(35,691,332)	
Less: Dividend Paid	(22,600,584)	(8,975,647)	
Net Cash Flow From Operating Activities	(199,284,609)	47,319,595	
Cash Flow From Investing Activities			
Purchase of Fixed Assets	(87,289,282)	(129,768,000)	
Sales of Fixed Assets	2,415,300	10,316,384	
Increase/(Decrease) of Investments	824,100	735,559	
Interest Received	8,674,069	1,636,000	
Net Cash Flow From Investing Activities	(75,375,813)	(117,080,057)	
Cash Flow From Financing Activities			
Proceeds From Issue of shares			
Proceeds from Issue of Shares including Share Premium	457,543,800	-	
Interest Paid	(50,244,844)	(31,572,016)	
Public Issue Expenses	(40,801,855)	(1,687,635)	
Increase/(Decrease) in Secured Long-Term Loan	68,376,553	125,193,676	
Increase/(Decrease) in Secured working Capital Loan	67,701,722	(3,047,632)	
Increase/(Decrease) in Unsecured Loan			
Decrease in Differed Tax Liability	(906,416)	(1,354,000)	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

Consolidated Cash Flow Statement		(In Indian Rupees)	
PARTICULARS	2010-11	2009-10	
Net Cash Flow From Financing Activities	501,668,960	87,532,393	
Net Increase/(Decrease) in Cash And Cash Equivalent	227,008,538	17,771,931	
Cash and Cash Equivalent at beginning of the period	74,508,211	56,736,280	
Cash and Cash Equivalents at ending of the period	301,516,749	74,508,211	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Schedule No. 1				
Share Holders' Fund				
Share Capital				
Authorised				
2,50,00,000 equity shares of Rs.10 each (March 31, 2010 : 2,50,000,000 equity shares of Rs.10 each)		250,000,000		250,000,000
Issued, subscribed and paid up	226,005,840			165,000,000
2,26,00,584 equity shares of Rs.10 each (March 31, 2010 : 1,65,000,000 equity shares of Rs.10 each)		226,005,840	165,000,000	
Schedule No. 2				
(a) Reserves and Surplus				
Opening Balance	82,144,874			148,498,458
LESS : Bonus Shares allotted on 15/12/2009 5:1	-			137,500,000
LESS : Short Provision for Income tax in prior years now provided	-			1,509,477
ADD : Excess provision Income Tax for 2009-10 written Back	1,489,647			-
LESS : Income Tax paid for Assessment year 2006-07	700,000			-
LESS : Income Tax paid for Assessment year 2007-08	300,000			-
LESS : Income Tax paid for Assessment year 2008-09	543,300			-
ADD : Profit for the year		82,091,221 108,573,142 190,664,362	9,488,981 72,655,893 82,144,874	
(b) Share Premium Reserve		396,537,960	-	
(c) Foreign Currency Translation Reserve		(470,349)	-	
Total Reserves & Surplus		586,731,973	82,144,874	
Schedule No. 3 (a) Secured Loan				
Working Capital Loan (Secured by First Charge by way of Hypothecation of Book Debts and Work-in-Progress)				
Axis Bank Ltd, Chennai (Cash Credit)	41,078,923			71,413,918
Indian Overseas Bank, Surampatti Branch, Erode (Cash Credit)	184,599,393			97,466,336
Indian Overseas Bank, Surampatti Branch, Erode (Miscellaneous Cash Credit)	-			25,255,060
Axis Bank Ltd, Chennai (Bank Guarantee Limit)	-			15,000,000
		225,678,316	209,135,315	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Hire Purchase Loans (Secured by Hire Purchase Agreements in respect of assets acquired under the scheme)				
Centurion Bank of Punjab Ltd	673,231			2,957,070
Citicorp Finance (India) Ltd	276,766			894,596
HDFC Bank Ltd	53,476,932			43,684,668
ICICI Bank Ltd	6,448,384			6,279,279
Indusind Bank Ltd	-			47,143
Kotak Mahindra Prime Ltd	661,962			1,298,533
L & T Finance Ltd	-			102,857
Reliance Capital Ltd	39,726			547,034
Sundaram Finance Ltd	280,000			640,000
Bajaj Finance Ltd	12,938,000			-
SERI Equipment Finance (P) Ltd	1,482,143			-
TATA Capital Ltd	45,922,334			13,914,747
		122,199,478	70,365,927	
		347,877,794	279,501,241	
3 (b). Unsecured Loans from Financial Institutions:				
India Bulls Financier Service	-			1,322,856
Kotak Mahindra Bank	89,657			1,064,992
Reliance Capital Ltd.	106,167			1,217,365
TATA Capital Ltd	71,111,111			-
		71,306,935	3,605,213	
Schedule No.4 - Non-Current Liability				
R.P.P. Infra Overseas PLC, Mauritius		87,204,555		-
Schedule No.5 Deferred Tax Liability				
Opening Balance (For Depreciation)		2,595,930	1,641,448	
During the year				
As per Company Law	38,311,384			24,091,751
As per Income Tax	40,398,589			28,075,049
	2,666,711			3,983,298
Tax @ 33.99% (DTL)		906,416	1,353,923	
		3,502,346	2,995,371	
	-		(399,441)	
		3,502,346	2,595,930	

Schedule forming part of Balance Sheet Schedule - 6 (Fixed Asset)												
Particulars	GROSS BLOCK						Depreciation / Amortisation				Net Block	
	Cost as on 1/4/2010	Addition during the year	Sale during the year	Cost as on 31/03/2011	Upto 31/03/2010	For the year	Sale and Adjustment	Upto 31/03/2011	As on 31/03/2011	As on 31/03/2010		
Land	7,542,115	2,806,575	-	10,348,690	-	-	-	-	10,348,690	7,542,115		
Building Materials	77,276,593	1,114,000	-	78,390,593	39,806,215	5,310,835	-	45,117,051	33,273,542	37,470,377		
Compressor & Pump	1,447,695	430,692	-	1,878,387	439,128	175,420	-	614,547	1,263,839	1,008,567		
Engine Assets	11,416,235	-	-	11,416,235	2,240,102	1,276,400	-	3,516,503	7,899,732	9,176,132		
Generator	4,817,591	2,112,100	-	6,929,691	2,293,048	451,406	-	2,744,454	4,185,237	2,524,543		
Heavy Vehicle	100,694,110	7,378,218	1,378,000	106,694,328	10,806,246	13,003,365	732,671	23,076,939	83,617,389	89,887,865		
Machinery	8,798,084	12,895,494	3,500	21,690,078	2,985,752	1,845,396	1,003	4,830,144	16,859,934	5,812,333		
Motor Assets	693,234	-	-	693,234	383,648	43,063	-	426,712	266,522	309,586		
Plant & Machinery	72,172,705	35,750,605	2,755,300	105,168,011	19,922,799	9,008,313	1,607,231	27,323,881	77,844,129	52,249,906		
Tipper	17,689,464	-	-	17,689,464	8,153,567	1,326,443	-	9,480,010	8,209,454	9,535,897		
Tractor	8,236,817	2,274,100	272,301	10,238,616	3,761,494	671,444	120,003	4,312,936	5,925,681	4,475,323		
Trailer	2,086,331	-	-	2,086,331	1,146,492	130,732	-	1,277,224	809,107	939,839		
Vibrator	1,800,242	2,871,046	-	4,671,288	333,180	269,374	-	602,554	4,068,734	1,467,062		
Office equipments	8,217,892	5,447,560	90,875	13,574,577	3,387,515	1,554,946	44,929	4,897,531	8,677,045	4,830,377		
Light Motor Vehicles	13,448,742	1,830,944	233,297	15,046,389	5,394,932	2,183,665	124,942	7,453,655	7,592,733	8,053,810		
Two wheeler	2,378,947	877,984	148,331	3,108,600	1,321,142	382,302	114,391	1,589,053	1,519,546	1,057,805		
Lorry	3,456,232	1,153,860	177,130	4,432,962	2,127,819	517,216	16,471	2,628,564	1,804,398	1,328,413		
Computer	3,609,184	-	-	3,609,184	3,070,056	215,651	-	3,285,707	323,477	539,128		
Printer	207,102	-	-	207,102	198,006	3,638	-	201,644	5,458	9,096		
UPS System	393,169	-	-	393,169	366,560	10,644	-	377,203	15,966	26,609		
Asset in Transit- Mauritius	-	12,678,584	-	12,678,584	-	-	-	-	12,678,584	-		
Previous Year	226,994,991	129,767,920	10380426	346,382,485	87,150,659	24,091,751	3,104,709	108,137,701	238,244,784	139,844,331		
		89,621,761	5,058,734	430,945,511	108,137,702	38,380,252	2,761,640	143,756,313	287,189,198	238,244,782		



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Schedule No.7 - Investments				
Shares, Bonds and Debentures				
Quoted - Fully Paid (At Cost):				
Investment in Equity Shares (Market Value = Rs.13,59,244/-)	784,281		784,281	
Investment in 100% Subsidiaries				
R.P.P. Energy Systems Pvt Ltd, Erode, Tamil Nadu	500,000		-	
R.P.P.Infra Overseas PLC, Mauritius	224,100		-	
Investment in - Unquoted				
SPAC Terminal Market Complex Ltd, Erode, Tamil Nadu	100,000		-	
		1,608,381	784,281	
Schedule No.8 - Non-Current Assets				
Advance for Capital Goods	20,134,319		-	
R.P.P. Infra Overseas PLC Marutius (Material In Transit)	1,116,756		-	
R.P.P. Infra Overseas PLC Mauritius (Office)	663,188		-	
R.P.P. Infra Overseas PLC Mauritius (Resurgent)	806,783		-	
Rpp Energy Systems (P) Ltd	4,640,018		-	
		27,361,066		-
Schedule No.9 - Inventories				
Stock of Materials, Steel, Cement etc		9,181,386	11,392,192	
Schedule No.10 - Sundry Debtors				
i. Outstanding for a period exceeding six months	63,020,298		2,637,000	
ii. Others	505,491,891		81,438,823	
iii. Due from Related Parties			-	
		568,512,188	84,075,823	
Schedule No.11-Cash and Bank Balances				
Cash on Hand	5,303,030		2,092,336	
Bank Balance in Scheduled Banks				
In Current Accounts	148,245,332		14,287,637	
In Deposit Accounts	147,968,387		58,128,238	
		301,516,749	74,508,211	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Schedule No.12 - Other Current Assets				
Unbilled Revenue	303,489,696			231,136,000
Advance Income Tax	-			1,000,000
TDS 2009-10	-			28,904,690
TDS 2010-11	33,596,497			-
Advance Tamil Nadu VAT	160,254			-
Sales Tax deducted by Department	3,316,522			1,474,412
Works Tax Recovered by Rites	333,713			-
Economic Service Charge	390,534			-
Withheld by Department	161,719,512			123,155,505
		503,006,729	385,670,608	
Schedule No.13 - Loans and Advances				
Deposits				
Deposits for Registration	1,043,625			718,625
Deposits in Completed Sites	-			598,550
Deposits with Electricity Board	173,424			249,284
Deposits with Telephone Departments	65,722			54,175
Inter Corporate Deposit	50,000,000			-
Deposit with Stock Exchange	4,875,000			-
Deposit with water Board	4,398,491			-
Other Deposits	2,253,480			1,248,654
Security Deposit with Rites	1,952,671			-
Department Advance	60,017,691			14,433,707
Staff Advance	1,302,952			316,203
Other Advances	37,634,705			1,227,683
Other Receivables	5,470,888			4,332,491
Pre-paid Expenses	5,659,057			3,705,868
		174,847,706	26,885,240	
Schedule No. 14 - Current Liabilities				
Sundry Creditors				
Advance Received from Customers / Department	29,871,113			10,153,343
Mobilisation Advance Received from Customers/ Department	57,998,946			36,332,056
Withheld from Sub-Contractors	54,521,822			43,407,538
Payable to Directors	300,000			77,461



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Sundry Creditors for Material supplies and Labour Work	363,815,941			155,818,467
Sundry Creditors - Others	1,054,790			-
(a)		507,562,611	245,788,864	
Statutory Liabilities				
Sales Tax Payable, Tamilnadu	341,245			103,296
Sales Tax Payable, Andhra Pradesh	-			7,500
Sales Tax Payable, Karnataka	-			2,500
Service Tax Payable	255,096			-
EPF Payable	230,928			1,317,084
Gratuity Payable	180,843			24,000
TDS payable	4,151,518			24,636
ESI Payable	93,673			1,069,977
Economic Service Tax Payable	390,534			-
National Building Tax Payable	864,497			-
Interest on Service Tax Payable	12,664			140,000
Audit Fee Payable				
Statutory Audit	240,159			110,000
Tax Audit 36,000			20,000	
(b)		6,797,157	2,818,993	
(a) + (b)		514,359,768	248,607,857	
Schedule No. 15 - Provisions				
Income Tax 2009-10	-			31,327,156
Proposed Dividend	22,600,584			8,975,647
Income Tax 2010-11	49,484,860			-
SRL Payable	14,582			-
Corporate Dividend Tax	3,753,674			1,490,855
		75,853,700	41,793,658	
Schedule No. 16 - IPO issue Expenses not written off				
IPO-Advertisement Expenses	670,507			-
IPO-ASBA Commissioning	286,414			-
IPO-BSE Processing Fee	697,183			-
IPO-Cameo Corporate Services Ltd (Registrar)	70,000			75,000
IPO-CDSL Joining Fee	138,577			-



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
IPO-Conference Exp	5,674,352			-
IPO-Karthikeyan & Jayaram - Audit Fees	180,157			-
IPO-Karthikeyan & Jayaram - Restatement	51,473			-
IPO-Fitch Ratings India Pvt Ltd (Rating Agencies Fee)	308,840			-
IPO-General Expense	5,039,685		95,247	
IPO-Listing Exp	102,947			-
IPO-Local Conveyance	11,289			-
IPO-Lodging Expenses	186,509		21,416	
IPO-Lotus Knowlwealth Pvt Ltd-Annual Report	437,524			-
IPO-NSDL Joing Fee	101,864			-
IPO-NSE Processing Fee	998,583			-
IPO-One Source Ideas Pvt Ltd - Fee	1,158,337		645,000	
IPO-Postage	4,488,302			-
IPO - Printing & Stationery	557,193		31,472	
IPO-Rajani Associates (Legal)	700,000		200,000	
IPO - Refreshment Expenses	192,606			-
IPO-SEBI Processing Fee	93,333			-
IPO-Stationery Expenses	28,751			-
IPO-Syndicate Fee	3,363,225			-
IPO-Travelling Expenses	854,209		68,500	
IPO-Underwriters Fee	981,042			-
IPO-VC Corportes Advisors Private Ltd (Merchant Banker)	12,246,606		551,000	
		39,619,508	1,687,635	
Schedule No.17 - Other Income				
Hire charges Receipts	44,152		9,271,990	
Discount Received	31,891		6,028	
Dividend Received	17,820		59,841	
Interest Income on FDR	4,030,233		1,636,000	
Miscellaneous Income	2,172,067		5,619,000	
Prior Period Items	108,353		537,000	
Profit on Sale of Assets	118,207		1,667,675	



R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Sub-Cont's Dept. Recovery	5,016,913			1,451,000
Royalty Income	-			1,142,000
Excess Provision Written Back	1,450,658			-
Profit on Sale of Investments	-			1,751,000
Interest Income on Inter Corporate Deposit	4,643,836			-
Forex Gain	3,179,881			765,000
		20,814,011	23,906,534	
Schedule No.18 - Direct Expenses				
Material Consumption				
Opening Stock	11,392,192			9,894,000
ADD : Materials	502,836,698			460,442,000
LESS : Closing Inventories - Materials	9,181,386			11,392,192
Net Consumption (a)		505,047,504	458,943,808	
Power Consumption				
Electricity Charges		3,370,979	2,932,000	
Other Construction Cost				
Works Contract Payment	730,496,612			220,816,259
Wages	352,933,598			31,786,923
Piece Worker Payment	25,874,151			422,625,969
Department Recovery	24,885,659			35,541,105
Other Expenses including Camp Expenses	14,351,539			5,064,420
Consultancy Charges		1,148,541,559	715,834,675	
Cost of Sales / Services		1,656,960,042	1,177,710,483	
Schedule No.19-Administrative Expenses				
Employees' Cost				
Directors' Remuneration	6,500,000			4,102,903
Salary Expenses	53,814,222			34,123,889
EPF Paid	1,350,369			464,429
ESI Paid	1,102,545			532,204
		62,767,136	39,223,425	
Overhead				
Advertisement	1,102,847			319,430
Business Development Expenses	5,111,641			1,032,321
Brokerage	19,672			-
Impairment of Asset	-			1,578,593



R.P.P. Infra Projects Ltd

(100% Subsidy of R.P.P. Infra Projects Ltd)

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

(In Indian Rupees)

Schedules annexed to and Forming part of Balance Sheet	31/03/2011		31/03/2010	
Donation	170,596			389,129
Miscellaneous Expense	1,036,671			17,491,337
Equipment Hire Charges	12,000			40,170
Freight Charges	13,455,469			1,582,212
Insurance	2,412,950			2,084,278
Loss on Sale of Fixed Assets	-			1,445,898
Repairs & Maintenance - Machinery	57,823,482			36,107,331
Repairs & Maintenance - Others	257,693			904,240
Prior Period Items	59,832			-
Postage & Telegraph	427,649			493,116
Professional Charges	602,831			1,154,016
Books & Periodicals	44,858			-
Legal Fees	1,545,500			-
Printing and Stationery	1,499,988			1,049,038
Rent - Office Premises	725,469			1,108,395
Club Expenses	358,247			-
Audit Fee	580,370			166,417
Bad Debts	434,048			1,969,348
ROC Charges	182,658			1,044,079
Rates and Taxes	1,806,238			110,715
Interest on Statutory Dues	1,021,999			2,060,404
Staff Welfare	3,190,803			3,664,220
Telephone Expenses	2,257,467			1,226,048
Travelling Expenses	5,307,406			3,931,577
Share Issue Expenses Written off	2,829,964			-
		104,278,348	80,952,311	
Administrative Expenditure		167,045,484	120,175,736	
Schedule No.20 - Finance Cost				
Terms Loans & Others	12,565,529			8,678,020
Work Capital Interest	26,935,004			18,724,483
Bank Charges and BG Commission	10,744,311			4,169,513
		50,244,844	31,572,016	



R.P.P. Infra Projects Ltd

Register Office :

P&C Tower, 3rd Floor, 140, Perundurai Road,
Erode - 638 011, Tamilnadu, INDIA.

NOTES FORMING PART OF ACCOUNTS

1. Significant Accounting Policies:

a. Method 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.

b. 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.

2. Valuation of Inventories:

Raw Materials, Stores & Spares:

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

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. 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%.

5. Accounting for fixed assets

Fixed assets are stated at cost of acquisition or construction (net of Cenvat credit if any availed). All costs relating to the acquisition and installation of fixed assets are capitalised



R.P.P. Infra Projects Ltd

Register Office :

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which includes borrowing costs directly attributable to construction or acquisition of fixed assets up to the date the asset is put to use.

6. Construction Contracts:

• General:

- i. Contract Revenue recognized as revenue in the period Rs.207.76 Crores
- ii. For recognition of contract revenue, percentage completion method as prescribed by The Institute of Chartered Accountants of India vide the Accounting Standard 7 is adopted.
- iii. Total costs estimated to complete the contract are adopted as assessed by a qualified engineer and certified by the Management.

• In respect of Contracts in Progress:

- ii. Advance Payments received from Customers Rs.5.92 Crores.
- iii. Retention amounts Rs.16.14 Crores.

7. 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.

8. 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 categorywise

9. 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.



R.P.P. Infra Projects Ltd

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Erode - 638 011, Tamilnadu, INDIA.

DISCLOSURE OF PARTICULARS OF “EMPLOYEE BENEFITS” AS REQUIRED BY ACCOUNTING STANDARD 15 – GRATUITY PLAN

PARTICULARS	AMOUNT(In Rupees)
SUMMARY OF KEY RESULTS:	
Present value of Obligation	409709
Fair Value of Plan Assets	342102
Net asset / (Liability) recognized in Balance Sheet	(67607)
No. of Employees	
<u>Assumptions:</u>	
Discount Rate	8%
Salary Escalation	8.50%

TABLE SHOWING CHANGES IN PRESENT VALUE OF OBLIGATIONS:

PARTICULARS	AMOUNT (In Rupees)
Present value of obligations as at the beginning of the year	268900
Interest Cost	21512
Past service Cost	—
Current Service Cost	25139
Benefits Paid	—
Acturial (Gain) / Loss on Obligations	94158
Present value of obligations as at the end of the year	409709

TABLE SHOWING CHANGES IN FAIR VALUE OF PLAN ASSETS

PARTICULARS	AMOUNT (In Rupees)
Fair Value of Plan Assets as at the beginning of the year	291432
Actual Return on Plan Assets	27573
Contributions	23097
Benefits Paid	—
Fair Value of Plan Assets as at the end of the year	342102

**R.P.P. Infra Projects Ltd****Register Office :**P&C Tower, 3rd Floor, 140, Perundurai Road,
Erode - 638 011, Tamilnadu, INDIA.**ACTUARIAL GAIN/ LOSS RECOGNISED :**

PARTICULARS	AMOUNT (In Rupees)
Actuarial (Gain) / Loss on Obligations	94158
Actuarial (Gain) / Loss on Plan Assets	—
Actuarial (Gain) / Loss recognized in the year	94158

AMOUNTS TO BE RECOGNIZED IN THE BALANCE SHEET AND STATEMENT OF PROFIT & LOSS:

PARTICULARS	AMOUNT (In Rupees)
Present value of obligations as at the end of the year	409709
Fair Value of Plan Assets as at the end of the year	342102
Funded Status	(67607)
Net Asset / (Liability) recognized in the Balance Sheet	(67607)

EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT & LOSS:

PARTICULARS	AMOUNT (In Rupees)
Interest Cost	21512
Current Service Cost	25139
Expected Return on Plan Assets	(27573)
Actuarial (Gain) / Loss recognized in the year	94158
Expense recognized in the Statement of Profit & Loss	113236

10. Earning 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.

**R.P.P. Infra Projects Ltd****Register Office :**

P&C Tower, 3rd Floor, 140, Perundurai Road,
Erode - 638 011, Tamilnadu, INDIA.

Computation of Earnings per Share

Particulars	Earnings after tax	Weighted Average No. of Shares	Basic Earnings per Share
Basic	Rs.186,642,785	18,455,530	Rs.10.11
Diluted			

11. 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.

12. 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.

13. 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.



R.P.P. Infra Projects Ltd

Register Office :

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Claims against the Company:

- * A show cause notice dated 20th October, 2009 has been issued by the Commissioner of Customs and Central Excise, Salem against the Company for alleged failure to pay service tax on the taxable services rendered by the Company in respect of several projects and for failure to file periodic Service Tax Returns. The said notice has been issued against the to show cause as to why the service tax amounting to Rs.6,20,49,021/- (including education cess) should not be demanded and why interest and penalty should not be levied for non compliance of service tax requirements.
- * The Company contended against it and after hearing, the above demand has been reduced to Rs.2,52,28,175/- by the order passed by The Commissioner of Customs & Central Excise, Salem. The company has also preferred an appeal against the same.
- * Income tax :
A demand notice had been received by the Company relating to income tax for Assessment year – 2006-2007 amounting to Rs. 24,14,650/-. The management is taking steps to reconcile the demand with pre-paid and self assessment taxes.
- * A demand notice had been received by the Company relating to income tax for Assessment year – 2009-2010 amounting to Rs. 5187870 out of which 3 lakhs has been paid. The balance amount represents tax deducted at source for which the relevant certificates are available and on submission of the same the major portion of the liability will be discharged.
- * Cases filed against the company in relation to labour matters:

Name of the Party	Claim (Lakhs)
Balakrishnan	5.00
A. Alex	5.00
K. Selvi	2.00
S. Vadivel Murugan	2.00

Cases filed by the company:

1. The Company was awarded a contract by Superintending Engineer, PWD, WRO for the work of "Second Madras Water Supply Project – New Veeranam Improvement of Vadavar Channel. The Company entered into an agreement dated September 22, 1997 with the Superintending Engineer in relation to the above mentioned Project. The Company completed the Project on August 5, 2004 and handed over the completed Project site to PWD. But, certain payments amounting to Rs.363.85 lakhs were not settled and hence the Company invoked arbitration on December, 7, 2007 claiming an aggregate amount of Rs.363.85 lakhs (Rs.3,63,84,546) out of which Rs.97.65 lakhs (Rs.97,64,152) is the amount of pending Project bills. The matter is pending for Final Order.



R.P.P. Infra Projects Ltd

Register Office :

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2. The Company has issued a notice dated July 16, 2008 on Cavery Hi-Tech Weaving Park for non-payment of Rs.212.42 lakhs (Rs.2,12,42,142.94) towards completion of construction of infrastructure development.
3. The Company has filed arbitration proceeding against M/s. South India Mills Association (SIMA) for a non-payment of Rs.380 Lakhs for the work done in the earth site at Cuddalore. Arbitration proceeding completed and awaiting for judgement.

14. Related Party Disclosures:

As per annexure enclosed.

3. OTHERS:

a) Capital

During the year, Company has completed its Initial Public Offer (IPO) and consequently, the Company has allotted 65,00,584 equity shares of Rs. 10/- each at a price of Rs. 75/- per share on 5/12/2010. Equity shares of the Company were listed for trading on National Stock Exchange and Bombay Stock Exchange on 06/12/2010.

b) Share issue expenses are to be amortised over a period of 5 years. Issue expenses which are apportionable, pertaining to the shares sold by the promoters, are charged to the promoters.

c) Schedule- XIII – Director’s Remuneration

Managerial Remuneration

Year Ended March 31,

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Remuneration to Managing Director & Whole-time Director	65,00,000	41,02,903

(b) Computation of Net Profit under Section 349 of the Companies Act,1956:

Particulars	March 31, 2011 Rs.	March 31, 2010 Rs.
Profit before taxation & Prior period items	23,78,56,406	11,58,03,395
Add : Managerial Remuneration	65,00,000	41,02,903
Less : Profit on sale of Fixed Assets		



R.P.P. Infra Projects Ltd

Register Office :

P&C Tower, 3rd Floor, 140, Perundurai Road,
Erode - 638 011, Tamilnadu, INDIA.

- | | | |
|----------------------------|-------------------|-------------------|
| d) Auditor's Remuneration: | <u>31.03.2011</u> | <u>31.03.2010</u> |
| Statutory audit | 2,00,000 | 1,10,000 |
| Taxation | 40,000 | 20,000 |
- e) Balances in the accounts of sundry creditors and debtors and loans and advances are subject to confirmation. Confirmation from the management has been relied upon for the non provision of bad and doubtful debts.
- f) Where external vouchers are not obtainable (e.g. sand, stone, bricks, etc.) internal vouchers have been relied upon.
- g) Management representation for Deposits amounting to Rs.2.69 Crores have been relied upon since external confirmations pertaining to the same are not available.
- h) Management has confirmed that the debit balances in withheld amounts pertaining to closed contracts amounting to Rs. 140 Lakhs are good for recovery.
- i) Last year's figures have been regrouped wherever necessary to conform to this year's classification.

On behalf of the Board of Directors

R.P.P INFRA PROJECTS LIMITED

(Sd/-)

P.ARULSUNDARAM

Chairman Cum Managing Director

(Sd/-)

A.NITHYA

(WHOLE – TIME DIRECTOR)

Place : Erode

Date : 25.07.2011



R.P.P. Energy Systems Pvt Ltd

(100% Subsidy of R.P.P. Infra Projects Ltd)

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

BALANCE SHEET AS AT 31.03.2011

Balance Sheet as at 31/03/2011		(In Indian Rupees)	
PARTICULARS	Schedule	31/03/2011	31/03/2010
AUTHORISED SHARES:			
50000 Equity Shares of Rs.10 each		500,000	-
<u>I. SOURCES OF FUNDS:</u>			
1.Share Holders Fund			
Equity Share Capital	1	500,000	-
a. 50,000 Equity Shares of Rs.10 each			-
b. Reserves & Surplus	2		
2. Loan Funds:			
a. Secured Loan	3 (a)		
b. Unsecured Loan	3 (b)		
3. Non-Current Liability	4	4,640,018	
4. Deferred Tax Liability	5		
		5,140,018	-
<u>II APPLICATION OF FUNDS</u>			
4. Fixed Assets			
Gross Block			
LESS :Depreciation	6		
		-	-
5. Investments	7		
6. Non-Current Assets	8		
6. Current Assets, Loans & Advances			
a. Inventories	9		
b. Debtors	10		
c. Cash & Bank Balance	11	100,000	
d. Other Current Assets	12		
e. Loans & Advances	13	5,000,000	
		5,100,000	-
7. (-) Current Liabilities & Provisions			
a. Current Liabilities	14		
b. Provisions	15		
		-	-
NET CURRENT ASSETS		5,100,000	-
8. Preliminary Expenses not written off	16	40,018	
		5,140,018	-
Notes on Accounts	21		

**R.P.P. Energy Systems Private Ltd**

(100% Subsidiary of R.P.P. Infra Projects Ltd)

P&C Tower, 3rd Floor, 140, Perundurair Road, Erode - 638 011, Tamilnadu, INDIA.

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET

PARTICULARS	(In Indian Rupees)	
	31/03/2011	31/03/2010
Schedule No. 1 Share Holders' Fund Share Capital Authorised: 50,000 equity shares of Rs.10 each	500,000	
Issued, subscribed and paid up : 50,000 equity shares of Rs.10 each	500,000	
Schedule No.4 - Non-Current Liability R.P.P. Infra Projects Ltd, Erode, Tamil Nadu, INDIA	4,640,018	
Schedule No.8 - Cash and Bank Balances Cash on Hand	100,000	
Schedule No.10 - Loans and Advances Advance to Vendor (M/s. Banton Software Pvt Ltd)	5,000,000	
Schedule No.16 - Preliminary Expenses not written off Company Formation Charges	40,018	



R.P.P. Infra Overseas PLC

(100% Subsidy of R.P.P. Infra Projects Ltd)

Registered Office C/o. Intercontinental Trust Ltd, Level 3

ALEXANDER HOUSE, 35 CYBERCITY, EBENE, MARUITIUS.

Balance Sheet as at 31/03/2011		(In Indian Rupees)
PARTICULARS	Schedule	31/03/2011
AUTHORISED SHARES:		
I. SOURCES OF FUNDS:		
1. Share Holders Fund		
Equity Share Capital		
a. Equity Shares (By Holding Company)	1	224,100
b. Reserves & Surplus	2	50,953,693
2. Loan Funds:		
a. Secured Loan	3 (a)	-
b. Unsecured Loan	3 (b)	-
3. Non - Current Liability	4	663,188
4. Deferred Tax Liability	5	-
		51,840,981
II. APPLICATION OF FUNDS		
5. Fixed Assets		
Gross Block		
		-
LESS :Depreciation	6	-
		-
6. Investments	7	-
7. Non- Current Assets	8	-
8. Current Assets, Loans & Advances		
a. Inventories	9	-
b. Debtors	10	64,024,528
c. Cash & Bank Balance	11	224,100
d. Other Current Assets	12	-
e. Loans & Advances	13	85,281,014
f. Miscellaneous expenses not written off	14	-
		149,529,642
9. (-) Current Liabilities & Provisions		
a. Current Liabilities	15	96,089,517
b. Provisions	16	1,599,445
		97,688,662
NET CURRENT ASSETS		51,840,981
		51,840,981



R.P.P. Infra Overseas PLC

(100% Subsidy of R.P.P. Infra Projects Ltd)

Registered Office C/o. Intercontinental Trust Ltd, Level 3

ALEXANDER HOUSE, 35 CYBERCITY, EBENE, MARUTIUS.

Profit and Loss Account for the year ended 31/03/2011 (In Indian Rupees)		
PARTICULARS	Schedule	31/03/2011
Income		
Income from Operations	17	64,943,921
Other Income		-
		64,943,921
Expenditure		
Consultancy Charges	18	10,419,714
Adminstrative and Other Expenditure	19	1,209,377
Interest and Finance Charges		
Depreciation / Amortisation		11,629,091
Profit Before Tax		53,314,830
Provision for Taxation		
Current Tax		1,599,445
Deferred Tax		-
Profit After Tax		51,715,385
Proposed Dividend		-
Corporate Dividend Tax		-
Balance Carried to Balance Sheet		51,715,385
Earning per share of Face value Rs.10 each		
- Basic (Rs.)		
- Diluted (Rs.)		



R.P.P. Infra Overseas PLC

(100% Subsidy of R.P.P. Infra Projects Ltd)

Registered Office C/o. Intercontinental Trust Ltd, Level 3

ALEXANDER HOUSE, 35 CYBERCITY, EBENE, MARUITIUS.

Schedules annexed to and Forming part of Balance Sheet	(In Indian Rupees)	
	31/03/2011	31/03/2010
Schedule No.1 Shares held by M/s. R.P.P. Infra Projects Ltd, Erode, Tamil Nadu, INDIA	224,100	-
Schedule No.2 Reserves & Surplus		
Opening Balance	-	-
Add : Surplus Transferred from Current Year P & L Account	51,715,385	-
Forex Currency Translation Reserve	(761,692)	
Total Transferred to Balance Sheet	50,953,693	-
Schedule No.4 Non - Current Liability R.P.P. Infra Projects Ltd, INDIA	663,188	
Schedule No.10 - Sundry Debtors		
i. Outstanding for A Period Exceeding six month	-	
ii. Others	64,024,528	
iii. Due from Related Parties	-	
Total Sundry Debtors	64,024,528	
Schedule No.11 - Cash and Bank Balances		
Balance with Scheduled Banks	224,100	
Total Bank Balance	224,100	
Schedule No.13 - Loans and Advances		
Other Advance	85,281,014	-
Total Loans and Advances	85,281,014	-



R.P.P. Infra Overseas PLC

(100% Subsidy of R.P.P. Infra Projects Ltd)

Registered Office C/o. Intercontinental Trust Ltd, Level 3

ALEXANDER HOUSE, 35 CYBERCITY, EBENE, MARUTIUS.

Schedules annexed to and Forming part of Balance Sheet	(In Indian Rupees)	
	31/03/2011	31/03/2010
Schedule No.14 - Current Liabilities		
Sundry Creditors - Services	95,548,952	
Payable to Directors	303,620	
Salary Payable	147,345	
Audit Fee Payable	89,300	
Total Current Liabilities	96,089,217	
Schedule No.15 - Provisions		
Income Tax Payable	1,599,445	
Schedule No.18 - Administrative and Other Expenditure		
Employee Cost		
Directors' Remuneration	307,292	
Salary Expenses	149,127	
Total Employee Cost	456,419	
Over Head		
Travelling and Conveyance	203,963	
ROC Charges	459,225	
Audit Fees	89,700	
Total Over Head	752,958	
Total Administrative and Other Expenditures	1,209,377	

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R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held on Tuesday 2nd August 2011 at 10.00 a.m. at Hotel Club Melaange, Perundurai Road, Erode - 638 011.

.....
Full name of the Shareholder (in Block Letters) Signature of Shareholder

Folio No : No.of Shares held :

.....
Full name of the Proxy (in Block Letters) Signature of Proxy

Note : Shareholders attending the Meeting in Person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the Meeting hall.

R.P.P. Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road, Erode - 638 011, Tamilnadu, INDIA.

PROXY FORM

FOLIO NO.

I / We of
..... being a member / members of R.P.P. Infra
Projects Limited do hereby appoint
..... or failing him of

As my / our proxy and to vote for me / us on my / our behalf at the 16th Annual General Meeting of the company to be held on Tuesday 02nd August 2011 and at any adjournment thereof.

Signed Affix
.....

Date Revenue
Stamp

(Share holder/s)

(Sign of the proxy)

RPP Infra Projects Ltd

P&C Tower, 3rd Floor, 140, Perundurai Road,
Erode - 638 011. Tamilnadu. INDIA.

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