



# R.P.P. INFRA PROJECTS LIMITED

EIGHTEENTH ANNUAL REPORT 2012-13

*Reputation - Performance - Passion*



## **MISSION**

To perform exceptionally well in all aspects in the industry by providing innovative, reliable and high quality services to our clients. Developing highly trained loyal employees who work as a team to anticipate, identify and respond to the client needs.

## **VISION**

To be a global leader in the construction and infrastructure industry by continuously moving forward. To have international standards by adopting latest technologies, ideas and systems by creating quality minded employees to deliver the client expectations.

## **Registered Office**

S F No. 454, Raghupathynaicken Palayam,  
Poondurai Main Road,  
Erode 638 002  
Tamil Nadu, India

## **Corporate Office**

Plot – A21, Phase III, Thiru-Vi-Ka  
Industrial Estate, Guindy,  
Chennai 600 032,  
Tamil Nadu, India

## **Subsidiary (India)**

RPP Energy Systems Private Limited  
S F No. 454, Raghupathynaicken Palayam,  
Railway Colony Post, Poondurai Road,  
Erode 638 002,  
Tamil Nadu, India.

## **Subsidiaries (Overseas)**

RPP Infra Overseas PLC  
Level 3, Alexander House,  
No. 35, Cybercity, Ebene,  
Mauritius.

RPP Infra Projects (Lanka) Limited  
No. 521, 1/C, Galle Road,  
Wellawatta,  
Colombo 06.

RPP Infra Projects Gabon SA  
BP 2290, Libreville,  
Gabon

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. P Arulsundaram, Chairman & Managing Director

Mrs. A Nithya, Whole-time Director

Mr. A P C Krishnamoorthy, Director

Mr. S Thirunavukarasu, Director

Mr. P Muralithasan, Director

Mr. S Swaminathan, Director

Mr. K Natarajan, Director

Mr. A N Vasu Rao, Director

### **COMPANY SECRETARY**

Mr. R Nithya Prabhu

### **AUDITORS**

**M/s. Karthikeyan & Jayaram**

'Sri Towers' 30 Bharathidasan Street

Teachers Colony, Erode – 638 011.

### **BANKERS**

Indian Overseas Bank

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

State Bank of India

### **REGISTRARS & SHARE TRANSFER AGENT**

M/s. Cameo Corporate Services Limited

Subramanian Building

No.1 Club House Road

Chennai – 600 002, Tamil Nadu, INDIA

### **LISTED**

National Stock Exchange of India Limited

Symbol : RPPINFRA Series-EQ

BSE Limited

Scrip Code : 533284 Scrip ID : RPPINFRA



*Certificate of Excellence*

presented to

**RPP Infra Projects Limited**

in recognition of exemplary growth.

  
Anand Lal Das, Managing  
Editor, Inc. India

  
A.T.T. Media Initiatives

  
Shreyas Singh  
Managing Editor, Inc. India

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*P Arulsundaram*  
*Chairman & Managing Director*

## *Chairman's Message*

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**"Led by a Strong Management team and with high level of skill set, RPP is committed to fostering a strong, competitive and profitable environment that benefits all stakeholders"**

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### **Dear Shareholder,**

It gives me immense pleasure to report that your Company has delivered yet another year of steady growth and improved operating performance, amidst weaker global economy and I am extremely glad to inform that we have successfully executed over 250 Civil Construction Projects across various segments of Construction and Infrastructure Industry.

During the year, the Global Economy was confronted with new setbacks and has been struggling to achieve meaningful growth throughout the year. The EURO area crisis continues to be the biggest threat to Global growth. The weakness in developed economies underpins the global slowdown and spills over to the developing countries. The Economic indicators have been consistently painting a rather grim picture. The IMF in its latest global economic assessment indicates the deterioration in the world economic environment and signs of increasing risks.

Accordingly as per IMF's estimate, the Global Economic Growth is estimated at 3.6 per cent in 2013. Although a few glimmers of hope are now popping up, I feel they are not enough to justify the conclusion that the worst is now over. However I expect economic prospects to improve steadily in the near future but the pace of growth is likely to be slower than many had hoped for.

The Global Economic woes are spilling over to Indian economy too and thereby dampening the growth. however our government's decision for favourable and more

***"The Euro area crisis continues to be the biggest threat to Global growth and Spill over effects from developed Countries dampen growth in developing Countries"***



transparent regulatory mechanism will encourage the companies spending decisions and reduce domestic bottlenecks.

## PERFORMANCE REVIEW

The Year 2012-13 was yet another year of steady growth for your Company in spite of the challenging environment. RPP is constantly thriving on efficiency in execution of the projects. I am pleased to report some of the highlights of the year under review as follows:

- ◆ The Company has successfully completed Renovation and Modernization of Malampuzha Garden Phase – II.
- ◆ Contract for procurement of flyash from NTPC Tamilnadu Energy Company Limited, Vallur Thermal Power Project (VTPP).
- ◆ Completed Rehabilitation of Amaravathi Main Canal from LS 12.500 Km to 45.600 Km in Udumalpet.
- ◆ Completed Civil works for coke handling project at MRPL, Mangalore.

We are keenly pursuing diversity and dispersion in business activities to withstand the economic adversity. In sequel to this we are evaluating business opportunities in manufacturing of High Security Registration Plates (HSRP) and Intelligent Transportation System (ITS).

In this challenging environment, RPP's revenue in fiscal 2013 stood at Rs. 259 Crore, a year-on-year growth of 7%. However the profit after tax was Rs. 10.85 Crore as against Rs. 13.85 Crore in the previous year, which was primarily attributable to increase in finance cost.

The performance of the subsidiary companies during the year were not in line with those of fiscal 2012, on account of termination of mass housing project in Gabon due to change in political situation and change in contract specifications without a corresponding change in financial terms. The Group total income for the year was Rs. 263 Crore, while the group profit after tax recorded Rs. 11.36 Crore. we are pleased to announce that the Board has recommended a dividend of Re. 0.50 per equity share for fiscal 2013.

## BUSINESS OUTLOOK

Infrastructure development has a key role to play in Indian Economic Growth and they are expected to remain robust and in these adverse environments we are adopting a diversification strategy not just to cope with the near term headwinds, but also to endeavor sustainable growth in the long term.

As I said earlier Infrastructure has emerged as one of the prominent driver of positive economic growth and the private sector is expected to play major role in the growth, their share in Infrastructure Investment is expected about 48 per cent in Twelfth Five Year Plan, which is more than double when compared to Tenth Five Year Plan.

***“The announced policy initiatives seem to significantly reduce domestic bottlenecks and promote capital flows”***

***“Diversified and Customized Plan remains key to success and will help ensure resiliency over this heightened risk environment”***

***“Infrastructure has emerged as one of the prominent driver of positive economic growth”***





The Overall outlook appears bright in the background of infrastructure impetus and challenging growth targets aimed at by the Government.

The road ahead is not entirely devoid of stumbling blocks. Successful businesses will be those that are best able to tailor their offerings to ever changing needs. This type of flexibility will enable business to be nimble and respond to changing economic conditions. I have a strong conviction in the robust growth of our Country and about the sustainable growth and profitability of your Company in the years ahead.

I would like to appreciate the efforts of all the employees of the organisation for taking the Company to greater heights; this achievement would not have been possible without their whole hearted and unstinted efforts.

I would like to thank all my colleagues on the Board and all other stakeholders like Shareholders, Bankers, Members of our Supply chain and Regulators for providing their unwavering support to our efforts.

I sincerely hope that our earnest effort and self belief will definitely fetch us a secured and bright future both for ourselves and future generations.

Thank you

**P Arulsundaram**  
**Chairman & Managing Director**

May 30, 2013

## Financial Highlights

(Rs Crore)

Description	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Revenue from Operations	257.18	240.97	207.71	144.54	100.10	70.76
Total Income	259.22	243.18	209.80	146.79	101.23	72.14
Earnings before Depreciation, Finance Costs and Tax Expense(EBIDTA)	38.86	35.54	27.50	17.15	11.41	7.20
Depreciation & amortization	9.14	6.89	3.84	2.41	2.23	2.08
Interest & Finance Costs	14.55	9.51	5.13	3.16	3.16	1.85
PBT	15.16	19.14	18.53	11.58	6.02	3.27
PAT	10.85	13.85	13.49	8.31	4.12	2.05
Equity dividend % (Refer Note a &b)	5% <sup>a</sup>	5%	10%	15% <sup>b</sup>	10%	5%
Dividend Payout	1.13	1.13	2.26	0.90	0.10	0.05
Equity share capital	22.60	22.60	22.60	16.50	1.01	1.01
Reserves & Surplus	80.25	70.81	58.67	8.21 <sup>c</sup>	14.85	10.67
Net Worth	100.59	90.30	77.31	24.55	15.86	11.68
Gross Fixed Assets	74.35	69.91	43.09	34.64	22.70	21.57
Net Fixed Assets	46.34	49.50	28.72	23.82	13.98	14.33
Total Assets	276.59	260.86	186.52	81.99	51.73	47.09
<b>Key Indicators</b>						
Earnings per share Rs.	4.80	6.13	7.31	5.27	406.39	202.55
Book Value per share Rs.	45	40	34	15 <sup>d</sup>	1,564	1,152
Debt: Equity Ratio	0.15	0.30	0.25	0.23	0.24	0.49
EBDIT/ Total Revenue %	11.46%	14.62%	13.11%	11.68%	11.27%	9.98%
Net Profit Margin %	4.19%	5.70%	6.43%	5.66%	4.07%	2.85%
RONW %	10.79%	15.34%	17.45%	33.86%	25.98%	17.59%
ROCE%	29.54%	31.73%	30.60%	60.04%	57.86%	43.83%

(a) = Proposed Dividend

(b) = Pro-rata Basis

(c) - Reduction due to Bonus Shares

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