



# Building a New Future.

RPP Infra Projects Limited  
Annual Report 2021-22

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### Reporting overview

This report is our primary medium of communication to our shareholders and other stakeholders. It aims to provide a concise view of the performance of the Company in FY2021-22, the challenges faced and the operating outlook for the near to mid-term. Having successfully endured the Covid shock, the Company has emerged out of the pandemic more resilient and agile and has adopted many initiatives towards building a new future, taking everyone along the path of shared development.

### Forward-looking statements

Certain statements in this report may be regarded as forward-looking statements or forecasts but do not represent an earnings forecast or guarantee. Actual results and outcomes may differ materially from those expressed in or implied by these statements. All forward-looking statements are based solely on the views and considerations of the management.

### Impacting the SDGs

Through our business we positively impact many of the 17 UN SDGs (Sustainable Development Goals) that aim to foster a better society. Chief among this is our key work of infrastructure development that help improve lives and livelihoods. We impact the following SDGs:



### Positive outlook for India

The infrastructure market outlook is positive and is supported by the government's US\$ 130.57 billion allocation to infrastructure, providing among the highest levels of investment in decades.

### Strong opportunities in chosen markets

Our chosen markets show strong underlying drivers and continue to deliver significant opportunities for the Company.

### Sectoral presence

RPP is present in key sectors, such as Buildings, Infrastructure and Water Management, having a strong and proven execution track record.

### De-risked business model

The Company has created a strong and diversified presence within south India, while also foraying into Maharashtra, Gujarat and Jharkhand that are fast-growing states.

### Read this report online

The online version of RPP's Annual Report 2021-22 is available on our corporate website under the 'Investor' section: [www.rppi.com](http://www.rppi.com)

# Driving transformation towards building a new future.

**At RPP Infra Projects Limited, we are leading the charge to drive organisational transformation to meet the industry challenges of the future. We are harnessing the power of our deep expertise built over the decades, innovative practices and sustainable thinking to create high quality infrastructural assets and developments across our three chosen verticals of Buildings, Infrastructure and Water Management.**

With experience of 27+ years, solid execution track record of completing 150+ projects, strong tendering capabilities, marquee government clientele with secure cash flow and trust of our customers, we have created a legacy we are proud of. Safety, dependability and reliability are our hallmarks and as we stand united to deliver and succeed, we place equal value on all perspectives by embracing diversity and inclusion. Together, we deliver projects that fulfill needs and expectations and in doing so we collaborate with our customers to shape thinking and inspire a new generation of talent to be the change-makers of tomorrow.





# Our service to society

**At RPP, we believe that continuing societal development is only possible if economic, social and environmental issues are addressed as an indivisible whole.**

This belief is embedded in the history of our Company and is evident in the kind of projects we build, including affordable housing, social infrastructure, schools and hospitals, roads and highways, water supply distribution systems, etc., that serve public utility and purpose. In fact, our projects stand for how we work to find solutions that facilitate access to the essentials and help conserve resources, thereby enabling our customers to meet their public mandates.

We are a Company with a high level of technical know-how and we set ourselves apart from competition by way of innovative solutions and adherence to execution timelines combined with our end-to-end engineering know-how and integrated project management capabilities. We deliver long-term results for our customers by leveraging our longstanding experience, the quality of our services and our high capacity for innovation.

We are a working community where, in addition to respectable livelihood opportunities and a culture of health and safety, everyone can find purpose in what they do. Through training we ensure that our employees, the majority of whom are manual workers and technicians, develop their skills.

Our prosperity is founded upon our usefulness to all our stakeholders - customers, shareholders, employees, suppliers, current populations and future generations. In this way, we are building a new future while catering to society's vital needs.





### Operational

**27+**

Years of experience

**150+**

Projects executed

**300+**

Workforce



### Financial

**36.14**

EBIDTA (Rs. cr)

**8.36**

Net profit (Rs. cr)

**86.57**

Book value/share (Rs.)

**317.61**

Net worth (Rs. cr)



# Company at a glance

We are an engineering-led infrastructure company with leading projects in our chosen business verticals of Buildings, Infrastructure and Water Management that we execute via public-private partnership.

## Vision

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

## 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 and loyal employees who work as a team to anticipate, identify and respond to client needs.

## Our presence

The key regions of our presence comprise Tamil Nadu, Karnataka and Telangana that have shown high growth appetite for infra development. Further, within India, we are also diversifying into Maharashtra, Gujarat and Jharkhand, while also foraying into Bangladesh that has sound economic prospects.



## Our construction expertise





### Infrastructure

- Smart City projects
- Roads and highways
- Elevated corridors
- Structural works for power plants and coal/ash handling plants
- Power plant substations
- Integrated storm water drainage

### Buildings

- Affordable housing
- Social infrastructure modernisation (schools, etc.)
- Hospitals
- Medical colleges
- Mixed-use projects
- Multi-storied buildings

### Water Management

- Jal Jeevan Mission projects
- Water supply distribution
- Elevated service reservoirs
- Rehabilitation/modernization of irrigation infrastructure
- Canal construction

## Our financial journey

Despite our relatively small scale of operations, we have been able to weather the huge negative impacts of Covid well, building resilience by enhancing customer engagement, sharpening our skills and competencies, focusing on collections and undertaking cost optimisation. Thus, we believe we have come out stronger and are today well poised for accelerating growth.

## Our solid foundations

- Integrity
- Accountability
- Innovation
- Execution
- Safety
- Efficiency
- Focus
- Sustainability

## Historical financial highlights (Rs. in cr)

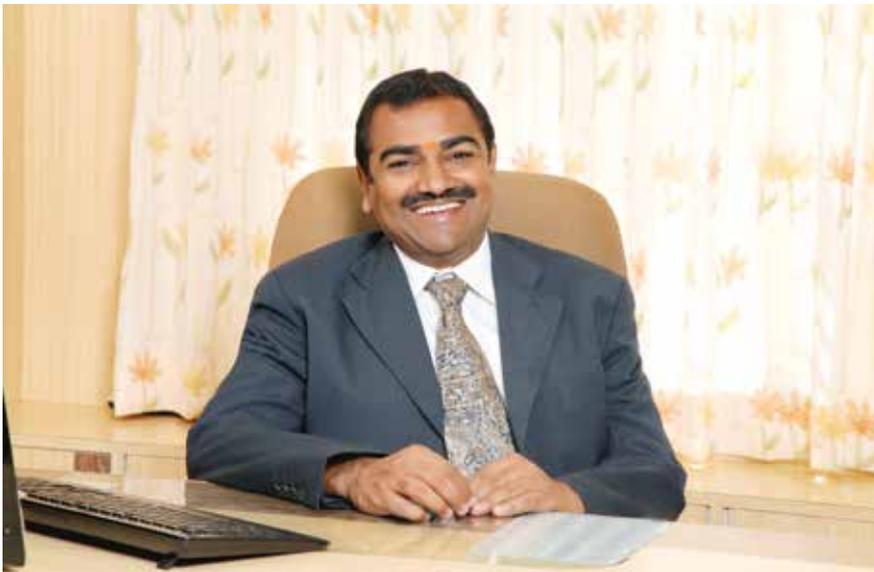
Parameter	2017-18	2018-19	2019-20	2020-21	2021-22
Income from operations	499.13	580.69	575.69	477.90	<b>779.82</b>
Total income	505.47	589.39	585.31	489.10	<b>794.01</b>
EBIDTA	72.40	70.66	64.63	47.22	<b>36.14</b>
Interest	18.57	23.24	22.68	18.95	<b>13.98</b>
Depreciation	6.79	6.38	7.16	6.11	<b>7.97</b>
Tax	33.56	16.70	15.49	6.62	<b>5.83</b>
Net profit	13.48	24.35	19.30	15.53	<b>8.36</b>
Equity share capital	22.60	22.60	22.60	23.65	<b>36.69</b>
Net worth	193.67	215.72	236.17	267.81	<b>317.61</b>
Gross fixed assets	62.88	89.92	96.99	94.94	<b>116.68</b>
Net fixed assets	30.23	51.74	51.83	46.99	<b>64.08</b>
Total assets	512.13	595.46	569.07	618.25	<b>738.67</b>
Book value per share (Rs.)	85.69	95.45	104.50	113.24	<b>86.57</b>
Turnover per share (Rs.)	220.80	256.94	254.72	202.07	<b>212.56</b>
Earnings per share (Rs.)	5.97	10.77	8.54	6.57	<b>2.64</b>
EBIDTA/Gross turnover	0.14	0.12	0.11	0.10	<b>0.05</b>
ROCE	0.35	0.26	0.22	0.14	<b>0.08</b>



# Chairman's Message

Dear Shareholders,

**It gives me great pleasure to present the 27th Annual Report and annual performance of the Company for the financial year 2021-22.**



Financial year 2021-22 was an economic roller-coaster. The year was expected to be one of recovery on the back of normalized resumption of economic activity and improved mobility. However, against the expectations, the year commenced with the onset of a more virulent second wave, with a record number of infections and high mortality rate. The country witnessed partial lockdowns across different states, as opposed to complete lockdowns during the first wave. With improved vaccination efforts, the economy bounced back faster than anticipated. However, the recovery was severely disrupted due to the emergence of a new variant of the virus, Omicron, by the end of third quarter, which fortunately, did not have a long impact. Post this again when the economy was recovering, by end of the financial year, the geopolitical conflict

created huge challenge for the industry with a sharp rise in commodity prices..

Despite these turbulences, the economy expanded at 8.7% in FY2021-22, compared to a 6.6% contraction in the previous year. India's Union Budget 2022 emphasized on maintaining fiscal deficit near current levels along with renewed capex thrust. The Government capex serves the twin purpose of employment generation and acts as a growth multiplier.

A slew of incentive schemes as launched by the Government is bound to stimulate manufacturing and exports and take forward the effort of the Government's vision to achieve a USD 5 trillion economy and make positive sentiment for growth. As infrastructure investments serve the dual purpose of driving productivity and generating

employment, we expect the industry to have better growth as compared to last year. Surge in domestic demand, improvement in capacity utilization levels and much leaner corporate balance sheets are further indicating sustained resurgence in the economic output. Further, prediction of yet another year of normal monsoon has added to the positive sentiment.

During the period, global economy witnessed recovery amidst continued progress with vaccination efforts, supportive macroeconomic policies in major economies and favorable financial conditions. However, the global environment significantly worsened in the latter half of the financial year with unfavorable political situation. The onset of the war adversely impacted food and energy prices globally and severely disrupted supply chain.

Your Company continued to extend help and support like last year to people like daily-wagers and outside labourers to help them tide over the crisis created by the pandemic. Though the economy did grow and bounced back to pre-pandemic level, not everything was as per the expectation and FY2021-22 turned to be mixed year.

The year 2021-22 started with widespread fear due to very high infection with high mortality. In the first quarter of 2021-22, economic growth had been a stupendous 20.1%, which however was mainly due to low base

effect. In the second quarter it was 8.4%, while it was 5.4% in the third quarter. In the fourth quarter it slid to 4.1%.

GDP for 2021-22 at 8.7% was lower than the 8.9% growth estimated by the Ministry of Statistics and Programme Implementation (MoSPI). This also fell short from Reserve Bank of India's estimation of 9.5% GDP growth. Even the projected March quarter growth of 4.1% remained much lower than the RBI's projection for the period, which was estimated at 6.1%.

Your Company also had a mixed year of performance. Whereas the revenue increased by almost 63% during financial year 2021-22 as compared to the last financial year, margin and profit were severely impacted.

Networth of your Company increased to Rs. 317.61 cr as on 31st March 2022, as compared to Rs. 267.81 cr as on 31st March 2021. This was primarily owing to infusion of capital through rights issue, reserves due to forfeiture of warrant money and profit during the year.

On standalone basis, your Company's total revenue increased to Rs. 794.01 cr in FY2021-22, as compared to Rs. 489.10 cr in FY2020-21. Total cost increased to Rs. 779.82 cr in 2021-22, vs. Rs. 466.94 cr in 2020-21. EBITDA for 20201-22 stood at Rs. 36.14 cr as compared to Rs. 47.22 cr in the previous year, registering a drop of almost 23%. Profit after tax for FY2021-22 stood at Rs. 8.36 cr, as compared to Rs. 15.53 cr in FY2020-21, comprising a drop of 46%.

On consolidated basis, total revenue stood at Rs. 815.97 cr in FY2021-22, as compared to Rs. 524.33 cr in FY2020-21. Total consolidated expenses stood at Rs. 804.78 cr in 2021-22, vs. Rs. 502.21 cr in FY2020-21. Profit after tax for FY2021-22 stood at Rs. 5.36 cr, vs. Rs. 15.50 cr in FY2020-21.

During the last financial year, your Company had come out with a rights issue to raise capital to support long-term fund requirement. The Company raised about Rs. 42 cr by way of rights issue. Offer of rights issue was made at a price of Rs. 30 per share (paid value of Rs. 10 at a premium of Rs. 20 per share) and the Company has allotted 142.3 lakh shares under the rights issue.

## Performance review

Your Company has undertaken various projects and may need to further leverage itself to meet out the requirement of the fund for the projects. The Company also needs to issue various guarantees for its projects and hence the Company required your approval for borrowing/providing guarantee in addition to raising money through available sources. To conserve resources for projects and maintain liquidity, your Board has decided against the recommendation of dividend for the financial year ending 31st March 2022.

The Company continues to have its diversified presence in highways, roads & bridges and civil constructions in water management, irrigation and power projects. The Company continues to be driven by strategy of mid-sized government projects of lesser tenure. Further, fast turnaround remains to be a core principle of the Company.

## Outlook

Union Budget of 2022-23 had put forward four priorities of PM Gati Shakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. As per the budget, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh cr to boost the economy, which will be 4.1% of the total GDP. Under PM Gati Shakti Master Plan, the National Highway Network will

develop 25,000 km of new highways network which will be worth Rs. 20,000 cr. In 2022-23, increased government expenditure is expected to attract private investment, with a production-linked incentive (PLI) scheme providing excellent opportunities. The Government has planned for PLI schemes for 14 sectors to achieve the mission of Atmanirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh cr in the next five years.

Your Company continues to have strong orderbook which at the end of FY2021-22 stood at Rs. 2,664 cr. The Company has been awarded various new projects in FY2021-22. This time, the Company has again focused on small and mid-sized projects in segments of water and infrastructure domain.

Your Company is bound to have better performance as the contract and orders are from the Government, who are safest customer and provides stability to the Company even in the most challenging times. The Government initiative and investment in the infrastructure sector and continued thrust is bound to result in positive and incremental growth. However, the biggest challenge is the sharp increase in cost due to the global geopolitical situation and resultant disruption of supply chain. Your Company still believes that it would be achieving the better financials and improved margin in FY2022-23.

I would like to thank all our customers, vendors and other stakeholders for the confidence and trust in the Company. I acknowledge and thank Board Members and employees for their invaluable support. Their support and confidence continue to motivate us to outperform every year.

Thank you.

P. Arulsundaram

**Chairman & Managing Director**



# Discussion with our leadership

**“The growth potential of our business is undoubtedly considerable. Our Company is rallying around the transformation underway in cities, buildings, water and transport infrastructure and land re-development to address major societal challenges and find effective solutions.”**

**- A. Nithya**

## **Q** How would you sum up RPP’s position in 2021-22?

**A** It’s solid and clearly bears the mark of our business model’s resilience. We’re a robust and highly responsive Company that has demonstrated the ability to adapt to the shifting landscape during the COVID-19 public health crisis and return to a long-term growth path. Our revenue in 2021-22 was higher than in 2020-21 at Rs. 779.82 crore vs. Rs. 477.90 crore, a reflection of the upswing in our business activities. However, sharp cost inflation beyond our control enforced an increase in raw material, construction and sub-contracting costs, which together comprised about 89% of our total expenses, compared to 85% in the previous year. This was a factor in lower profitability for the year, which declined by about 46% to Rs 8.36 crore. However with easing of commodity and labour inflation we expect normalisation of profits soon. Lastly, we kept our net debt within bounds, which enabled us to lower our finance costs to Rs. 13.98 crore in 2021-22, thus protecting profitability to that extent. Debt optimisation will continue to remain a key part of our strategy going forward.

## **Q** What was the progress achieved during the year?

**A** It was a satisfactory performance considering coming out of the ravaging impacts of the second wave of the pandemic in May-June 2021 and the third milder wave in December 2021. The sharp growth in our revenue was delivered by our diversified portfolio, with all the three segments firing. We have worked hard to transform our portfolio and will continue to focus on high quality opportunities that utilise our capabilities. Furthermore, we were able to achieve a better quality order book as on end March 2022, which provides clear short and medium-term visibility. Our expert tendering capability has also resulted in a superior quality order book providing a measure of inflation protection through improved contract terms. Lastly, we have also put in effort to build capabilities matched to favourable infra markets, which have a positive outlook. All these strengthen our foundation and position us well towards building a new future.

## **Q** What are some of the levers of growth?

**A** As a sector, construction has moved forward at pace in recent years and is still transforming. Every day we adapt with agility, working to drive efficiencies, implementing sustainable solutions and engaging in financial strategies that enable improvement in our credit and risk profile while taking action targeting long-term shareholder value. We are committed to building a new future through the development of infrastructure that helps unlock economic and social progress. Some of our key focus areas include continuously improving standards of quality, safety and reliability, expanding the company’s current customer base through ongoing commercial effort for new business, increasing operational and financial efficiency, applying rigorous project selection criteria in line with our expansion and growth strategy, and maintaining sound financial structure while keeping costs low.

## Q What is the outlook for 2022-23 and beyond?

**A** Notwithstanding the lingering uncertainty surrounding Covid-19, which makes it difficult to make forecasts, we are in a good position for the post-crisis phase. We have a large order book, so we expect growth to remain on a positive trajectory, given our focus on execution and timely deliveries. Through Union Budget 2022-23, the government allocated over US\$ 130 billion for infrastructure which shows the intent to develop infrastructure that will give a boost to the post-Covid economy. So in the current year, and this is a very positive signal, the growth potential in our business lines is considerable. We are active in key construction sectors that are prioritised by the government and with strong relations built with our customers based on quality and delivery track record we are in a good position to bag repeat business with higher frequency.

However, some challenges abound that include inflationary pressures that witnessed multi-year highs at over 7%, which is beyond the RBI tolerance limit of 2-6%. So concerted action by the central bank and the government will help tame inflation which will cool off commodity prices and hence help us stabilise our procurement, labour and sub-contracting

## Q How important is sustainability to the Company?

**A** It is critical and I would like to highlight the important steps towards sustainability that we have taken in recent years. Environmental aspects, occupational safety, social cohesion and corporate ethics have played a fundamental role in shaping our culture as we are aware of the responsibility we have towards our various stakeholders. Going forward, we want to give sustainable development much larger emphasis by aligning our interests with those of society and promoting measures that allow us to be more efficient, including being more environmentally committed, strengthening industrial safety and wellness, ensuring workforce transformation, and continuing to promote an ethically responsible business culture, while keeping our profitability and value creation objectives in the front of our efforts.

## Our competitive differentiators

- Chosen areas of presence making us a direct beneficiary of higher infra spending by the government
- Strong near and medium-term revenue visibility with negligible bad debt
- Multi-segment, multi-geographic presence that enables de-risking and diversification
- Strong execution track record in low gestation projects that enables faster capital return
- Stable margins and improving working capital cycle
- Strong and experienced leadership team with a multi-decade track record in construction

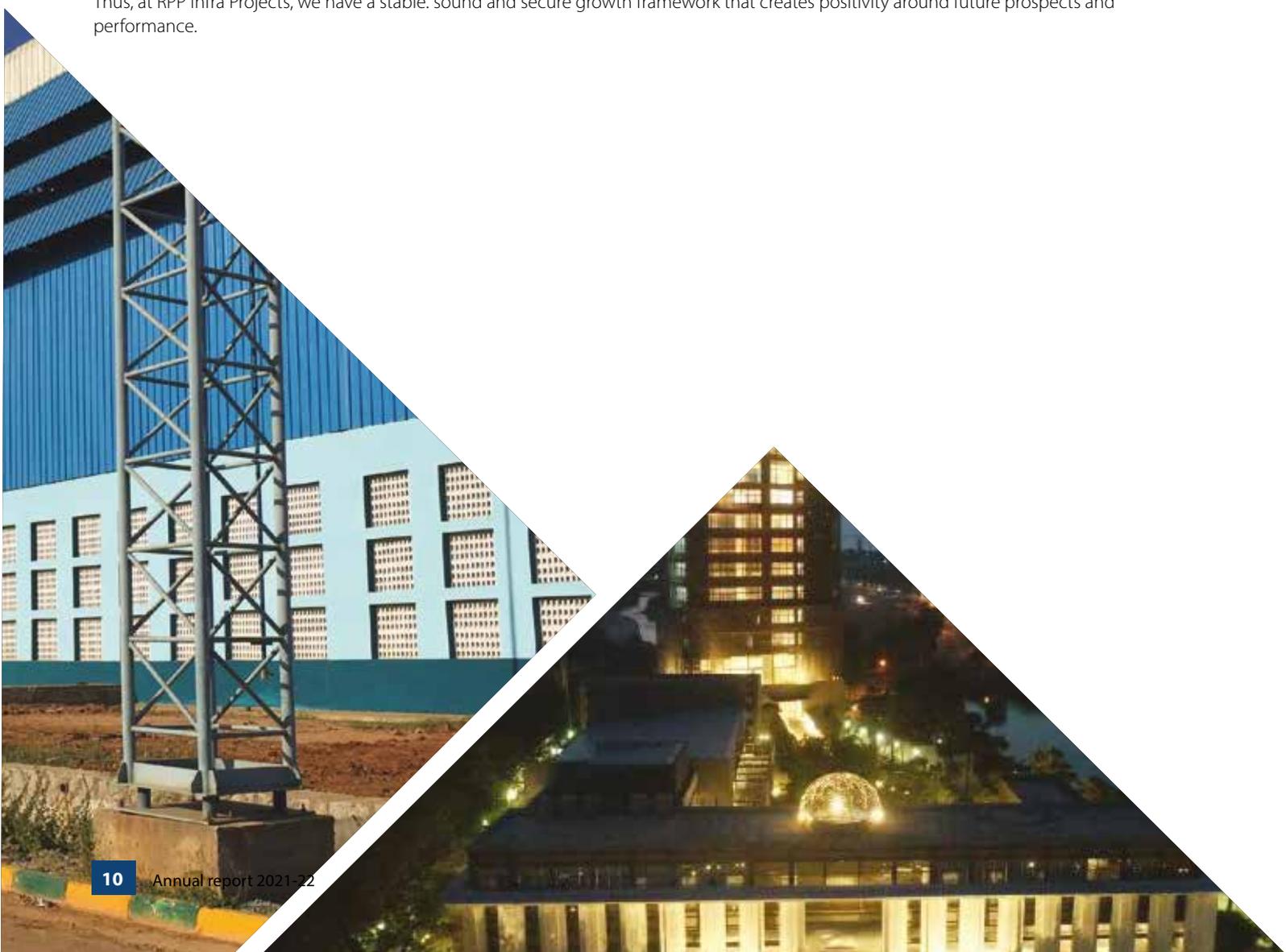


# Our growth framework

**We are focused on our chosen segments and markets that enable consolidation and yet sufficient diversification and geographic de-risking. Further, our key markets have demonstrated strong growth and continue to exhibit significant long-term potential.**

Our three major business segments comprise Buildings, Infrastructure and Water Management, and we have a deep and strong presence within these verticals. Some of our key strengths that support our growth aspirations in each of our verticals comprise 100% government backed contracts ensuring sound receivables security, prudent business planning and strategy that contribute to sustainable performance, balance sheet strength, relatively smaller and niche contracts with lower gestation and quicker completion timelines, strong and longstanding customer relationships through our proven track record, specialist promoter and management experience that helps mitigate execution and financial risks, etc., consistent growth achieved in order book accretion, established project planning and delivery capabilities built through years of experience in the business, and ownership of key machinery and equipment that aids in quicker site deployment and faster completion of projects leading to quicker rotation and improved utilisation of equipment.

Thus, at RPP Infra Projects, we have a stable, sound and secure growth framework that creates positivity around future prospects and performance.



# Corporate Information

<b>Board of Directors</b>	Mr. P Arulsundaram, Chairman & Managing Director Mrs. A Nithya, Whole-time Director& CFO Mr. P Muralidasan, Non-Executive Director Mr. K Rangasamy, Independent Director Mr. P R Sundararajan, Independent Director Mr. R Kalaimony, Independent Director
<b>Audit Committee</b>	Mr. K Rangasamy, Chairman Mr. P R Sundararajan Mr. P Muralidasan
<b>Nomination and Remuneration Committee</b>	Mr. P R Sundararajan, Chairman Mr. K Rangasamy
<b>Stakeholders Relationship Committee</b>	Mr. P Muralidasan, Chairman Mr. P R Sundararajan
<b>Corporate social Responsibility Committee</b>	Mrs. A Nithya Mr. P R Sundararajan, Chairman Mr. P Muralidasan Mrs. A Nithya
<b>Legal and Finance Committee</b>	Mr. P R Sundararajan, Chairman Mr. P Muralidasan Mrs. A Nithya
<b>Right Issue Committee</b>	Mrs. A Nithya Mr. K Rangasamy Mr. P Muralidasan
<b>Registered Office</b>	S F No. 454, Raghupathynaiken Palayam, Railway Colony Post, Poondurai Road, Erode - 638 002. Tamil Nadu.
<b>Bankers</b>	Indian Overseas Bank Bank of India Canara Bank Indian Bank EXIM Bank

<b>Statutory Auditors</b>	S.N. Duraiswamy 7 Kandappa Lane, Opp Brough Road, Telephone Bhawan, Near Iswaraiyaa Hotel, Erode-638001.
<b>Internal Auditors</b>	M/s. Karthikeyan & Jayaram 'Sri Towers' 30 Bharathidasan Street, Teachers Colony, Erode – 638011.
<b>Cost Auditor</b>	M/S. SVM & ASSOCIATES AP 13, New No.15,6th Street, 1 Sector, K.K. Nagar, Chennai -600 078.
<b>Secretarial Auditor</b>	BGSMISHRA & ASSOCIATES, Company Secretaries LLP #108, 2nd Floor, RM Towers, Chamiers Road, Teynampet, Chennai – 600004. M/s. Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road, Chennai – 600002.
<b>Registrar &amp; Share Transfer Agent</b>	M/s. Cameo Corporate Services Limited Subramanian Building, No.1 Club House Road, Chennai – 600002.
<b>Listed At</b>	National Stock Exchange of India Limited Symbol: RPPINFRA Series: EQ BSE Limited Scrip Code: 533284 Scrip ID: RPPINFRA
<b>Website</b>	www.rppiopl.com

# Directors' Report

## Dear Members,

Your Directors take pleasure in presenting their 27th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2022.

### 1. Financial Highlights (Standalone and Consolidated)

During the year under review, performance of your Company's standalone and consolidated results are as under:

(₹ in Crore)

	Year ended			
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
	Standalone		Consolidated	
Turnover	779.82	477.90	801.68	513.11
Profit/(Loss) before taxation	14.19	22.16	11.19	22.12
Less : Tax expense	5.83	6.62	5.83	6.62
Profit/(Loss) after tax	8.36	15.53	5.36	15.50
Add : Balance B/F from the previous year	187.08	171.54	189.54	180.89
Balance Profit / (Loss) C/F to the next year	195.63	187.08	198.48	189.54

### 2. Operation and Performance Review

The financial year 2021-22 had a mixed result for the Company. Company's revenue increased in the financial year 2021-22 as compared to the previous financial year, however, margin and profitability has taken a dip as compared to the previous financial year 2020-21.

The financial year commenced with second wave of Covid with a very high number of infections and much high mortality rate during the first quarter. The second quarter saw partial lockdown and revival of economic activity, however, the recovery was again impacted due to the emergence of the new variant of the virus by the end of third quarter. The economy was on path of recovery, when by end of the financial year, the geopolitical conflict posed challenge for the industry due to sharp rise in commodity prices.

The operation of the company has been almost on the similar line. The Company had a turnover of ₹120 Crores during first quarter with PBT of ₹6.34 Crores and PAT of ₹3.37 Crores. In the second quarter, Company achieved a turnover of ₹161 Crores with PBT of ₹9.21 Crores and PAT of ₹7.23 Crores. Third quarter was increase in turnover to ₹219 Crores, while PBT decreased to ₹6.77 Crores and PAT to ₹4.09 Crores. Last quarter had much higher turnover of ₹278 Crores, however, PBT became negative with loss of ₹8.13 Crores and PAT was with loss of ₹6.32 Crores.

#### Standalone Results

During the year under review, revenue from operations increased to ₹779.82 Crores from ₹477.90 Crore in the previous year, reflecting increase of 63% from last financial year.

Profit after tax reduced to ₹8.36 Crore during the financial year as against ₹15.53 Crore for the previous financial year. The Company's net worth increased to ₹317.61 Crore as on 31st March 2022 as compared

to ₹267.81 Crore as on 31st March 2021. The increase in networth is also owing to capital raising by the company as well as reserves from forfeiture of warrant money along with profit for the year.

#### Consolidated Results

Consolidated revenues for the year under review were ₹801.68 Crore as against ₹513.11 Crore in the previous financial year, recording increase of 56% as compared to previous financial year.

Consolidated profit after tax reduced to ₹5.36 Crores against ₹15.50 Crore for the previous financial year. The Company's consolidated net worth increased to ₹336.66 Crore as on 31st March 2022 from ₹286.46 Crore as on 31st March 2021. The increase in networth is also owing to capital raising by the company as well as reserves from forfeiture of warrant money along with profit for the year.

In accordance with the Indian Accounting Standard Ind AS-110 on consolidated financial statements, the audited consolidated financial statements are also provided along with standalone financial statement in the Annual report.

### 3. Company's Affairs And Future Outlook

The Company had mixed year of performance due to impact of second and third wave of Covid-19 pandemic, which has resulted into low profit inspite of higher turnover.

Your Company continues to have strong orderbook which at the end of the financial year 2021-22 stood at ₹2664 Crores.

Your Company is bound to have better performance as the contract and orders are from the Government, who are safest customer and provides stability to company even in most challenging time. Your Company has received the following major contract during the financial year 2021-22 and till the date of this report, and Company

has continued its focus to small and mid sized project in segment of water and infrastructure domain:

- Engineering, Procurement & Construction of Bareilly Haat and Handicrafts Centre with 1 year Defect Liability under Smart City Mission. (Bareilly Smart City Limited (BSCL) for ₹157.67 Crore (Inclusive of GST).
- Extension, Renovation and Modernisation of Irrigation Infrastructure in Puthar river from mile 63/1 to 68/4, Solasudamaniyar river from mile 63/1 to 71/6 and Petharasanar river from mile 71/6 to 75/0 of Cauvery subbasin in Kudavasal and Nannilam taluks of Thiruvapur district Package No. 13(Water Resource Department) for ₹90.30 Crore (Inclusive of GST).
- Extension, Renovation and Modernisation of Irrigation Infrastructure in Puthar river from mile 68/4 to 84/7 of Cauvery subbasin in Kudavasal, Nannilam taluks of Thiruvapur district and Nagapattinam taluk of Nagapattinam district. Package No. 14 (Water Resource Department) for ₹68.90 Crore (Inclusive of GST).
- Extension, Renovation and Modernisation of Irrigation Infrastructure in Valappar river from mile 68/4 to 78/5 of Cauvery subbasin in Kudavasal, Nannilam taluks of Thiruvapur district. Package No. 15 (Water Resource Department) for ₹72.78 Crore (Inclusive of GST).
- Design, Engineering and Construction of Storm Water drain to prevent water logging in and around Ambedkar College Road, Demellows Road & Decastor Road to B Canal in Zone 6 (Greater Chennai Corporation) for ₹26.35 Crore (Excluding GST).

The details of the affairs of the Company and future outlook has also been provided at other places including Management Discussion and Analysis Report forming part of this report.

#### **4. Change in Nature of the Business**

There was no change in the nature of the business of the Company and its subsidiaries during the year.

#### **5. Dividend**

Your Directors regret to inform that they have decided against the recommendation of dividend for the financial year 2021-22 owing to lesser profit during financial year 2021-22 and with a view to conserve the resources and liquidity owing to requirement of the fund for the project of Company.

#### **6. Transfer to Reserves**

Company has not transferred any amount to the reserve during the year. All profits are carried forward in the P&L Account.

#### **7. Share Capital**

During the year, authorised and paid up capital of the Company increased due to right issue. Further, during the year, Company has also forfeited the money paid on warrant due to request of cancellation received from the allottees.

#### **Right Issue:**

Your Company has made right issue of 1.60 Crores Equity Shares at a price of ₹30 per share aggregating upto ₹48 Crores. The right basis was made to the existing equity shareholders in the ratio of three right equity shares for every five fully paid equity shares held by the shareholders.

Based on application, the Company has allotted 1,42,30,000 equity shares on 26th October 2021 on receipt of ₹18 (including premium of ₹12). Further, Company has made first and final call of balance ₹12 (including premium of ₹8) on 3rd February 2022.

During the financial year the paid-up capital of the Company increased to ₹36.69 Crores from ₹23.65 Crores in the previous year.

#### **Warrants Cancellation:**

Your Company has made preferential allotment of 40 Lakhs warrants of ₹90 each for to its promoters on receipt of 25% of Consideration on 14th July 2020 and each warrant was convertible into one equity shares of ₹10 at premium of ₹80 within 18 months of allotment on being made fully paid. Company had allotted 10.50 Lakhs equity on conversion of equal number of warrants in financial year 2020-21. Based on receipt of request/ information of the promoters of their intention not to make the warrant fully paid and not to subscribe to further equity shares, Company on 17th December 2021 has cancelled the remaining 29.5 Lakhs warrants allotted to promoters and forfeited money of ₹6.64 Crores paid on these warrants.

#### **Authorized Share Capital:**

Your Company has increased the Authorised Share Capital to ₹50 Crores from ₹34 Crores by addition of 1.6 Crores Equity Shares of ₹10 each.

#### **8. Annual Return**

The Annual Return in the e-form MGT - 7 for the financial year 2021-22 is provided on the Company's website at web-link <http://www.rppi.com/investor.php> and may be treated as part of Board Report.

#### **9. Board of Directors and Meetings of the Board**

The Board is properly constituted with an appropriate mix of executive, non- executive and independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The Board is constituted in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015. The total strength of the Board comprised of six directors during financial year 2021-22. Board comprised of two executive promoter directors, one non-executive director and three independent directors, with one woman director being part of Board. The composition of the Board was proper throughout the financial year as per Companies Act, 2013 and SEBI (LODR) Regulation, 2015. No changes took place in the Board during the financial year 2021-22 and till the date of report.

More details about the Board, including the profile of directors are provided in the Corporate Governance Report forming a part of the Board Report.

During the financial year 2021-22, Six Board Meetings were held on 1st June 2021, 19th August 2021, 13th September 2021, 11th November 2021, 22nd December 2021 and 14th February 2022.

The attendance of Directors in the Board meeting is provided below:

Name of the Director	Number of Meetings Held	Number of Meetings Entitled To Attend	Number of Meetings Attended
Mr. P Arulsundaram	6	6	6
Mrs. A Nithya	6	6	6
Mr. P Muralidasan	6	6	6
Mr. K Rangasamy	6	6	6
Mr. P R Sundararajan	6	6	6
Mr. R. Kalaimony	6	6	2

### 10. Loan, Guarantees and Investments under Section 186

During the financial year 2021-22, the Company has not made any investment, granted any loan or extended any guarantee or provided any security in connection with the loans to other companies.

Company has incorporated following joint venture in form of Association of persons for bidding various project and has also been awarded with the contract 1. RPP RK JV (AOP) 2. IEL RPP JV .

The present investment along with earlier investment is within the limit of Section 186 of the Companies Act 2013. Further, Company has not made any loan or guarantee or security or investment in subsidiaries including wholly owned subsidiaries or joint venture during the financial year 2021-22.

Please refer to note no. 6 of Notes to Accounts for details of all investments made by the Company.

### 11. Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, for the financial year 2021-22 in the prescribed format, AOC - 2 has been enclosed with this report as **Annexure – 1**.

The Company do enters into bidding agreement with various parties including related parties for making of bidding to various Government Departments as per qualification criteria. These agreements when made are made in ordinary course of business and on arm's length basis as acceptable in this industry. Company ensures to have similar/ same terms and conditions for all agreements, including with related party. These are as per the bidding agreement, where formal agreement needs to be entered on award of the work by the Government Department.

Company do obtain omnibus approval of the Audit Committee and wherever it goes forward for contract and also obtains Board/ Members approval. Company will also approach for omnibus approval to the shareholders to seek their prior approval as some of these may be material related party transaction as per SEBI LODR Regulation, 2015. These will work as omnibus approval. Company will ensure

that any contracts/ agreements as made, are in ordinary course of business and at arm's length price.

### 12. Material Changes Affecting the Financial Position of the Company

There are no material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company, i.e., 31st March 2022 and till the date of the Directors' Report.

### 13. Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

Information as per Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo has been enclosed with this report as **Annexure – 2**.

### 14. Subsidiaries, Joint Venture and Associate

The Company at the end of financial year has a total of six subsidiaries out of which four are wholly owned subsidiaries (WOS), one is step-down subsidiary and one company though subsidiary is in nature of joint venture. RPP-Annai (JV) Private Limited has been incorporated as subsidiary as Company holds 51% in it, however, it is a joint venture company. Company also has one joint venture outside India namely R.P.P Infra Projects Myanmar Ltd, which has been incorporated in Myanmar under Myanmar Companies Act, 2017 and Company holds 49% in same.

Company has incorporated RPP RK JV (AOP) and IEL RPP JV during the financial year 2021-22, which is joint venture partnership/ association for bidding and tainge up various contract and to meet the eligibility criteria in the tenders.

Further, your Company from time to time enters into bid arrangement/ understanding for quoting for projects or undertaking projects under joint venture and they may be incorporated as company/ partnership/ association of persons in case of award/ allotment of project or otherwise as may be decided by the Company.

### A brief of the subsidiaries is provided below for your information.

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

R.P.P Infra Projects (Lanka) Limited is a wholly owned subsidiary of your Company based in Sri Lanka. The Company, during 2014-15, successfully completed a housing project for the internally displaced people of Sri Lanka's Northern Province for which Hindustan Prefab Limited were the Project consultant.

The Company has not taken up any new project during the year under review and has no operating revenues during the financial year ended 31st March 2022. The Company recorded a net loss of ₹0.07 Crore for the year ended 31st March 2022.

#### R.P.P Infra Overseas PLC, Mauritius

R.P.P Infra Overseas PLC is a wholly owned subsidiary of your Company based in Mauritius. The principal activity of the Company is to provide

infrastructure project-related consultancy services and SPV for foreign investment.

The Company had no operating revenues during the financial year ended 31st March 2022. The company recorded a net profit of ₹0.47 Crore.

#### **Sanskar Dealcom Private Limited, India**

Sanskar Dealcom Private Limited, a wholly owned subsidiary of your Company, is engaged in activities that includes being distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents, licensing agents, general brokers and to carry any kind of commercial business.

The Company had no operational revenues during the year ended 31st March 2022 and had a very insignificant net loss for the year.

#### **Greatful Mercantile Private Limited, India**

Greatful Mercantile Private Limited, a wholly owned subsidiary of your Company, is engaged in activities that include being distributors, agents, traders, merchants, contractors, brokers and otherwise deal in merchandise and articles of all kinds including clearing agents, freight contractors, forwarding agents, licensing agents, general brokers and to carry any kind of commercial business.

The Company had no revenues from operations during the year ended 31st March 2022 and had a very insignificant net loss for the year.

#### **Lunkar Finance Private Limited**

Lunkar Finance Private Limited is a step-down subsidiary of your Company. Sanskar Dealcom Private Limited and Greatful Mercantile Private Limited holds the entire paid-up capital of this company and hence step-down subsidiary of your Company. It is a non-deposit taking NBFC.

The Company had no operational revenues during the year ended 31st March 2022 and had a very insignificant net loss for the year.

#### **RPP-ANNAI (JV) Private Limited**

RPP- Annai (JV) Private Limited has been incorporated on 10th July 2019 to execute a project in joint venture with Annai Infra Developers Limited. The entire paid up capital of this company is held in ratio of 51% and 49% respectively between the company and joint venture partner.

The Company had operational revenues ₹21.87 Crores during the year ended 31st March 2022 and had net loss ₹0.19 Lakhs for the year.

#### **R.P.P Infra Projects Myanmar Ltd**

RPP Infra Projects Myanmar Ltd is an associate of your Company and has been incorporated under Myanmar Companies Act, 2017 as a private limited by Shares The Company had no operational revenues during the year ended 31st March 2022.

The Company has kept the financial statements along with the audit reports of all these subsidiaries open for inspection at the registered office of the Company. Further, the Company will provide a copy

of financial statements to any shareholder, who asks for it. Further, pursuant to Section 136 of the Act, the financial statement of the Company, consolidated financial statement along with the relevant documents and separate audited financial statements in respect of subsidiaries are available on the website of the Company.

As required under the Section 129(3) of Companies Act, 2013 and Regulation 34(2) of SEBI (LODR) Regulation, 2015, a consolidated financial statement along with Audit Report thereon of the Auditors forms a part of the financial statement. Further, statements pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014 containing the brief financials of the subsidiaries in form AOC-1 is attached with this report as **Annexure – 3.**

At present, none of the subsidiaries are material subsidiary. A copy of the policy determining 'material' subsidiaries has been hosted on the website of the Company at the weblink <http://www.rppi.com/>

### **15. Consolidation of Accounts**

Your Company has prepared Consolidated Financial Statements as per Ind AS prescribed under Section 129 read along with Section 133 and prescribed rules of Companies Act, 2013. The Consolidated Financial Statements reflect the financial position of the Company and Associates. As required by Regulation 34 of the SEBI (LODR) Regulations 2015, the Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

### **16. Risk Management Policy**

Risk management is an integral part of the business. The risk management process, inter alia, provides for a review of the risk assessment and mitigation procedures with timely reporting to the management and review of the identified risks at periodic intervals to assess the progress of control measures.

The Audit committee of the Board also oversees and serves as Risk Management Committee. The Board has also constituted a Risk Management Team. The Committee had formulated a Risk Management policy that outlines the different kinds of risks and risk mitigating measures. The major risks are reviewed for the change in their nature and extent since the last assessment. It also provides control measures for risks and future action plans. Your Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. The Company believes that the overall risk exposure of present and future risks remains within risk capacity.

The details about risk and its management is provided in details appropriately in the report. The Risk Management Team works and makes report to Audit Committee. The policy and terms of reference have been provided in Corporate Governance Report forming part of the Directors Report.

### **17. Directors and Key Managerial Personnel**

During the financial year 2021-22, your Board had six directors and no changes took place in composition of the Board during the year.

Details including profile of Directors are provided in the Corporate Governance Report, which forms a part of the Board Report.

Half of the Board of the Company comprises of independent directors (ID) and the composition of the Board of Directors are in compliance with regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Obligations) Regulations 2015 and Section 149 of the Companies Act, 2013.

In terms of Section 152(6)(d) of the Companies Act, 2013, Mrs. A Nithya (DIN 00125357) is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, has recommended the re-appointment of Mrs. A Nithya (DIN 00125357) at the ensuing AGM.

Further, re-appointment and approval of remuneration of Mr. P Arulsundaram (DIN 00125403) as Managing Director, and Mrs. A. Nithya (DIN 00125357) as Whole Time Director and Chief Financial Officer, would also be placed for approval of the members. The same has been duly approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee and is being recommended for approval by the Board.

Brief resume of the Director proposed to be re-appointed has been provided in the Notice convening the Annual General Meeting. Specific information about the nature of his expertise in specific functional areas and the names of the companies in which he held Directorship and membership/chairmanship of the Board Committees as per regulation 26(4) of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 have also been provided

The Company Secretary of the Company Mr. Pradeep Kumar Nath had resigned w.e.f. 28th March 2022. Company is looking for the suitable person and would be appointing company secretary within the statutory period.

### **Significant and Material Orders Passed by the Regulators, Courts Or Tribunals**

There are no significant material orders passed by the Regulators / Courts / Tribunals which impact the going concern status of the Company and its future operations.

### **18. Insurance**

All insurable interest of the Company including, buildings, furniture and fixtures and other insurable interest are adequately insured.

### **19. Statement in Respect of adequacy of Internal Financial Control with Reference to the Financial Statements**

#### **Internal Controls**

A robust system of internal control, commensurate with the size and nature of its business, forms an integral part of the Company's corporate governance policies. Internal Audit has been conducted by qualified external and internal auditors. Findings of the internal auditor are reviewed by the management and the report of internal auditor is placed before the Audit Committee and proper follow-up action are ensured wherever required. The Statutory Auditors have

evaluated the system of internal controls of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business.

#### **Internal Financial Controls**

As per Section 134(5) (e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust systems and frameworks of internal financial controls.

These include those policies and procedures that:

- i. Pertain to the maintenance of records which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company
- ii. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles and that the receipts and expenditures are being made only in accordance with authorizations of the management and the Directors of the Company and
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that can have a material effect on the financial statements.

This provides the Directors reasonable assurance regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks to enable them to meet these responsibilities. The Company has devised appropriate systems and frameworks including proper delegation of authority, policies and procedures, effective IT systems aligned with business requirements, internal audit framework, risk management frameworks and whistle blower mechanism.

The Audit committee regularly reviews the internal control system to ensure that it remains effective and aligned with business requirements. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and are in turn reviewed at regular intervals.

The Company has developed a framework for designing and assessing effectiveness of internal controls over financial reporting and has already laid down entity-level policies and process-level standard operating procedures.

The entity-level policies comprise anti-fraud policies (code of conduct including conflict of interest, confidentiality and whistle blower policy) and other policies (organization structure, roles and responsibilities, insider trading policy, related party policy, prevention of sexual harassment policy, risk management policy, policy for materiality of information or events and policy for preservation of documents). The Company has also prepared standard operating Practices for each of its processes of revenue to receive, procure to pay, hire to retire, finance and accounts, fixed assets, treasury, inventory, operations and administrative expenses.

The management assessed the effectiveness of the internal financial controls over financial reporting as of 31st March 2022 and the Board believes that the controls are adequate.

## 20. Deposits

The Company has not accepted any deposits from members or the public in terms of Section 73 or Section 76 of the Companies Act, 2013.

## 21. Declaration by Independent Directors

The Independent Directors have submitted the declaration of independence, stating that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI LODR Regulations, 2015.

## 22. Receipt of any Commission by Managing Director/ Whole Time Director from the Company or Receipt of Commission/ Remuneration from Subsidiary

The Managing Director/ Whole Time Director are not in receipt of any commission from the Company or any commission/ remuneration from any of subsidiaries.

## 23. Independent Auditor

Mr. Duraiswamy S N, Chartered Accountant bearing the membership No. 026599 was appointed as Statutory Auditors of the Company for the period of five years and their term of office is till conclusion of the Financial year 2023-24.

Statutory Auditor, Mr. Duraiswamy S N, Chartered Accountant, have confirmed their eligibility for continuing as Statutory Auditors of the Company.

## 24. Cost Auditor

As per the requirement of Section 148 of the Companies Act, 2013 the Board of Directors, on the recommendation of Audit Committee, has appointed M/s S V M & ASSOCIATES, (Firm Registration Number: 000536) Cost Accountant Firm, as Cost Auditor to audit the cost accounts of the Company for the financial year 2021-22. As required under the Companies Act, 2013, a resolution seeking member's approval for ratification of the remuneration payable to the Cost Auditor forms part of the Notice to the Annual General Meeting.

Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are maintained by the Company. Cost Auditor has provided his report on the audit of cost records which has been duly filed with Registrar of Companies. There were no qualifications, reservations or adverse remarks made by the Cost Auditor in the Audit report of last financial year.

## 25. Secretarial Audit Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed BGS MISHRA & Associates, Company Secretaries LLP as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial year ended on 31st March 2022.

The Secretarial Audit report issued by Mr. Gouri Shanker Mishra, Partner, BGS MISHRA & Associates, Company Secretaries LLP in Form MR-3 pursuant to Section 204(1) of the Companies Act, 2013 and Rule

9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, has been enclosed with this report as **Annexure – 4**.

No qualifications has been made by the Secretarial Auditor, however, certain observation has been made, which is explained in sequence as provided in his report as below:

1. The first observation is self-explanatory and do not require any explanation.
2. The second observation is also self-explanatory and do not require any explanation.
3. Third observation is also self-explanatory. Due to non-receipt of information, the filing of annual performance reports in ODI Part – II for two overseas subsidiaries has been delayed.
4. Fourth observation is also self-explanatory. Due to request of auditor and their inability to conduct the timely review, audit has been delayed and Company has paid a fine of ₹15,000.
5. The fifth observation is also self-explanatory. The delayed submission of intimation is inadvertent. Same has been submitted with small delay..

## 26. Auditors' Report

The Statutory Auditor's Report for both standalone and consolidated financial statements of the Company is provided along with the financial statements.

There are no qualifications or reservation or remarks made by the Statutory Auditors in their Standalone Audit report apart from one observation that the mobilisation advance received by the Company from certain departments and the proportionate amount which has to be classified as GST liability has been shown as mobilisation advance liability to the extent of ₹10.87 crore. Further, there are no qualifications or reservations or remarks made by the Auditors in their Consolidated Audit report other than same as done in Standalone Report.

Further, the disclaimer made both in Standalone and Consolidated Financials are self-explanatory. Your Board would like to clarify that the accounts of both overseas subsidiaries Sri Lanka and Mauritius and branches in Sri Lanka and Bangladesh have been audited and auditors report does not contain any qualification/ reservation. Due to some logistics problem, the same could not be provided to the Statutory Auditors at the time of audit and hence financials have been provided and audit has been done based on information but the auditor's report could not be provided to them at relevant time. Board has taken note of same.

## 27. Audit Committee

The Company has Audit Committee in compliance to the Section 177 of Companies Act, 2013 and SEBI (LODR) Regulations, 2013. The details about composition of the Audit Committee, its terms of reference, meetings, etc. have been provided in the Corporate Governance Report.

There were no such incidences where the Board has not accepted the recommendations of the Audit committee during the year.

## 28. Corporate Social Responsibility (CSR)

The Company has Corporate Social Responsibility Committee in compliance to the provisions of the Companies Act, 2013. The Committee has adopted policy for Corporate Social Responsibility. The Committee defines the parameters and observes them for the effective discharge of social responsibility of the Company.

A report on Corporate Social Responsibility, including details as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed with this report as **Annexure - 5**.

## 29. Nomination & Remuneration Committee

The Company has constituted Nomination and Remuneration Committee in compliance to the Section 178 of Companies Act, 2013 and SEBI (LODR) Regulations, 2013. The Company strongly believes that its human resource has infinite potential and therefore, their development is the key to organizational effectiveness. We commit ourselves to integrate human resources with organizational growth and development for mutual benefit. The Nomination and Remuneration policy has been formulated in compliance to the requirement of Companies Act, 2013 and SEBI (LODR) Regulations, 2013.

The details about composition of the Committee, Nomination and Remuneration Policy and other terms and condition, including its terms of reference, have been provided in the Corporate Governance Report.

## 30. Performance Evaluation

Pursuant to provisions of the Companies Act, 2013, and SEBI (LODR) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually, including Independent Directors, as well as the evaluation of the working of its Committees, i.e., Audit and Nomination & Remuneration committees.

A structured format was prepared to rate after taking into consideration inputs received from Directors covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture and execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of Independent Directors. The performance evaluation of Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors.

The mechanism for the evaluation of the Board is given in detail in the Corporate Governance report.

## 31. Human Resources

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of its business. It considers people as its biggest assets. It has put concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives to ensure that your Company consistently develops inspiring, strong

and credible leadership. Your Company facilitates proper induction and appropriate upgrade for the skills.

## 32. Disclosure on Establishment of a Vigil Mechanism

The Board of Directors has adopted a Whistle Blower policy. The policy aims for conducting the affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Directors and all permanent employees of the Company are covered under the Whistle Blower Policy. A mechanism has been established for Directors/ Employees to report concerns about unethical behaviour, actual or suspected fraud or violation of code of conduct and ethics. It also provides for adequate safeguards against the victimization of Directors/ Employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. A copy of the Whistle Blower Policy is also hosted on the website of the Company.

## 33. Secretarial Standard

The company has complied with the Secretarial Standards, SS-1 and SS-2 issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings. Company also endeavour and ensure compliance of other secretarial standard.

## 34. Managerial Remuneration

Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been enclosed with this report as **Annexure – 6**.

## 35. Disclosure as per Listing Regulations

Disclosures pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been provided in **Annexure – 7** apart from those which are provided/ covered in Corporate Governance.

## 36. Management Discussion and Analysis report

As per Regulation 34(3) and Schedule V of SEBI (LODR) Regulation, 2015, a separate section on Management Discussion and Analysis report forms an internal part of Directors' Report as **Annexure – 8**.

## 37. Corporate Governance

As per Schedule V of SEBI (LODR) Regulation, 2015, a separate section on corporate governance practices followed by the Company, report on Corporate Governance together with a certificate confirming compliance and CEO/CFO Certificate by the Managing Director and Chief Financial Officer forms an integral part of this Directors' Report as **Annexure – 9**.

## 38. Application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

As per the information of the Company as on date of this report, no proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016.

## 39. Companies (Auditor's Report) Order, 2020

The report as provided is self-explanatory.

#### **40. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has adopted a policy on prevention of sexual harassment of women at workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and has also created an Internal Complaints Committee headed by Mrs. A Nithya, Whole-time Director and Chief Financial Officer of the Company who directly reports to the Chairman & Managing Director. During the financial year ended 31st March 2022, the Company has not received any complaints pertaining to sexual harassment. A copy of the policy on Sexual harassment is also hosted on the website of the Company.

#### **41. Directors responsibility statement**

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) In the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had 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 as at 31st March 2022 and of the profit /loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and
- f) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

#### **42. Transfer to Investor Education and Protection Fund**

The Company transferred the dividend remaining unclaimed by the members of the company to Investor Education and Protection Fund. The detail pertaining to transfer has been provided in notice to Annual General Meeting as well as corporate governance report.

#### **43. Acknowledgment**

Your Directors take this opportunity to offer their sincere thanks to all stakeholders including the various departments of the central and state governments, government agencies, banks, financial institutions, shareholders, customers and employees who through their continued support and co-operation have helped in your Company's progress.

For and on behalf of the Board of Directors

**P Arulsundaram**

Chairman & Managing Director

DIN 00125403

Place: Erode

Date: 12th August 2022

**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013, including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

All transactions entered into with related parties as provided under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulation, 2015, during the financial year 2021-22 were in the ordinary course of business and on arms length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

All transactions entered into with related parties as provided under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulation, 2015, during the financial year 2021-22 were in the ordinary course of business and on arms length basis and has been duly approved as mentioned in these provisions. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company.

Suitable disclosure as required by the Accounting Standards (AS18) has been made in the Note No. 43 in Standalone Financial and in Note No. 49 in Consolidated Financial regarding related party transaction. The same may be treated as part of this Report.

The Board has approved a policy for related party transactions which was hosted on the website of the Company.

The Company do enters into bidding agreement with related parties for making of bidding to various organization including Government departments as per qualification criteria. These agreements when made are made in ordinary course of business and on arm's length basis as acceptable in this industry. Company ensures to have similar/ same terms and conditions for all agreements in case of related party as in case of un-related party. These are as per the bidding agreement, where formal agreement needs to be entered on award of the work by the Government department.

Company do obtain omnibus approval of the Audit Committee and wherever it goes forward for the contract and also obtains Board/ Members approval. Company will also approach for omnibus approval to the shareholders to seek their prior approval as some of these may be material related party transection as per SEBI LODR Regulation, 2015. These will work as omnibus approval. Company will ensure that any contracts/ agreements as made, are in ordinary course of business and at arm's length price.

### The Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

The details of energy, technology absorption and foreign exchange earnings and outgo are as under:

#### A. Conservation Of Energy:

The steps taken for conservation of energy:	The Company is engaged in construction and infrastructure activities and efforts are taken to conserve energy wherever possible by economizing on the use of power and fuel at the various sites. The Company has neither taken any specific steps for utilizing alternate source of energy, nor has made any capital investment on energy conservation equipments.
The steps taken for utilizing alternate sources of energy:	
The capital investment on energy conservation equipments:	

#### B. Technology Absorption:

Efforts made, benefits derived, expenditure, import and areas where absorption not taken place: The Company has not absorbed any particular technology from any external sources. However the Company consciously adopts latest technology available in the Industry to assure better quality of work and reduction in cost.

#### C. Foreign Exchange Earnings and Outgo

Details of foreign exchange earnings and outgo during the financial year 2021-22 are as follows:

		(₹ in Crore )
For the financial year		2021-22
Foreign exchange earnings		-
Foreign exchange outgo		5.52

**Form No. AOC – 1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part “A”: Subsidiaries**

		(₹ In Crores)					
SI No	Name of the Subsidiary	R.P.P Infra Projects (Lanka) Limited	R.P.P Infra Overseas PLC	Sanskar Dealcom Private Limited	Greatful Mercantile Private Limited	Lunkar Finance Private Limited	RPP-Annai (JV) Private Limited
1	Reporting period for the subsidiary concerned	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	LKR INR/LKR – 0.26	US \$ INR/USD – 0.01	INR -	INR -	INR -	INR -
3	Share Capital	0.05	0.02	0.03	0.03	0.42	0.01
4	Reserves & surplus	0.96	8.48	0.14	0.15	15.90	(0.03)
5	Total assets	7.76	17.37	0.18	0.19	16.36	11.86
6	Total Liabilities	6.75	8.86	0.01	0.01	0.03	11.88
7	Investments	-	-	0.18	0.18	-	-
8	Turnover	-	-	-	-	-	21.87
9	Profit before taxation	(2.93)	(0.07)	-	-	-	-
10	Provision for taxation	-	-	-	-	-	-
11	Profit after taxation	(2.93)	(0.07)	-	-	-	-
12	Proposed Dividend	-	-	-	-	-	-
13	% of shareholding	100%	100%	100%	100%	100%	51%

## Notes:

- Names of subsidiaries which are yet to commence operations: None of the subsidiaries are yet to commence operations as all were operating company earlier.
- Names of subsidiaries which have been liquidated or sold during the year: None of the subsidiaries were liquidated or sold during the year.
- The rate of conversion of foreign currency has been taken as on 31st March 2022.

**Part “B”: Associates and Joint Ventures**

SI No.	Name of the Company	R.P.P Infra Projects Myanmar Ltd
1	Latest audited Balance Sheet Date	Nil
2	Shares of Associate/Joint Ventures held by the company on the year end	Nil
	(i) Number	Nil
	(ii) Amount of Investment in Associates/ Joint Venture	Nil
	(i) Extent of Holding %	Nil
3	Description of how there is significant influence	Nil
4	Reason why the associate/joint venture is not consolidated	Nil
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Nil
6	Profit / Loss for the year	Nil
	(i) Considered in Consolidation	Nil
	(ii) Not Considered in Consolidation	Nil

## Notes:

- Names of associates or joint ventures which are yet to commence operations: The associate R.P.P Infra Projects Myanmar Ltd yet to commence of business. The Company has been incorporated but no activity has been carried by it till now.
- Names of associates or joint ventures which have been liquidated or sold during the year: Company has neither liquidated nor sold any of associates or joint ventures during the year.

## For the Financial Year Ended 31st March 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members

**RPP Infra Projects Limited**

SF No. 454, Raghupathynaiken Palayam,  
Railway Colony Post, Poondurai Road,  
Erode - 638002, Tamil Nadu

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by RPP Infra Projects Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;
- (vi) The list of major heads/ group of Acts, Law and Regulations as applicable to the Company as per management declaration and representation, is mentioned below. In relation to these laws we have relied on the representation made by the Company and its Officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
  1. Labour Laws as follows:
    - i. The Employees Provident Funds And Miscellaneous Provision's Act, 1952.
    - ii. Employees' State Insurance Act, 1948.
    - iii. Minimum Wages Act, 1946.
    - iv. Contract Labour (Regular and Abolition) Act , 1970.
    - v. Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
    - vi. Maternity Benefit Act, 1960.
    - vii. Industrial Disputes Act, 1961.
    - viii. Payment of Bonus Act, 1965.

- ix. Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988.
  - x. Child Labour (Prohibition & Regulation) Act, 1986.
  - xi. Equal Remuneration Act, 1976.
  - xii. Payment of Gratuity Act, 1979.
  - xiii. Industrial Employment (Standing Orders) Act, 1946.
2. Housing Board Act, 1965.
  3. Transfer of Property Act, 1882.
  4. Building and Other Construction Worker's (Regulation of Employment and Conditions of Services) Act, 1996.
  5. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Company has entered into various agreement with related party transactions including formation of partnership, JV and taken up of the contracts from various authorities in these JV / partnerships, which as per the representation of the Company is in ordinary course of business and on arms length basis, and it has obtained the approval of Audit Committee/ Board and shareholders for such material related party transactions;
2. Registrar of Companies, Coimbatore (ROC) has initiated an inquiry under the Section 206(4) of the Act, which is pending and ROC vide its letter dated 17th January 2022 has asked some more information and documents;
3. Annual Performance Reports in ODI Part – II for two overseas subsidiaries has not been filed within the prescribed period as per Foreign Exchange Management Act, 1999 and the rules and regulations there under;
4. Company has submitted its financial result and limited review report for the quarter ended 30th June 2021 to both stock exchanges, BSE and NSE on 19th August 2021, with delay of three days beyond stipulated 45 days from end of quarter. Both, Stock Exchanges, BSE and NSE as per the Standard Operating Procedure vide SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2020/12 dated 22 January 2020 has levied a fine of ₹15,000 each, which has been paid by the Company; and
5. The submission of intimation of changes in the diluted voting right of promoters due to cancellation of the warrants dated 17th December 2021 and changes in paid up value beyond the threshold on 3rd February 2022 as required to be reported under Regulation 29(2) of SEBI (SAST) Regulations, 2011 and Regulation 7(2) of SEBI (PIT) Regulations, 2015 in specified format has been made beyond the prescribed period.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were unanimous and the same was captured and recorded as part of the minutes and hence no dissent is recorded in minutes, however, we have been represented that dissent, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

- (a) Company has made offer of right issue of 1.60 Crores shares at price of ₹30 per shares in ratio of three right equity shares for every five fully paid shares held to raise sum not exceeding ₹48 Crores. Based on the application, Company has allotted 142.3 Lakhs shares on 26th October 2021 on receipt of ₹18 per share comprised of ₹6 towards the paid up value and ₹12 towards premium. Further, Company has made first and final call of ₹12 comprised of ₹4 towards the paid up value and ₹8 towards premium and converted partly paid shares to fully paid on 3rd February 2022 to the shares where call money has been received. The remaining partly paid shares are also converted into fully paid up in trenches by Company at regular interval on receipt of call money.
- (b) Company during the financial year 2020-21 has made preferential allotment of 40 Lakhs warrants of ₹90 each for ₹36 Crores to its promoters on receipt of 25% of consideration on 14th July 2020 and each warrant was convertible into one equity shares of ₹10 at premium of ₹80 within 18 months of allotment on being made fully paid. Company has already allotted 10.50 Lakhs equity on conversion of equal number of warrants in financial year 2020-21. Based on receipt of request/ information of the promoters of their intention not to make the warrant fully paid and not to subscribe to further equity shares, Company on

17th December 2021 has cancelled the remaining 29.5 Lakhs warrants allotted to promoters and forfeited money of ₹6.64 Crores paid on these warrants.

- (c) Company has entered into various agreement with related party transactions for taking of contract with related party including sub-contract through joint venture from various authorities, which are material related party transection and same would be executed/ taken over a period of time. These transactions as per the representation of the Company were in ordinary course of business and on arms length basis, and Company has

obtained the approval of shareholders for such material related party transections.

For BGS MISHRA & Associates, Company Secretaries LLP  
SD

**Gouri Shanker Mishra,**

Designated Partner

M. No: F 6906; C P No. 13581

Peer Review: 1545/2021

Place: Chennai

Date: 10th August 2022

Note: This report is to be read with our letter of even date which is annexed as an Annexure and forms an integral part of this report.

To,  
The Members  
**RPP Infra Projects Limited**  
SF No. 454, Raghupathynaiken Palayam,  
Railway Colony Post, Poondurai Road,  
Erode - 638002, Tamil Nadu

Our Secretarial Audit Report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Due to spread of the COVID-19 pandemic, we have verified the documents electronically and where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For BGS MISHRA & Associates, Company Secretaries LLP  
SD

**Gouri Shanker Mishra,**

Designated Partner

M. No: F 6906; C P No. 13581

Peer Review: 1545/2021

UDIN: F006906D000772682

Place: Chennai

Date: 10th August 2022

## Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014

### 1. Brief outline on CSR Policy of the Company.

The Company as per its CSR Policy has decided to engage in following CSR activity:

- Promoting Education.
- Reducing child mortality and improving maternal health.
- Encouraging women entrepreneurs and conducting various counselling programs.
- Eradicating hunger, poverty & malnutrition.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. P. R. Sundararajan	Independent Director/ Chairman	1	1
2.	Mr. P. Muralidasan	Non-Executive / Member	1	1
3.	Mrs. A. Nithya	Promoter/ Member	1	1

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

<http://www.rppi.com/corporate-governance-code-of-conduct.php>

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). :

Not applicable.

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil

### 6. Average net profit of the company as per section 135(5); ₹3266 Lakhs

- (a) Two percent of average net profit of the company as per section 135(5): ₹65.33 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹65.33 Lakhs

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
66,23,200	NIL	NIL	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. Name.
				State.	District.			
1.	Promoting education and environmental sustainability	Promoting education and environmental sustainability	Yes	Tamil Nadu/ Erode		3,00,000	No	OLIRUM ERODE FOUNDATION
2.	Promoting education and environmental sustainability	Promoting education and environmental sustainability	Yes	Tamil Nadu/ Erode		1,23,200	No	GALACTUS INDIA TRADING LLP
3.	Promoting Sports education and environmental sustainability	Promoting education and environmental sustainability	Yes	Tamil Nadu/ Erode		5,00,000	No	OLIRUM ERODE FOUNDATION
4.	Promoting education and environmental sustainability	Promoting education and environmental sustainability	Yes	Tamil Nadu/ Erode		57,00,000	No	ERODE BUILDER EDUCATION TRUST
<b>Total</b>						<b>66,23,200</b>		

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not applicable.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹66.27 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	65,32,667
(ii)	Total amount spent for the Financial Year	66,23,200
(iii)	Excess amount spent for the financial year [(ii)-(i)]	90,533
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Nil

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2018-19	-	1,23,00,000	-	-	-	-
2.	2019-20	-	56,67,000	-	-	-	-
3.	2020-21	-	47,00,000	-	-	-	-
<b>Total</b>		<b>-</b>	<b>2,26,67,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Nil**

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):**

The Company is committed to CSR policies adopted by it. Company spend based on the policy with view to ensure rightful utilization. During the last three financial years, Company has spent the amount much higher to prescribed CSR to be spent.

**P R Sundararajan**  
Chairman of the CSR Committee  
DIN: 07647740

**P Arulsundaram**  
Chairman & Managing Director  
DIN: 00125403

Place: Erode

Date: 12th August 2022

**Disclosure pursuant to Rule 5 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**1.**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

S. No.	Name of the Director	Ratio to median remuneration (times)
1.	Mr. P Arulsundaram, Chairman and Managing Director	45
2.	Mrs. A Nithya, Whole-Time Director and CFO	21
3.	Mr. K Rangasamy, Independent Director	NIL
4.	Mr. P Muralidasan, Non Executive Director	NIL
5.	Mr. P R Sundararajan, Independent Director	NIL
6.	Mr. R.Kalaimony, Independent Director	NIL

\*The Directors' other than Managing Director and Whole-Time Director were paid only sitting fees for attending the meeting and were not been paid any remuneration.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

S. No.	Name of the Director	Percentage increase in remuneration
1.	Mr. P Arulsundaram, Chairman and Managing Director	NIL
2.	Mrs. A Nithya, Whole-Time Director and CFO	NIL
3.	Mr. K.Rangasamy, Independent Director	NIL
4.	Mr. P Muralidasan, Non Executive Director	NIL
5.	Mr. P R Sundararajan, Independent Director	NIL
6.	Mr. R.Kalaimony, Independent Director	NIL

\*The Directors' other than Managing Director and Whole-Time Director were paid only sitting fees for attending the meeting and were not been paid any remuneration.

- (iii) The percentage Increase in the median remuneration of employees in the financial year 2021-22:

66%.

- (iv) The number of permanent employees on the rolls of company:

There are 272 permanent employees on the rolls of the Company.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was no average increase in remuneration for employees other than Key Managerial Person. Similarly no increase in managerial remuneration was provided during the financial year.

The increase in managerial remuneration are considered based on their potential, performance and contribution to the overall growth of the Company as well as performance of the Company. The present managerial remuneration is still below the level of remuneration generally being paid in the industry, however, Board has decided to carry on the same level of remuneration.

- (vi) Affirmation that the remuneration is as per the Remuneration policy of the Company:

The remuneration paid to Key Managerial Personnel is as per the Remuneration Policy of the Company.

**2. A statement showing the terms of the provisions of section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

- (i) The names of top ten employees in terms of remuneration drawn during the period under review:

Sl No.	Name	Designation	Remuneration (₹ in Lakhs)	Qualification	Experience (Years)	Date of Joining	Age	Last Employed
1.	P. Arul Sundaram	Chairman cum Managing Director	48.00	B.E (Civil)	26	04.05.1995	57	First Employment
2.	A. Nithya	Whole Time Director & CFO	21.00	MBA	22	19.02.1999	49	First Employment
3.	C.S.Ajay	Director- Projects	24.00	B.Arch.	8	01.11.2020	32	Second Employment
4.	C. Vadivel	DGM – Projects	13.23	DCE	9	02.04.2012	46	URC Construction Pvt Ltd
5.	D. Arjunan	Senior Manager	8.22	B.SC	13	01.01.2008	57	First Employment
6.	B. Gurumoorthi	Manager-Finance	6.98	MBA	16	08.09.2005	35	First Employment
7.	Sathish S,B	Project Manager	6.88	B.E (CIVIL)	16	06.02.2006	40	First Employment
8.	Gourav Sethi	Director- Business Development	12.00	Bachelor Degree	18	08.01.2020	39	Rajendraa Enterprises
9.	K.Sekar	Assistant Manager (Civil Projects.)	6.15	DCE	27	19.06.1995	47	First Employment
10.	T Sivakumar	Project Manager	6.21	DCE	19	17.12.2001	39	First Employment

Note:

- a) Employment in all the cases are contractual.
  - b) The information in cases of previous employer not provided wherever they have started working with this company.
  - c) Out of above only Mr. P. Arulsundaram, Chairman and Managing Director and Mrs. A. Nithya, Whole Time Director and CFO holds shares beyond 2%, and are promoters of the Company and are spouse. Mr. P. Arulsundaram and Mrs. A. Nithya holds 1,16,29,509 equity shares constituting 30.70% and 76,99,837 shares constituting 20.33% respectively and aggregating to 1,93,29,346 equity shares and 51.03% of the total paid-up capital of the Company at the end of financial year 2021-22.
- (ii) None of the employees of the Company, whether employed for the whole year or part thereof has been in receipt of remuneration in excess of limit provided under the rules, i.e. ₹102 Lakh per annum or ₹8.5 Lakh per month. Further none of the employees of the Company whether employed for the whole year or part thereof has been in receipt of remuneration in excess of remuneration drawn by the MD or WTD and holding more than 2% of equity shares of the Company.

**[Disclosure pursuant to Regulation 34 read with Schedule V of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulation, 2015]**

**1. Related Party Disclosure:**

- (i) The Company has made relevant disclosure pursuant to and in compliance with the Accounting Standard on “Related Party Disclosures” which is provided in notes to account in the financial statement and may be deemed to be part of the directors report. A declaration to the extent has been provided at the appropriate annexure.
- (ii) The brief disclosure in relation to the disclosure requirements has been provided elsewhere in the report appropriately as required below:

SI No	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.</li> </ul>
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

The related party disclosure as made in point (i) covers all the details as mentioned above. The information as provided is not applicable.

- (iii) Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results is provided in notes to account in the financial statement and may be deemed to be part of the directors report.
- (iv) Material related party transactions has been earlier approved and further omnibus material related party transactions are being placed for approval of members.
- (v) The Company do enters into bidding agreement with related parties for making of bidding to various organization including Government departments as per qualification criteria. These agreements when made are made in ordinary course of business and on arm's length basis as acceptable in this industry. Company ensures to have similar/ same terms and conditions for all agreements in case of related party as in case of un-related party. These are as per the bidding agreement, where formal agreement needs to be entered on award of the work by the Government department.
- (vi) Company do obtain omnibus approval of the Audit Committee and wherever it goes forward for the contract and also obtains Board/ Members approval. Company will also approach for omnibus approval to the shareholders to seek their prior approval as some of these may be material related party transection as per SEBI LODR Regulation, 2015. These will work as omnibus approval. Company will ensure that any contracts/ agreements as made, are in ordinary course of business and at arm's length price.

**2. Management discussion and analysis report:**

Management Discussion and Analysis Report forming part of Directors Report is separately provided as Annexure 8.

**3. Corporate Governance Report:**

Details as required under Para C, Para D and Para E of the Schedule V of the SEBI (LODR) Regulation, 2015, Report on Corporate Governance along with declaration by Chief Executive Officer on code of conduct and compliance certificate on compliance of corporate governance and other details as provided as Annexure 9.

**4. Disclosures with respect to demat suspense/ unclaimed suspense account:**

The following are the unclaimed shares in the Demat Suspense Account of the Company as at 31st March 2022:

Particulars	Number of Shareholders	Outstanding shares in the Suspense Account
Aggregate number of shareholders and outstanding shares in the suspense account lying at the beginning and end of the year.	NIL	NIL
<b>Total</b>		

During the year, there was no movement of shares in the suspense account has taken place and the shares still remains in suspense account. The shares held in suspense account shall remain frozen till the rightful owners of such shares claim the shares.

# Management's Discussion and Analysis

## Forward-looking statements & Economic Data

The report may contain forward-looking statements, like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. Any statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, market position, expenditures, and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to these statements and also not liable to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. Further, the economic data has been taken from various source and hence the correctness is based on publication made about the same and company assumes no responsibility towards the correctness of same.

## INDIAN ECONOMY

It was expected that the financial year 2021-22 would be a year of recovery due to resumption of normal economic activity and improved mobility post the first wave of COVID-19. On the contrary, the year commenced with the second wave of COVID-19, which had extremely high number of infections and much higher mortality rate.

The country witnessed lockdowns across different states, more localized lockdown which impacted the particular area. This lockdown was quite different to complete lockdowns during the first wave. Each state and even in some cases, the lockdown were effected at local level.

With improved vaccination, the economy rebound faster than anticipated. Just when the recovery was gaining momentum, economy was again disrupted due to the emergence of the new variant 'Omicron' by the end of third quarter. Fortunately, this lasted for a brief period. However, emergence of geopolitical tensions towards the end of the year created new challenges as it resulted in high demand for the commodity which in turn lead to sharp rise in prices resulting into high inflation and increase of interest rates.

Despite these turbulences, India's GDP grow up by 8.7% in FY 2021-22, compared to a 6.6% contraction registered in the previous year. India's Union Budget 2022 emphasized on maintaining fiscal deficit near current levels along with a renewed capex thrust. Government capital expenses achieves the twin purpose of employment generation and also as a growth multiplier. RBI also complemented the efforts of the Government and implemented monetary policy to further their objectives.

The surge in domestic demand, improvement in capacity utilization levels and trimmed balance sheets of companies indicates a

resurgence of the economic output. Further, prediction of normal monsoon and produces has added to the positive sentiments. With the easing of COVID-19 protocols, consumer confidence and household optimism are also on an uptrend. A robust output of Rabi should support recovery in rural demand and pick-up in contact-intensive services should help in further strengthening the urban demand. However, the ongoing of geopolitical conflict and resultant supply chain dynamics and raising commodity prices and rising interest rates could impact capital flows.

India due to its structural reforms and thoughtful fiscal stimulus and monetary support from Government & RBI respectively, is in a better position to withstand the challenges, as in the past. We have stepped into FY23 amidst mounting global economic challenges and fiscal measures by our country to contain the impact. Retail inflation increased to an eight-year high of 7.79% in April 2022. The RBI's twice hike in repo rate was impending due to the inflation spike and global macroeconomic scenarios. Increased interest rates will certainly make the cost of borrowing increase and impact the overall feasibility of large infrastructure projects. The cost of construction input materials like steel and cement had gone up significantly in the last six months, resulting in construction costs going up substantially. After the repo rate hikes announced by RBI, going forward commodities prices for items like steel and cement are supposed to come down. The imposition of 15% tax on exports of several key categories of steel has been implemented by Government to control the increasing price of the alloy in domestic market. This initiative has resulted in the steel prices coming down from June 2022.

The fear of continued ongoing geopolitical conflict, re-imposition of lockdown in China in recent time on account of fresh COVID cases, global inflation and continuing supply shortages are expected to adversely impact the global GDP growth in 2022-23. The world bank expects global growth to decelerate from an estimated 5.5% to 3.25%.

The Govt. of India's decision to lower fuel prices is one of the important steps to contain the increasing burden on the economy. Amidst external challenges, as per the initial estimates, India's GDP is expected to grow in the range of 7.5% in FY 2022- 23. With low non-performing assets (NPAs) and healthy balance sheets, the Indian banking system is well positioned to offer much needed support to businesses. As a result, India's growth story will continue.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Infrastructure development, a key to economic development, was severely hit due to the pandemic, however, there have been many bright spots, especially the progressive policy initiatives of the government, which bode well for the sector as a whole.

The onset of the pandemic, the second wave and the spread of the Omicron variant in the third wave thereafter, posed a severe and an

uncertain situation in front of infrastructure companies to recover from an all-time low of the previous year. The absence of the labour and their reluctance to return due to pandemic was huge challenge. This called for an urgent need to come up with highly impactful strategies to stimulate growth in the sector. The most crucial strategy to stimulate growth is an effective deployment of capital resources by the Government thus resulting in a large number of projects and higher demand for infrastructure firms, accelerating the cashflows in the country.

The Indian Government's success in infrastructure provision will be measured not only by the quantum of funds invested, but on how infrastructure contributes to the achievement of India's overall economic, social and environmental objectives.

The infrastructure sector faces severe challenges due to the recent Russia Ukraine crisis. In addition to the volatility of the Indian financial markets, the crises will also likely result in delays in consignments and closure of potential future deals due to the sanctions imposed on Russia. Infrastructure and business establishments need to take strong preventive steps to ward off challenges during this uncertain period.

The crude oil prices have soared amidst the crisis causing inflationary pressure and could severely hurt economic growth. With crude oil prices at eight-year high, concerns over funding of infrastructure projects especially in the roads and water segments have been rising. Rising energy prices may force the government to reduce the roads and infrastructure cess (RIC) once again to limit the impact on the prices of crude derivatives such as petrol and diesel which would reduce the RIC collection for FY23, thereby affecting the funding for road projects.

With the pandemic in control, India's economy is estimated to grow by more than 9% in the current fiscal year 2022-23. The economy has been on a recovery path after the impact of the world's strictest lockdown in the last fiscal. According to Indian Infrastructure Sector in India Industry Report, India has budgeted to spend US\$ 1.4 trillion on infrastructure in between the period of 2019-23 to promote sustainable development in the country. This depicts the upward trajectory of the Indian infrastructure space which is on the rise. Also, with Covid-19 restrictions now removed, the infrastructure work has progressed, and the economy boost is only possible with the infra-development at the forefront.

### OPPORTUNITIES AND THREATS

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country.

The Government of India is expected to invest heavily in infrastructure sector, mainly highways, renewable energy and urban transport. Further, the recent decision and push of Government for 'Aatmnirbhar Bharat' and push for only local tenders upto specific size of contract and local purchases is expected to have a positive impact for the Company.

Your Company is quite conscious of the importance laid by the Government to the sector and sees following as the opportunity for itself:

Projects	Name of New projects	Other Works
Roads	Bharat Mala, Pradhan Mantri Gram Sadak Yojana	Four-laning of national highways, upgradation of state highways into national highways
Urban Infra	Schemes such as Swachh Bharat, Smart Cities, Green Mode of transport	Mass Rapid Transit, Metro Train, Water Supply and Sanitation Projects
Irrigation and River Linking	River Interlinking, Canal / irrigation for cultivation	Governments aggressive river linking targets provides huge opportunity

Management of your Company has put very hard efforts and has made firm presence in few States of India. Further, your management also keeps on looking for profitable opportunity in nearby and boarder countries and also take up the suitable joint venture partner or indulge into subcontract work. Looking at the size, suitability and effective execution, your Company has concentrated in the state of high growth in its core area of operation, yet developing new territories.

Your Company has maintained its focus in three business segments, i.e. infrastructure, water management and building and at the same time retaining its focus and being a frontrunner in the field of irrigation and water supply, civil construction works, national highways, rural roads and other infrastructure works. The various initiative of Central and State Government would be extremely beneficial for the Company owing to its strategic advantage of being established and having craved its niche area.

The major threat the infrastructure industry is facing is the impact of global economic condition like all business entities operating in India. To be specific, the contracting and construction markets are quite competitive and require substantial resources and capital investment in equipment, technology and skilled personnel. Further, your Company is increasingly moving towards larger projects which has stringent pre-qualification requirements and as such meets intense competition. Your Company has undertaken international project and are exploring further international opportunities, which has much strict timeline and smaller margins and same is expected to continue. Also, the entry of foreign construction companies into the Indian market have reduced the margins. All these are likely to lead to significant challenges to our historical growth rates and acceptable profit and margins. Our contracts are awarded after a competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. The ability of the Company to match the market is always a challenge even though the market is quite open. Further, due to applicability of local conditions, even the timeline of completion of the project, the cost escalation and timely recovery of the money also poses challenge to the industry and so to the Company.

The Covid – 19 still remains as challenge for the Company as it has huge impact on infrastructure industry. The increase in cost of

construction materials also remain to be major challenges due to the geo political condition and impact on supply chain.

### SEGMENT WISE / PRODUCT WISE PERFORMANCE

Your Company is engaged in the business of infrastructure development. The Company has internally identified and created the following three segments:

- (i) Buildings;
- (ii) Water Management;
- (iii) Infrastructure.

However, these three segments are not totally different and are not identifiable segments for reporting.

The revenue contribution during the financial year 2021-22 of each of the business segment is given below:

Business segments	Revenue in ₹ crores	Percentage revenue
Buildings	106.17	14%
Water Management	167.95	22%
Infrastructure	505.69	65%

The Company has carefully craved its niche area and continues to remain focused at its geographical presence as well as operating verticals/ ventures to capitalize on all emerging opportunities as per its policy with prudence. Your Company has decided to stay engaged in short term project of less than 24 months, with small and medium project size of less than ₹250 crores, which gives it superior profitability in each project of around 12-13% of EBITDA.

### ORDER BOOK POSITION

Your Company has robust order book of ₹2664 Crores as at end of financial year 2022.

The Company continues its strategy to maintain optimum margin and enhanced profitability and at present, its complete order book is from Government agencies.

The order book size in the financial year 2021-22 is as below:

Business Segments	Amount (in INR mn)	Percentage Order Book	Embedded EBITDA Margins
Buildings	1,991.82	7.48	10-12%
Water Management	9,076.80	34.07	15-18%
Infrastructure (Road)	15,573.02	58.45	12-14%

Name of Work	Amount (INR-Crores)	Segment	State
Engineering, Procurement and Construction of Bareilly Haat and Handicrafts Centre, (Inclusive of Bareilly Smart City Limited, Bareilly.	157.67 Crores (Inclusive of GST)	Infrastructure	Uttar Pradesh
Extension, Renovation and Modernization of Irrigation Infrastructure in Puthar river from mile 63/1 to 68/4, Solasudamaniyar river from mile 63/1 to 71/6 and Petharasanar river from mile 71/6 to 75/0 of Cauvery subbasin in Kudavasal and Nannilam taluks of Thiruvurur district Package No. 13.	90.30 Crores (Inclusive of GST)	Water	Tamil Nadu
Extension, Renovation and Modernisation of Irrigation Infrastructure in Puthar river from mile 68/4 to 84/7 of Cauvery subbasin in Kudavasal, Nannilam taluks of Thiruvurur district and Nagapattinam taluk of Nagapattinam district Package No. 14.	68.90 Crores (Inclusive of GST)	Water	Tamil Nadu
Extension, Renovation and Modernisation of Irrigation Infrastructure in Valappar river from mile 68/4 to 78/5 of Cauvery subbasin in Kudavasal, Nannilam taluks of Thiruvurur district. Package No. 15	72.78 Crores (Inclusive of GST)	Water	Tamil Nadu
Design , Engineering and Construction of Storm Water drain to prevent water logging in and around Ambedkar College Road, Demellows Road & Decastor Road to B Canal in Zone 6.	26.35 Crores (Inclusive of GST)	Infrastructure	Tamil Nadu

Keeping on the objective, management of your Company keeps on reviewing/ revisiting its strategies based on market condition with effort to minimize cost and expenditure and maximize the value for stakeholders. The Company with the view of maximization of profit yet with maintaining minimum risk, still sustain the growth and remain focused, has adopted the strategies and kept the same implemented and followed. The efficient and timely project execution and selection of the territories and work area is extension of the same strategies.

## FINANCIAL PERFORMANCE / OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013, guidelines issued by the Securities and Exchange Board of India and Ind AS. The management of Company accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in true and fair manner, the form and substance of transactions and reasonably present the state of affairs on the Balance Sheet and Profit of the Company for the year ended on the date.

Pandemic due to Covid -19 adversely impacted the operation and financial performance for the financial year 2021-22 creating extreme pressure on profit of the Company. Company still has not been able to understand the complete impact of the Covid -19 pandemic.

### Standalone Performance:

Your Company has posted total revenue of ₹794.01 Crores in financial year 2021-22 as compared to ₹489.10 Crores in financial year 2020-21. The consumption of materials and other direct operating costs increased to ₹697.69 Crores in financial year 2021-22 as against ₹409.33 Crores in the financial year 2020-21. Total cost increased to ₹779.82 Crores in financial year 2021-22 as against 466.94 Crores in the financial year 2020-21.

The EBITDA for the financial year 2021-22 decreased to 36.14 Crores as compared to ₹47.23 Crores in financial year 2020-21. Profit after tax for the financial year 2021-22 decreased to ₹8.36 Crores as compared to ₹15.55 Crores during the financial year 2020-21.

The Company tried to maximize usage of the operational efficiency in the challenging time considering the restrictions prevalent during the period at various locations. The Company tries to have optimum utilization of resources available with it, i.e. men, machine and material, however, site restrictions and local conditions had huge impact during the financial year.

### Consolidated Performance:

During the present year, none of the subsidiary was material subsidiary. The operation in all these subsidiaries is nominal and mostly comprised of the minimal expenses. A new subsidiary has been incorporated during the financial year and details for same has been appropriately provided.

The total consolidated revenue stood at ₹815.97 Crores in financial year 2021-22 as compared to ₹524.33 Crores in financial year 2020-21. Total consolidated expenses increased to ₹804.78 Crores in financial year 2021-22 as against ₹502.21 Crores in financial year 2020-21. Profit after tax for the financial year 2021-22 stood at ₹5.36 Crores as compared to ₹15.50 Crores during the financial year 2020-21.

As earlier explained margin in both standalone and consolidated financial has been impacted due to pandemic of Covid -19.

## BUSINESS OUTLOOK

The present era is filled with uncertainty and future seems to be unpredictability. Just when it appeared that the pandemic is almost getting over and we are heading to normalcy, war broke out in Europe, severely hampering growth prospect of achieving the stability essential for growth. The war has disrupted global supply chains and triggered an alarming increase in commodities and energy prices. The consensus view is that prices of various commodities would remain elevated in the near term.

Your Company continue to stay focused in three business segment of infrastructure, water management and building. These sectors are also of prime importance for the government. Below are few initiative by Government for its impetus to infrastructure/ growth for improving the quality of life and these initiatives also provides opportunity for the Company:

Business Segments	Name of New projects	Other Works
Roads	Bharat mala, Pradhan Mantri Gram Sadak Yojana	Four-laning of national highways, upgradation of state highways into national highways
Urban Infra	Schemes such as Swachh Bharat, Smart Cities, Green Mode of transport	Mass rapid transit, metro train, water supply and sanitation projects
Irrigation and River Linking	50% of cultivated land in India is still not irrigated	Governments aggressive river linking targets provides huge opportunity

Your Company continues to focus towards growth and expects a better performance in the financial year 2022-23.

### Growth Strategies

The Company has prudent selection of its business segments, with focus on government contract, which ensures strong delivery even in tough environment. The Company remains to be pure play niche EPC Company. It has strong presence in the fast-growing micro-markets of South India and has spread its footprints in Maharashtra, MP and UP for geographical diversification. It is also looking continuously opportunity at various places. Highways, Roads & Bridges, Civil Construction in Water Management, Irrigation and Power projects help the Company in diversified portfolio presence. Further, Company's focus on small government projects with superior project execution skills with short tenure provides strong revenue visibility.

The Company has de-risked business, which ensures superior profitability projects as below:

Maximum Project Duration	Upto 36 Months	Short Duration Projects 12 Months
Maximum Project Size	Around ₹360 Crore	Low Tickets Projects ₹17 crore
EBITDA Margins	12 -13 %	Superior Profitability Projects Irrigation project

The Company has implemented diversified geographical location, yet maintaining strong presence at few places, which can be observed below which provides order book position:

States/ Countries	Order Book Percentage	States/ Countries	Order Book Percentage
Tamil Nadu	82.40	Jharkhand	0.89
Karnataka	5.09	Gujarat	2.44
Kerala	0.70	Uttar Pradesh	5.63
Maharashtra	1.20	Bangladesh	1.65

The Company also has mix of project duration, which provides and ensures timely inflows. The Company's present order book can be divided into project duration of upto 12 months, upto 24 months and upto 36 months, which in terms of percentage is 52.36%, 38.79% and 8.86%, respectively.

The Company similarly has mix of the project from different segments with varied project durations. The below table would represent the project duration and representation in percentage for each of them:-

Project Duration	Upto 12 Months	Upto 24 Months	Upto 36 Months
<b>Building</b>	7.79	0	0
<b>Infra</b>	31.01	25.71	0
<b>Water Management</b>	13.56	13.08	8.86

The Company also ensures its efficient operation through its business cycle, which comprises of small ticket size projects coupled with stringent onsite operational control, which accelerates project completion, which helps the company to raise milestone bill faster ensuring enhance liquidity.

The Company has large talent pool comprising of over 400 plus employees. It has good captive equipment of around ₹47 Crores. It also has strategic sub-contracting partnership for project and applies accurate project modelling through cutting edge IT tools. These culminates and ensures efficient operations.

## RISKS AND CONCERNS

Mitigation of risks is the whole end-compassing requirement. Broadly speaking, Construction/ Infrastructure Projects face the following type of risks:

**General Economic / Sector Risks:** We derive and expect to derive substantially all of our revenue from infrastructure projects in India. Accordingly, we are heavily dependent on sustained economic development that we operate in and government policies relating to infrastructure development. It is also significantly dependent on budgetary allocations made by central and state governments, participation from multilateral agency sponsored developments, public bodies as well as access to private sector funding. Macroeconomic factors in India relating to the infrastructure sector will have a significant impact on our prospects and results of operations. Our results of operations are and would continue to be dependent on the policies adopted by the central and state governments.

**Bidding and execution capabilities:** Infrastructure project development for large projects in India involves a process of pre-qualifying of interested bidders based on technical and financial strengths. Pre-qualifications criteria are based on factors such as relevant past achievement of project execution, net worth, cash accruals etc. After a project is awarded, completion on time is subject to various factors. We target for efficient project management and execution through efficient deployment of equipment and resources, quick decision-making capabilities by on site project managers, strong relationships with suppliers and sub-contractors and coordination between project sites and the head office. We monitor the progress of project execution in terms of time, cost, quality, efficiency, manpower resources and deployment of plant and equipment. Our ability to continue to execute contracts effectively, as our business grows, is important to our strategy and results of operations.

**Completion risk:** This is the risk that the project may not be completed on time, or at all, due to various reasons such as cost overruns, technology failure, force majeure, etc. We ensure timely mobilization of site team and other requirements and also ensure timely availability of material/ labour/ equipment in a co-ordinated manner. We have also in place a Monitoring system to monitor the requirement of drawings/ clearances needed from client and ensure that these are communicated in advance and also documented.

**Resource risk:** This risk includes the non-availability of raw materials for the project operation. It also includes the risk that the raw material prices might move adversely. We draw up the project cost estimates based on site conditions, expected duration of the project, seasonal cost/ availability factors while quoting. We also negotiate better rates from suppliers/ service providers, leveraging on the volumes across sites.

**Operating risk:** This is a risk that the project costs would escalate. It also includes the risk that the project will have operational problems. We ensure an elaborate study of the site conditions and the scope of the project and involve cross functional teams at the tendering stage to capture all variables across different processes. The Plan for project execution is then done elaborately with process linkages.

**Casualty risk:** This is the risk of physical damage to the project equipment. It also includes liabilities to third parties on account of accidents at the project site.

**Site risk:** This is the risk that the project site might have legal encumbrances. It also includes the risk that the site has technical problems.

**Cost Management:** We have experienced that our operating expenses constitute a major chunk of our total income. Our operating costs which relate to project costs mainly comprise cost of inputs, labour, fuel expenses, sub-contracting expenses and usage of various machinery. These costs are subject to volatility and may fluctuate owing to reasons beyond our control. Our ability to handle these costs in an effective manner will impact our results of operations.

Competition: We face significant competition for the award of projects from a large number of infrastructure companies who also operate in the same regional markets as us. Further, some of our competitors are larger than us, have stronger financial resources or a more experienced management team, or have stronger engineering capabilities in executing technically complex projects. Competition from other infrastructure companies will continue to have a significant impact on our ability to successfully bid for projects at price levels which would generate desired returns for us.

COVID-19: The pandemic has been one of the major risks impacting the Company's Operations. The operations of the Company recovered from the economic slowdown caused by the Covid-19 pandemic. The Company has been taking necessary measures for containing the spread of COVID-19 virus so that the work in the project sites is not hampered. It continues to monitor the economic effects of the uncertainty arising from pandemic while taking steps to improve its scale of execution.

The Company has taken a number of initiatives such as deployment of risk mitigation strategies, superior execution of projects and astute cost management to deal with an overall environment dominated by high interest rates, sluggish demand, liquidity issues and higher input costs. The Company has adopted a pragmatic approach to navigate through the turbulent times and had cut down on overhead expenses and optimally stretched its available resources, making it lean yet effective in order to improve its operational efficiencies.

The Covid-19 pandemic continues to dominate the risk and has created two different times, pre and post pandemic due to uncertainty it has created. The impact and mitigation cannot be estimated and predicated.

### RISK MANAGEMENT POLICY

Risk management is an integral part of the business process. The risk management process, inter alia provides for review of the risk assessment and mitigation procedure and timely report to the management and review of the identified risks at periodical interval to assess the progress of control measures. The Audit committee of the Board reviews the risk management efforts periodically.

The company follows the following risk management framework:

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

- ❖ Comprehensive risk reporting
  - Record the causes and mitigation measures for future reference

The reporting systems ensure precise monitoring for quick decision making and smooth running of the operations. Prompt attention is drawn to any risk related function which is then closely monitored to enable appropriate decision making to avoid problems/ regain stability within the shortest possible time.

### INTERNAL CONTROLS AND THEIR ADEQUACY

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

Company conducts internal audit through a firm of independent firm of qualified chartered accountant who are given access to all records and information. The Audit committee of the Board reviews internal control systems and their adequacy, significant risk areas, observations made by the internal auditors on control mechanism and the operations of the company, recommendations made for corrective action and the internal audit reports. The committee reviews with the statutory auditors and the management, key issues, significant processes and accounting policies. The company continues its efforts in strengthening internal controls to enable better management and controls over all processes.

Your Company have a proper Whistle Blower Policy and proper vigil mechanism for Directors and Employees. The policy enables director and employees to report their genuine concerns, generally impacting / affecting business of our Company, including but not limited to improper or unethical behavior / misconduct / actual or suspected frauds / violation of code of conduct. The policy provides adequate safeguard against victimization to make easy for employee/ director to report any issue.

### HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

Our continued success will depend in part on our ability to retain and attract key personnel with relevant skills, expertise and experience. We are aware of the challenge in attracting and retaining the best of talents in the industry. All our HR policies and practices are aligned with the overall organizational strategy. Presently, our company has more than 400 employees at various levels under its direct employment. We have in place a well-drawn out HR Policy and a working environment encouraging innovation, cost reduction and a

time bound completion of projects along with measures targeted to emerge as a merit driven organization in these challenging times. The management has been paying special attention to various aspects like employee training, welfare and safety thereby strengthening the human resources.

#### **DETAILS OF SIGNIFICANT CHANGES**

- (i) Debtors Turnover: 4.42
- (ii) Inventory Turnover: NA
- (iii) Interest Coverage Ratio: 1.25
- (iv) Current Ratio: 1.61
- (v) Debt Equity Ratio: 0.33
- (vi) Net Profit Margin (%): 1.07%

#### **CHANGE IN RETURN ON NET WORTH**

The Company has 2.63% return on net worth during the financial year 2021-22 as compared to 5.80% during the previous financial year 2020-21.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has followed the accounting standard in the preparation of financial statements as applicable to it.

# Report on Corporate Governance

## 1. Company's philosophy on code of Governance

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

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

## 2. Board of Directors

### Composition of the Board

Companies' policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the balance and independence of the Board and to separate the Board functions of governance and management. The total strength of the Board during the financial year 2021-22 comprised of six directors, consisting of two executive promoter directors, one non-executive director and three independent directors.

Independent directors are non-executive directors as defined under Section 149 Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Act. The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The independent directors have included their names in the data bank of independent directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

As per the requirement of Regulation 17(1) of SEBI (LODR) Regulation, 2015, the company has an optimum combination of executive and non-executive directors with one woman director and two-third of the total number of directors being non-executive. Further, the Chairman being the promoter executive director, more than half of the board comprises of independent directors. The composition of the Board was proper and in compliance of Regulation 17 of SEBI (LODR) Regulations, 2015 throughout the financial year.

The following is the present composition of our Board and their number of Directorships in other companies:

Name of the Director	Category	Date of appointment	Inter-se relationship	Share holding*	Directorship in other public companies**	Number of committee positions in other public companies ***	
						Chairman	Member
Mr. P Arulsundaram	PD/ED	04.05.1995	Mrs. A Nithya's Husband	1,16,29,509 Equity Shares	-	-	-
Mrs. A Nithya	PD/ED	19.02.1999	Mr. P Arulsundaram's wife	76,99,837 Equity Shares	-	-	-
Mr. P Muralidasan	NED	01.04.2008	-	156	-	-	-
Mr. K Rangasamy	ID	14.11.2016	-	0	-	-	-
Mr. P R Sundararajan	ID	14.11.2016	-	0	-	-	-
Mr. R. Kalaimony	ID	14.11.2019	-	0	-	-	-

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

\*\* The directorship does not include directorship in Private Limited, Private Limited which are subsidiary of Public Limited, Section 8 Companies and Companies incorporated outside India.

\*\*\*Membership/Chairmanship of only Audit Committee/Stakeholders' Relationship Committee has been considered.

members of more than ten Board-level committees and Chairman of more than five such Committees, across all such companies in which he/she is a Director.

### Directors Profile

**Mr. P Arulsundaram**, Chairman and Managing Director, aged 57 years, holds a Bachelor of Engineering Degree in Civil Engineering from Sri Vinayaka Mission Research Foundation, Deemed University, Salem and a Diploma in Civil Engineering from Kongu Engineering College, Erode, Tamil Nadu. He has over 36 years of experience in civil works in the fields of transportation / power / commercial buildings and irrigation projects. He has been responsible for strategic direction and development of our Company and is in overall control of our operations. His experience and his intimate understanding of the businesses verticals of our operations have played a central role in the rapid growth of our Company.

**Mrs. A Nithya**, Whole-Time Director and Chief Financial Officer, aged 49 years, holds a Master's degree in Business Administration from Anna University, Chennai. She is responsible for the finance, accounting and treasury functions of the Company.

**Mr. P Muralidasan**, Non-Executive Director, aged 58 years, holds a bachelor's degree in Civil Engineering from Bangalore University. He has over 33 years of experience in the construction industry.

**Mr. K. Rangasamy**, Independent Director, aged 69 years, holds a Master's degree in Agricultural Science from Tamil Nadu Agricultural University, Tamil Nadu. He is a qualified member of Indian Institute of Bankers. He has over 38 years of experience in banking sector.

**Mr. P. R. Sundararajan**, Independent Director, aged 64 years, holds a Bachelor of Engineering (Hons) in Civil Engineering from University of Madras, Chennai and a Masters degree in Structural Engineering from Government College of Technology, Coimbatore. He has over 38 years of experience in engineering industry.

**Mr. R. Kalaimony**, Independent Director, aged 58 years, holds a Bachelor's degree in B.E (Civil) Engineer from College of Engineering, Anna University at 1985 and Masters Degree in Environmental Engineering from College of Engineering in the year 1994. He has more than 20 years associated with Tamil Nadu Electricity Board, now named as TANGEDCO under various cadres in execution of many Hydro Project schemes and contract management of those Hydro project schemes.

Attendance of Directors at Board Meetings and at Annual General Meeting (AGM)

Following are the attendance of directors in the Board Meetings and at previous AGM:

Name of the Director	No. of Board Meetings held	Board Meetings Attended	Attendance at Previous AGM
Mr. P Arulsundaram	6	6	Yes
Mrs. A Nithya	6	6	Yes
Mr. P Muralidasan	6	6	Yes
Mr. K Rangasamy	6	6	Yes
Mr. P R Sundararajan	6	6	Yes
Mr. R. Kalaimony	6	2	Yes

### Board Meetings held during the year

The Board of Directors met Six times during the year under review on 1st June 2021, 19th August 2021, 13th September 2021, 11th November 2021, 22nd December 2021, and 14th February 2022. The interval between two meetings was within the maximum period mentioned under section 173 of the Companies Act, 2013 and the SEBI LODR Regulation, 2015.

### Committee of Directors

The Board has following committees during the financial year 2021-22:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder's Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Legal and Finance Committee
- Share Allotment Committee
- Rights Issue Committee

### 3. Audit Committee

#### Composition, Meetings and Attendance

The Audit Committee of the Board of Directors is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 and Part C of Schedule V of SEBI (LODR) Regulation, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, taxation, economics, risk and international finance. Mr. K. Rangasamy, Independent Director, is the Chairman of the Audit Committee. The other members of the Audit Committee include Mr. P Muralidasan and Mr. P R Sundararajan. The constitution of the Audit Committee has not changed during the year. There were no incidences where Board has not accepted the recommendation of the Audit Committee during the year.

The Audit Committee met Four (4) times during the financial year 1st June 2021, 19th August 2021, 11th November 2021, and 14th February 2022.

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

Name	Category/ Status	Meetings Held	Meetings Attended
Mr. K Rangasamy	Independent / Chairman	4	4
Mr. P R Sundararajan	Independent/ Member	4	4
Mr. P Muralidasan	Non-Executive/ Member	4	4

### Terms of reference

The terms of reference has been set for the Audit Committee by Board in compliance to the Section 177 of Companies Act, 2013 and Regulation 18(3) & Part C of Schedule II SEBI (LODR) Regulation 2015. The following are, inter alia, the main terms of reference provided by the Board of Directors to the Audit Committee:

- Regular review of accounts, accounting policies and disclosures.
- Review the major accounting entries based on exercise of judgment by management and review of significant adjustments arising out of audit.
- Review any qualifications in the draft audit report.
- Establish and review the scope of the independent audit including the observations of the auditors and review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- Upon completion of the audit, attend discussions with the independent auditors to ascertain any area of concern.
- Establish the scope and frequency of the internal audit, review the findings of the internal auditors and ensure the adequacy of internal control systems.
- Examine reasons for substantial defaults in payment to depositors, debenture holders, shareholders and creditors.
- Examine matters relating to the Directors' Responsibility Statement for compliance with Accounting Standards and accounting policies.
- Oversee compliance with Stock Exchange legal requirements concerning financial statements, to the extent applicable.
- Examine any related party transactions, i.e. transactions of the Company that are of a material nature with promoters or management, their subsidiaries, relatives, etc., that may have potential conflict with the interests of the Company.
- Appointment and remuneration of statutory and internal auditors.
- Risk assessment and minimization procedures.
- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the audit committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### 4. Nomination and Remuneration Committee

#### Composition, Meetings and Attendance

The Nomination and Remuneration Committee comprises of Three Directors, Mr. P R Sundararajan, Independent Director, Mr. K Rangasamy, Independent Director and Mr. P Muralidasan, Non-Executive Director. Mr. P R Sundararajan, Independent Director is the Chairman of the Committee. The constitution of the committee has not changed during the year.

The composition of Nomination and Remuneration Committee is in compliance to the provisions of Section 178 of the Companies Act, 2013, and Regulation 19(1) of the SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee met one (1) time during the year on 1st June 2021

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

Name	Category/ Status	Meetings Held	Meetings Attended
Mr. P R Sundararajan	Independent / Chairman	1	1
Mr. P Muralidasan	Non-Executive/ Member	1	1
Mr. K Rangasamy	Independent / Member	1	1

## Terms of reference

The terms of reference has been set for the Nomination and Remuneration Committee by Board in compliance to the Section 178 of Companies Act, 2013 and Regulation 19(4) & Part D of Schedule II of SEBI (LODR) Regulation 2015. The terms of reference of are Regulation 19(4). The terms of reference of the Nomination and Remuneration Committee as set by the Board of Directors inter alia includes following:

1. To determine the remuneration payable to the Directors.
2. To recommend to the Board appointment/ re-appointment and removal and evaluation of Independent Directors and the Board.
3. To review the Nomination and Remuneration policy.
4. Establish and administer employee compensation and benefit plans.
5. Such other matters as may be required from time to time under any statutory, contractual or other regulatory requirement.

## Nomination and Remuneration Policy

The Board of Directors has formulated Nomination and Remuneration Policy as follows:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
6. To devise a policy on Board diversity.
7. To develop a succession plan for the Board and to regularly review the plan.
8. To determine the remuneration, review performance and decide on fixed and variable pay of Executive Directors.

## Mechanism for Evaluation of Board and Performance evaluation criteria for independent directors

Evaluation of all Board members is done on an annual basis. The evaluation is done by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

## (A) Criteria for evaluation of Board of Directors:

1. Attendance & active participation in Board, Committee & General Meetings.
2. Adequate preparation for all such meetings.
3. Constructive contribution to formulation of strategy & translation into plans, policies and annual goals.
4. Achievement of sales, productivity & financial goals.
5. Active involvement in quality systems & improvement activities for future growth.
6. Updating knowledge in area of expertise, overall business & industry environment.
7. Open communication with Board members and down the line.
8. Awards & recognitions received by Company.
9. Conduct in ethical manner consistent with the applicable laws.
10. Brand building through contribution to and discharge of social responsibilities.

## (B) Criteria for evaluation of the Independent Directors:

- i. Qualifications & skills to understand corporate culture, business & its complexities
- ii. Adequate preparation for Board, Committee and General Meetings and updating knowledge in area of expertise.
- iii. Attendance and active participation in above meetings.
- iv. Objective & constructive participation in informed and balanced decision making.
- v. No abuse of position detrimental to Company's/ shareholder's interest and/or personal advantage, direct or indirect.
- vi. Ability to monitor management performance and integrity of financial controls & systems.
- vii. Active and timely execution of any tasks assigned by the Board.
- viii. Communication in open and fair manner.
- ix. Credibility, directions and guidance on key issues in the best interest of Company.
- x. Ethical conduct consistent with applicable laws, rules and regulations.

## 5. Remuneration to Directors

The details of remuneration paid/payable, sitting fees and commission paid to each of the directors during the year ended 31st March 2022 are given below:

(₹ Lakh)

Name of the Director	Remuneration	Sitting Fees	Commission	No. of Shares held
Mr. P Arulsundaram (Chairman and Managing Director)	48.00	-	-	1,16,29,509 Equity Shares
Ms. A Nithya (Whole Time Director and CFO)	21.00	-	-	76,99,837 Equity Shares
Mr. P Muralidasan (Non- Executive Director)	-	0.40	-	156 Equity Shares
Mr. K Rangasamy (Independent Director)	-	0.40	-	-
Mr. P R Sundararajan (Independent Director)	-	0.40	-	-
Mr. R.Kalaimony (Independent Director)	-	0.05	-	-

There are no material pecuniary relationship between the Company and non-executive directors, other than payment of sitting fee.

The employment of the Chairman & Managing Director and Whole Time Director and Chief Financial Officer is contractual. The employment is for a period of three years, i.e., till 31st March 2023. The contract is terminable by either party after giving prior notice. No severance fee as such has been agreed.

The Company pays remuneration to its Chairman & Managing Director and Whole Time Director and Chief Financial Officer by way of salary and benefits as approved by the shareholders on 29th October 2020 at 25th Annual General Meeting of the Company. The Company does not have stock option plans for any of its Directors. The Company has paid a salary of ₹7 Lakhs per month to Chairman & Managing Director and ₹3 Lakhs per month to the Whole Time Director and CFO and applicable and approved perquisite/ benefits.

Chairman and Managing Director and Executive Director are entitled for the following benefits apart from salary:

- Reimbursement of all medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad for self and family including hospitalization.
- Education of children covering tuition fees and other expenses on higher educations.
- Leave travel concession/allowance: Foreign trip once a year with family or / and inland trip for self and family twice in a year.
- Club fees subject to a maximum of two clubs.
- Personal accident insurance premium.
- Use of Company maintained cars with drivers for business and personal use.

Board is proposing the re-appointment of Chairman & Managing Director and Whole Time Director and Chief Financial Officer at forthcoming Annual General Meeting and will seek approval of members.

## 6. Stakeholders Relationship Committee: Composition, Meetings and Attendance

Stakeholders Relationship Committee comprises of three Directors. Mr. P Muralidasan, Non-Executive Director, Mrs. A Nithya, Whole-Time Director and Chief Financial Officer and Mr. P R Sundararajan, Independent Director. Mr. P Muralidasan, Non-Executive Director is the Chairman of the Committee. The constitution of the Committee has not changed during the year.

The Composition of Stakeholders' Relationship Committee is in compliance to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015

The status of shareholder correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee.

The Stakeholders' Relationship Committee met Two (2) times during the financial year on 1st June 2021 and 28th January 2022.

The composition of the Stakeholders' Relationship Committee and particulars of meetings attended by the members are given below:

Name	Category / Status	Meetings Held	Meetings attended
Mr. P Muralidasan	Non-Executive/ Chairman	2	2
Mrs. A Nithya	Promoter/ Executive/ Member	2	2
Mr. P R Sundararajan	Independent/ Member	2	2

## Terms of Reference

The terms of reference has been set for the Stakeholders' Relationship Committee by the Board in compliance to the Section 178 of Companies Act, 2013 and Regulation 20(4) & Part D of Schedule II of SEBI (LODR) Regulation 2015.

The term of reference to the committee includes overseeing and review of all matters connected with transfer of securities, non-receipt of annual report, notices, dividend and various grievances of the shareholders. The Committee oversees performance of Registrars and Share Transfer Agents of the Company and recommends remedial measures to improve quality of investors' services. The Committee has delegated the authority for share transfers to the Managing Director.

## Compliance Officer:

Company Secretary acts as Compliance Officer of the Company. Company earlier has designated Mr. Pradeep Kumar Nath, Company Secretary who acted as Compliance Officer of the Company till his resignation on 28th March 2022. The Chief Financial Officer /Whole Time Director of the Company acts as compliance officer from 29th March 2022.

## Stakeholder's Grievance Redressal

During the year ended 31st March 2022, the company had received four complaints and has redressed the same. No investor complaints/grievances are pending for redressal at the end of the financial year.

## 7. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee comprises of three Directors, Mr. P R Sundararajan, Independent Director, Mrs. A Nithya, Whole-Time Director and Chief Financial Officer and Mr. P Muralidasan, Non-Executive Director. Mr. P R Sundararajan is the Chairman of the Committee. The constitution of the Committee has not changed during the year.

The Composition of CSR Committee is in compliance to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has formulated CSR Policy, which is uploaded on the website of the Company. A report on CSR is provided forming part of the Board Report elsewhere.

The Committee had met once (1) during the period on 1st June 2021. The composition of the Corporate Social Responsibility Committee and particulars of meetings attended by the members are given below:

Name	Category / Status	Meetings Held	Meetings attended
Mr. P R Sundararajan	Independent/Chairman	1	1
Mrs. A Nithya	Promoter/ Executive/ Member	1	1
Mr. P Muralidasan	Non Executive/Member	1	1

## 8. Risk Management Committee

The Audit Committee has also been granted the additional responsibility to foresee and implement the risk management. The terms of reference includes framing, implementation and monitoring of the risk management plans of the Company. The Committee has constituted Risk Management Team for day to day working.

## 9. Legal and Finance Committee

The Board has constituted this Committee to authorize grant of power of attorney to executives, to approve various facilities as and when granted by the Banks and execution of documents for these facilities within the limit set out with a view to facilitate and expedite the required work. The Committee has also been authorized to quote for tenders, enter into agreement/ joint venture, providing of the investment, loans, etc.

The Committee comprises of three Directors and Mr. P R Sundararajan, Independent Director is the Chairman of the Committee and Mrs. A Nithya, Whole-Time Director and Chief Financial Officer and Mr. P

Muralidasan, Non-Executive Director are members. The constitution of the Committee has not changed during the year.

The Committee met Nineteen (19) times during the year on 13th May 2021, 10th June 2021, 3rd July 2021, 14th July 2021, 25th August 2021, 4th September 2021, 8th September 2021, 28th September 2021, 30th September 2021, 7th October 2021, 23rd October 2021, 30th October 2021, 16th November 2021, 24th November 2021, 24th December 2021, 29th December 2021, 28th January 2022, 9th February 2022 and 9th March 2022.

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

Name	Category / Status	Meetings Held	Meetings attended
Mr. P R Sundararajan	Independent/ Chairman	19	19
Mrs. A Nithya	Promoter/ Executive/ Member	19	19
Mr. P Muralidasan	Non Executive/ Member	19	19

## 10. Share Allotment Committee

The Committee comprises of three Directors namely Mr. K Rangasamy, Independent Director, Mrs. A Nithya, Whole-Time Director and Chief Financial Officer and Mr. P Arulsundaram, Chairman and Managing Director are Committee chooses chairman for each of its meeting.

The Committee met one time during the year on 17th December 2021.

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

Name	Category / Status	Meetings Held	Meetings attended
Mr. K Rangasamy	Independent Director/ Member	1	1
Mrs. A Nithya	Promoter/ Executive/ Member	1	1
Mr. P Arulsundaram	Promoter/ Executive/ Member	1	1

The Share Allotment Committee (SAC) has dissolved w.e.f. 22nd December 2021 and the said Committee Members relived from their duties of the Committee.

## 11. Right Issue Committee

The Committee comprises of three Directors namely Mr. K Rangasamy, Independent Director, Mrs. A Nithya, Whole-Time Director and Chief Financial Officer and Mr. P. Muralidasan, Non-Executive Director are members. Committee chooses chairman at its meeting.

The Committee met Four times during the year on 14th September 2021, 15th September 2021, 26th October 2021 and 3rd February 2022.

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

Name	Category / Status	Meetings Held	Meetings attended
Mr. K Rangasamy	Independent Director/ Member	4	4
Mrs. A Nithya	Promoter/ Executive/ Member	4	4
Mr. P Muralidasan	Non- Executive/ Member	4	4

## 12. Independent Directors

Independent Directors meet out the criteria of independence as provided under Companies Act, 2013 and SEBI LODR Regulation, 2015. Independent directors have also provided declaration to the Board of their independence from management. In opinion of the Board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

## 13. Separate meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI LODR Regulation, 2015, a separate meeting of the independent directors of the Company was held on 14th February 2022 to review the performance of non-independent directors (including the chairman) and the Board as whole. The independent directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

## 14. Familiarisation Programme for Directors

At the time of appointing a Director, a letter of appointment is issued incorporating the role, duties and responsibilities expected of him

as a Director of the Company. The Director is also explained in detail the compliance required from him under the Companies Act, 2013, SEBI (LODR) Regulation, 2015 and other relevant regulations and affirmation taken with respect to the same. A meeting is arranged with the Chairman and Managing Director, Chief Financial Officer to discuss with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put in place a system to familiarize the independent directors about the company, its business and the on-going events relating to the Company. Company also organizes site visit for the directors at the time of Board Meeting to make them aware about the process and challenges. The details of the familiarization programmes imparted to independent directors is available at the website of Company at weblink [http://www.rppiil.com/pdf/policy/Familiarisation-Programme-for-Independent-Directors\\_1.pdf](http://www.rppiil.com/pdf/policy/Familiarisation-Programme-for-Independent-Directors_1.pdf)

## 15. Skills/ expertise/ competence of Directors

Nomination and Remuneration Committee and Board has noted the skill and expertise required for the directors. They have noted that Company being in business of infrastructure development, for planning and execution and understanding, people with the engineering background would suit the most. Further, for the Audit and Financial, the directors with the MBA and financial experience will suit the most. Nomination and Remuneration Committee and Board has properly considered the same and feels that Company has proper mix for Board and Committee.

Following table contains the core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:

Name of the Director	Designation	Skill/ Expertise/ Competency
Mr. P Arulsundaram	Chairman and Managing Director	Civil Engineer, 36 years' experience in Civil Engineering filed, comprised of transportation / power / commercial buildings and irrigation projects. Suited to lead the company business.
Mrs. A Nithya	Whole Time Director and Chief Financial Officer	Chief Financial Officer, holds a Masters degree in Business Administration from Anna University, Chennai. She is having experience in finance, accounting and treasury functions.
Mr. P Muralidasan	Non-Executive Director	Civil Engineer, 33 years' experience in Civil Engineering filed.
Mr. K Rangasamy	Independent Director	Master's degree in Agricultural Science from Tamil Nadu Agricultural University, Tamil Nadu. He is having over 38 years of experience in banking sector.
Mr. P R Sundararajan	Independent Director	Civil Engineer, 38 years' experience in Civil Engineering filed.
Mr. R. Kalaimony	Independent Director	He has more than 20 years associated with Tamil Nadu Electricity Board, now named as TANGEDCO under various cadres in execution of many Hydro Project schemes and contract management of those Hydro project schemes.

## 16. Subsidiary Companies

The details relating to subsidiaries as on 31st March 2022 along with brief profiles of the and other details are provided in Directors Report and its annexure. None of these subsidiaries were material subsidiary during the last financial year.

## 17. General Body Meeting

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

AGM	Financial Year	Date & Time	Venue	Details of Special Resolutions passed
24th	2018-19	Friday, 27.09.2019 10.00 A.M.	Builders'Welfare Trust Hall, Builders Association of India, No. 35, Perundurai Road, Erode – 638 011, Tamil Nadu, India	1. Alteration of Object clause of the Memorandum of Association of the Company. 2. Adoption of Memorandum of Association as per the provision of Companies Act,2013. 3. Adoption of Article of Association as per the provision of Companies Act,2013.
25th	2019-20	Thursday 29.10. 2020 2.00 P.M	Physically at the venue (at the Registered Office of the Company ) as well as through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility	1.To Re-appointment Mr. P Arulsundaram as Chairman and Managing Director. 2. To Re-appointment of Mrs. A. Nithya as Whole Time Director and Chief Financial Officer
18th Extra-Ordinary General Meeting (EGM)	2020-21	Monday 13.09. 2021 2.00 P.M	Physically at the venue (at the Registered Office of the Company ) as well as through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility	No Special Resolution
26th	2020-21	Thursday 30.09. 2021 2.00 P.M	Physically at the venue (at the Registered Office of the Company ) as well as through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility	1. Re-appointment of Mr. Rangasamy Kulanthasamy (DIN: 07103549) as an Independent Director 2. Re-appointment of Mr. Sundararajan (DIN: 07647740) as an Independent Director

- No Court Convened Meeting of Members was held during the year 2021-22.
- No Special Resolution was passed during last year through Postal Ballot.

Resolution, if any, to be passed through Postal Ballot will be taken up, as and when necessary. As of now, Board has not decided to take any resolution by way of postal ballot.

### Procedure for conducting voting through postal ballot

Voting through postal ballot is conducted in compliance to the Section 110 of Companies Act, 2013, read along with Rule 22 of Companies (Management and Administration) Rules, 2014 or as per applicable rules at relevant time. The following is the illustrative steps to conduct the voting through postal ballot:

- Company proceeds to prepare draft of Board resolution, postal ballot notice along with explanatory statement and postal ballot form.
- Obtain consent of the Scrutinizer before the Board Meeting.
- Convene Board meeting to approve the draft documents, appoint Scrutinizer, authorize officer to oversee the entire postal ballot "Calendar of events" process.
- Arrange for printing of address slips, notice, postal ballot forms and self-addressed postage pre-paid envelope (with Scrutinizer's name and address).
- Dispatch of notices to shareholders whose names appear in the Register of members as on particular date as decided by the Board.

- Place postal ballot notice on the Company's website.
- File copies of postal ballot notice with stock exchange where the Company has listed its securities.
- Put an advertisement in newspapers showing the date of dispatch of postal ballot forms and last date for receipt of the filled-in forms.
- Number of forms received at the registered office of the Company are ascertained by scrutinizer. The company ensure that receipt stamp is put on the envelope and the same is kept under safe custody. The filled-in forms received after expiry of thirty days from the date of dispatch of notice shall be treated as if reply from the member has not been received.
- The scrutinizer will submit the report on the outcome of the postal ballot procedure to the Chairman.
- Chairman shall declare the result and publish the same in newspapers. Company shall make arrangements to convey the results to the Shareholders and the Stock Exchanges.
- If the resolution is assented to by requisite majority of the shareholders, then it shall have the same effect of a resolution passed in the General Meeting.
- Company shall file the resolution with the ROC within 30 days of passing.

### 18. Means of Communication

In terms of Regulation 46 of SEBI (LODR) Regulation, 2015, the Company has been maintaining a functional website, containing basic information about the Company including details of its business, financial information, shareholding pattern, compliance

with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. All the presentation made has been submitted to stock exchanges as well as displayed on the website of the Company. Even transcript of all the calls with the investors are submitted to stock exchanges. The contents of the said website are updated from time to time. There were no specific presentations made to Institutional investors or to analysts during the year.

The quarterly / yearly financial results of the Company are disseminated at once to the stock exchanges after the approval by the Board. These are published in Business Standard (English) and Maalai Malar (Tamil), which are national and local dailies respectively, and also hosted on the website of the Company for the benefit of the stakeholders.

Results and reports of the company are also available in www.nseindia.com and www.bseindia.com. Official news releases are made whenever it is considered necessary and are communicated to stock exchanges. Similarly, presentations made to investors including institutional investors or to analysts are also submitted to stock exchanges and also put on the website of the Company. The Company complies with all norms related to proper disclosure and dissemination of information and will keep adhering to same.

## 19. General Shareholder information:

### a. Information about 27th Annual General Meeting:

Date & Time: Friday, 30th September 2022 at 2.00 P.M.

Venue: Registered office of the Company

Through Video Conference (VC)/ Other Audio Visual Means (OAVM) facility

### b. Financial Year

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

Financial Calendar (Tentative)

Results for the quarter ending:

June 30, 2022 – By Third week of August, 2022

September 30, 2022- By second week of November, 2022

December 31, 2022 - By second week of February, 2023

March 31, 2023 – By Fourth week of May, 2023

The dates of each of the meeting would be in compliance to SEBI (LODR) Regulations, 2015 including respective Circular.

### c. Date of Book Closure

The Register of Members and Share Transfer Books shall not be closed for 27th Annual General Meeting.

### d. Dividend payment date

To conserve the resources, your Board don't propose to pay any dividend for the financial year 2021-22.

### e. Listing on Stock Exchanges

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

### f. Stock Exchange Security Code and other related information

National Stock Exchange of India Limited	RPPINFRA
BSE Limited	533284
Depository ISIN Number	INE324L01013
Corporate Identification Number (CIN)	L45201TZ1995PLC006113

### g. Payment of Listing and Depository Fees

The Company has paid the annual listing fees for the year 2021-22 to NSE and BSE. The Company has also paid custodial fees for the year 2021-22 to National Securities Depository Limited and Central Depository Services (India) Limited.

### h. Market Price Data:

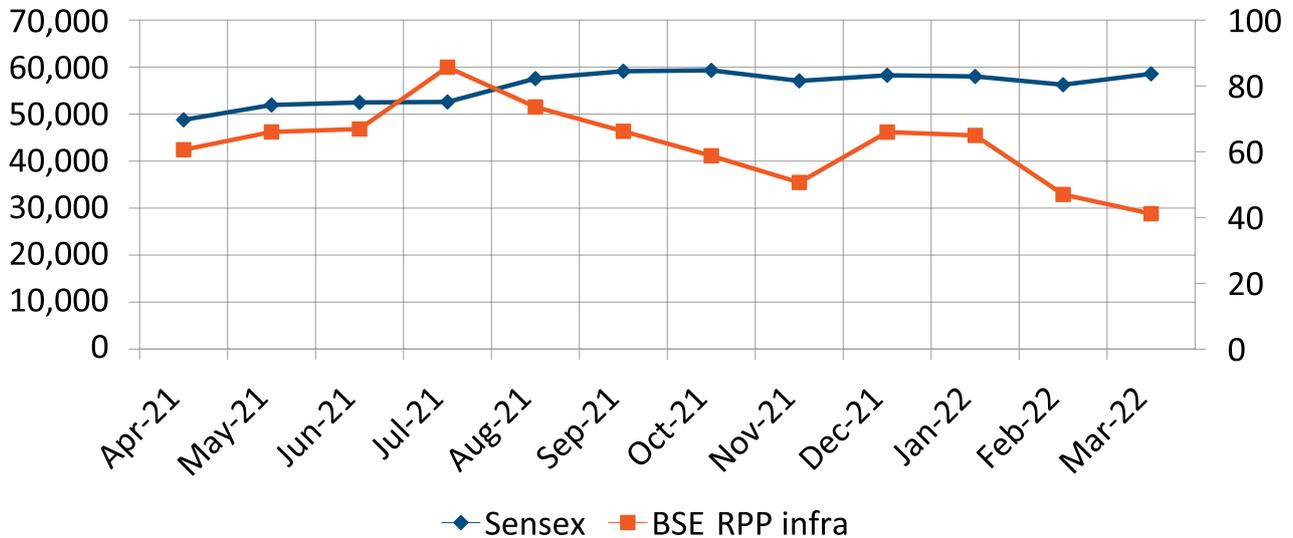
High/Low (₹) during each month of 2021-22 at BSE and NSE

Month	BSE		NSE	
	High ₹	Low ₹	High ₹	Low ₹
April 2021	69.00	50.00	69.00	51.20
May 2021	73.90	59.80	74.20	59.50
June 2021	76.00	61.80	77.35	61.75
July 2021	103.45	66.10	103.50	65.95
August 2021	91.95	70.40	91.80	70.30
September 2021	87.50	65.00	87.55	65.00
October 2021	70.00	55.50	67.75	55.30
November 2021	60.45	49.05	61.00	49.00
December 2021	67.00	49.10	67.00	50.00
January 2022	75.20	60.50	75.40	60.20
February 2022	66.80	43.50	67.00	43.50
March 2022	50.50	40.65	50.00	41.15

### i. Share Performance in Comparison to Indices

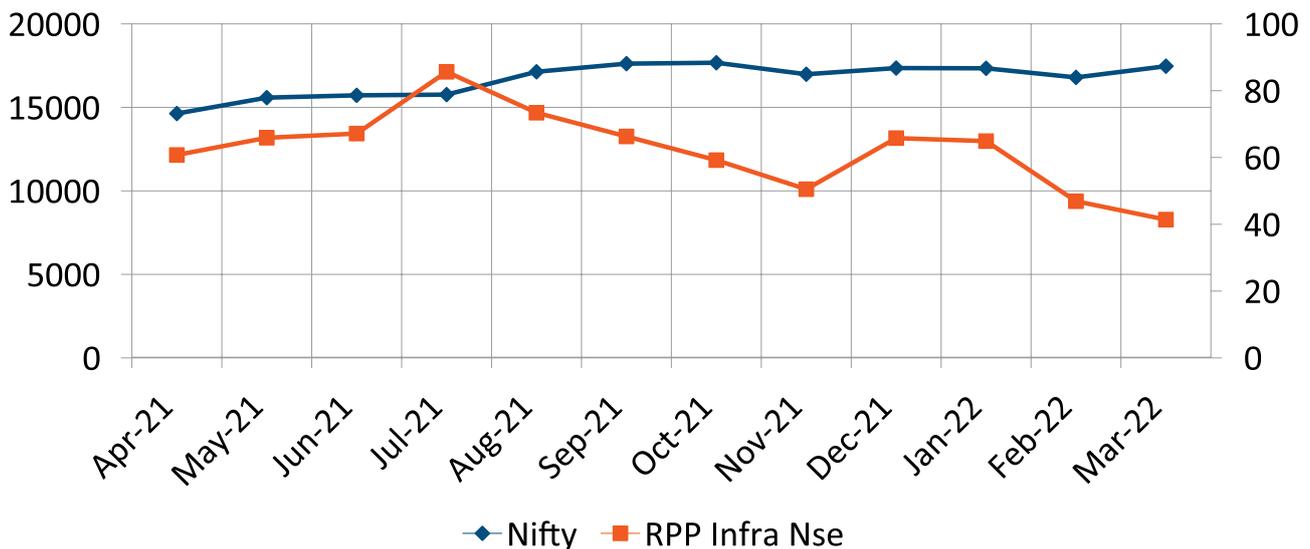
The following charts compare RPP share prices with the BSE Sensex and NSE Nifty respectively

#### SENSEX vs RPP INFRA



Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
48,782	51,937	52,482	52,586	57,552	59,126	59,306	57,064	58,253	58,014	56,247	58,568
61	66	66.9	85.7	73.6	66.2	58.75	50.65	65.95	64.95	47	41.15

#### Nifty vs RPP INFRA



Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
14631.1	15582.8	15721.5	15763.05	17132.2	17618.15	17671.65	16983.2	17354.05	17339.85	16793.9	17464.75
60.75	65.9	67.15	85.65	73.4	66.3	59.2	50	65.8	64.9	46.9	41.4

## j. Registrars and Share Transfer Agents

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

## k. Share Transfer Process:

The Company's shares are traded on the stock exchange only in electronic mode. Shares in physical form are processed by the Registrar and transfer agents M/s Cameo Corporate Services Limited only after getting approval from shareholders committee. Out of total capital only 848 shares representing 0.0022 percent are held in physical form. The share transfers are registered and returned within the period of 15 days of receipt if documents are in order. Further, MCA and SEBI has laid down restriction in physical share transfer.

## l. Reconciliation of Share Capital Audit:

Share Capital Audit to reconcile the admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital is done at interval as provided by SEBI. The Share Capital Audit Report confirms that the total issued / paid-up capital is intact with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. All the shares of the Company is listed and admitted with depository and no difference exists between issued and listed capital.

## m. Shareholding Pattern as on 31.03.2022:

Category	No. of shares held	Percentage of holding
Promoters	1,94,27,583	51.2863
Non- Promoters		
FPI	2,00,472	0.5292
Clearing Members	1,94,951	0.5146
Corporate Bodies	25,35,817	6.6939
Non-Resident Indians	9,79,752	2.5863
IEPF	3,018	0.0079
Resident	1,45,38,991	38.3810
<b>Total</b>	<b>3,78,80,584</b>	<b>100.0000</b>

## n. Distribution of Holdings as on 31.03.2022:

Share holding No of shares	Share holders		Shares	
	Number	% of total	Shares	% of total
01 – 5000	22207	83.6138	28,58,618	7.5463
5001 – 10000	2178	8.2006	17,15,785	4.5294
10001 – 20000	1089	4.1003	16,68,257	4.4039
20001 – 30000	364	1.3705	9,31,257	2.4584
30001 – 40000	207	0.7793	7,25,106	1.9141
40001 – 50000	136	0.5120	6,45,166	1.7031
50001 – 100000	208	0.7831	15,04,776	3.9724
100001 & Above	170	0.6400	2,78,31,619	73.4719
<b>Total</b>	<b>26559</b>	<b>100.0000</b>	<b>3,78,80,584</b>	<b>100.0000</b>

## o. Dematerialization of shares and liquidity:

Dematerialization status of equity shares as on 31st March 2022:

Particulars	No. of Shares	% to Share capital
Central Depository Services (India) Limited	2,97,58,133	78.5577
National Securities Depository Limited	81,21,603	21.4400
<b>Total</b>	<b>3,78,79,736</b>	

Almost the entire paid-up capital of the Company (99.997%) is held in dematerialised mode. Further, since the shares of the Company are traded only in dematerialized form and the shares are frequently traded, the shares of the Company are highly liquid.

p. There are no commodity price risk or foreign exchange risk and hedging activities associated with the Company.

q. Plant Location: The Company carries out works at various sites, where it executes the contract and the fabrication unit for engineering construction is based at the registered office of the Company.

r. Website: Company maintains a functional website containing the all the required information as required to be maintained at <http://www.rppi.com/>.

Credit Rating: The Company has received BWR BBB/Stable Upgraded & BWR BBB/Stable Assignment for Long term Bank Facilities and BWR A3+ Upgraded for Short Term Bank Facilities rating from Brickwork Ratings during the financial year 2021-22.

s. Address for Investor Correspondence:

R.P.P Infra Projects Limited,  
Secretarial Department,  
Registered Office: SF No. 454, Raghupathynaikentalayam,  
Railway Colony Post, Poondurai Road  
Erode – 638002  
Tamil Nadu  
Phone: +91 424 2284077  
Fax: +91 424 2282077  
Email: secretary@rppi.com & ipo@rppi.com

## 20. Disclosures

### a. Related Party Transactions

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

All related party transactions are at arm's length and on ordinary course of business and does not have any potential conflict with the interest of Company and are based on consideration of business necessity.

Details in relation to related party transaction has been provided in the Board Report.

## **b. Details of Non Compliances**

During the last three years, no penalties or strictures have been imposed on the company by Stock Exchanges, SEBI or any statutory authority for non-compliance on any matter relating to the capital markets. Further, Company has not received any notice of non-compliances from stock exchange, i.e., BSE or NSE other than whose details have been disclosed elsewhere in the report or in other reports to stock exchanges.

## **c. Whistle Blower Policy**

The Company had adopted the Whistle Blower Policy. Employees can report to Management concerned unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct policy. No personnel have been denied access to the Audit Committee. A copy of the Whistle Blower Policy is also hosted on the website of the Company.

## **d. Mandatory and Non-Mandatory Compliances**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company continues to follow the principles of good corporate governance and the Board of Directors lays strong emphasis on transparency, accountability and integrity. Your Company has complied with all the mandatory requirements laid down by SEBI (LODR) Regulation, 2015. The non-mandatory requirements compliance have been disclosed at the relevant places.

## **e. Policy on Material Subsidiaries**

In terms of SEBI (LODR) Regulation, 2015, the Board of Directors have adopted a policy with regard to the determination of material subsidiaries and has also hosted the same on the website of the Company at weblink: <http://www.rppi.com/>

## **f. Policy on Related Party Transactions**

In terms of SEBI (LODR) Regulation, 2015, the Board of Directors of the Company have adopted a policy and also hosted the same on the website of the Company at weblink: <http://www.rppi.com/pdf/policy/Policy%20on%20Related%20Party%20Transaction.pdf>

## **g. Commodity price risks and commodity hedging activities**

Company has its process to safeguard itself from increase in prices of the essential commodity required by it. However, the Company has no commodity price risks and has not done any commodity hedging activities.

## **h. Utilization of funds raised**

The money raised by the company by way of right issue and preferential allotment has been utilized for the purpose they are raised.

## **i. Dis-qualification of director**

A certificate from Mr. Gouri Shanker Mishra, Partner, BGS MISHRA & Associates, Company Secretaries LLP that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the

Board/ Ministry of Corporate Affairs or any such statutory authority is attached at end of this report.

## **j. Recommendation of Committee**

The Board has accepted recommendations of Committee, wherever required and no specific event has arose during the financial year, where the Board has not accepted the recommendation.

## **k. Fee paid to Statutory Auditor**

Company has paid an amount of ₹9,40,000/- as Statutory Audit fee plus applicable tax & re-imbusement and Out-of-Pocket expenses.

## **l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has not received any complaints pertaining to sexual harassment during the year and none of the complaint were pending at the beginning of the financial year.

## **21. Secretarial Audit and Annual Secretarial Compliance Report**

The Company in compliance to Section 204 of the Companies Act, 2013 has appointed Gouri Shanker Mishra, Partner, BGS MISHRA & Associates, Company Secretaries LLP as Secretarial Auditor who has conducted Secretarial Audit for the financial year ended on 31st March 2022 and provided a report, which forms part of Board Report. Further, BGS MISHRA & Associates, Company Secretaries LLP has been appointed as Secretarial Auditor for the financial year 2022-23.

Further, Company has also obtained Annual Secretarial Compliance Report from Gouri Shanker Mishra, Partner, BGS MISHRA & Associates, Company Secretaries LLP as per SEBI Circular CIR/CFD/CMD1/27/2019 dated 8th February 2019, which has been submitted within time as per SEBI Circular to Stock Exchanges.

## **22. Non-compliance of any requirement of corporate governance**

The Company is in compliance to all mandatory requirements in relation to the Corporate Governance Norms and the same has been stated at relevant places as required as per SEBI (LODR) Regulations, 2015 and there are no instances of non-compliance in relation to same.

## **23. Compliance to discretionary requirement of corporate governance**

The Company has complied with all the mandatory requirements in relation to the Corporate Governance and wherever required has also taken steps for compliance/ implementation of discretionary items.

The details of implementation of discretionary items are provided below:

- a. Since the Chairman is executive, the Company has not provided for Chairperson office of non-executive chairperson.
- b. Company ensures proper disclosure and dissemination of information. Along with quarterly financial result, Company also provides details of its performance in terms of project and other

details, which is provided to stock exchanges for dissemination to shareholders. However, Company does not circulate any half-yearly declaration of financial performance or summary of the significant events of six-months to shareholders.

- c. The Companies audit report is without any qualification. It had only disclaimer, which has been duly explained at the appropriate place.
- d. Company has duly adopted discretionary requirement and internal auditor reports are directly placed to the Audit Committee.

#### 24. Disclosures of the compliance with corporate governance requirements

The Company has made all required disclosures in relation to the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to clause (i) of sub-regulation (2) of regulation 46.

#### 25. Details of Unclaimed and Unpaid dividend:

As at March 31, 2022, dividend amounting to Lakh has not been claimed by shareholders. The Company has been intimating the shareholders to lodge their claim for dividend from time to time.

As per the provisions of Section 124 of the Companies Act, 2013, dividends remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be credited to the IEPF. Financial year 2021-22, The company has transfer to IEPF ₹6,199.00 for Unpaid Dividend amount for the FY 2013-14 .

In Pursuant to Section 124(6) of the Companies Act, 2013, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF. The Government of India has notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, [Rules], detailing the procedure for such transfer.

In accordance with that, the Company has transfer to IEPF the equity shares in respect of which dividends remain unclaimed for seven consecutive years or more with proper notice to each individual through Registered Post.

The following statements showing the details of unclaimed dividend:

S. No.	Financial Year	Amount Due	Proposed year of transferred to IEPF
1.	2014-15	7755.00	September, 2022
2.	2015-16	66586.00	September, 2023
3.	2016-17	132996.00	September, 2024
4.	2017-18	44172.50	September, 2025

#### 26. Disclosure of the Demat Suspense Account

The following are the unclaimed shares in the Demat Suspense Account of the Company as at 31st March 2022:

Particulars	Number of Shareholders	Outstanding shares in the Suspense Account
Aggregate number of shareholders and outstanding shares in the suspense account lying at the beginning and end of the year.	NIL	NIL

During the year, there was no movement of shares in the suspense account has taken place and the shares still remains in suspense account. The shares held in suspense account shall remain frozen till the rightful owners of such shares claim the shares.

#### 27. Code of Conduct

The Board has laid down a Code of Conduct covering the ethical requirements to be complied with covering all the Board Members and Senior Management Personnel of the Company. An affirmation of compliance with the code is received from them on an annual basis. The Code is also hosted on the website of the Company.

A declaration about compliance with Code of Conduct and Ethics for the Board of Directors and Senior Management is provided at the end of this report.

#### 28. CEO/CFO Certification:

The Managing Director and Chief Financial Officer have issued certificate pursuant to Regulation 17(8) of SEBI (LODR) Regulation, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.

A CEO and CFO Certificate as per Regulation 17(8) of SEBI (LODR) Regulations, 2015, is attached at the end of this report.

#### 29. Certificate on Compliance of Corporate Governance

Pursuant to Regulation 15(2) of SEBI (LODR) Regulation, 2015, a certificate from a Gouri Shanker Mishra, Partner, BGS MISHRA & Associates, Company Secretaries LLP certifying the compliance by the Company with the provisions of the Corporate Governance is annexed with this report.

**For and on behalf of the Board of Directors**

**P Arulsundaram**  
Chairman & Managing Director  
DIN 00125403

Place: Erode  
Date: 12th August, 2022

### **Declaration**

As provided under SEBI (LODR) Regulation, 2015, the members of Board of Directors and the Senior Management Personnel have affirmed compliance with Companies Code of Conduct and Ethics for the Board of Directors and senior management for the year ended 31st March 2022.

Place: Erode  
Date: 12th August 2022

**P Arulsundaram**  
Chairman and Managing Director  
DIN: 00125403

## CEO and CFO Certificate

To,  
The Board of Directors  
R.P.P. Infra Projects Limited  
Erode

Dear Member of the Board,

We, P Arulsundaram, Chairman and Managing Director and A Nithya, Whole-Time Director and Chief Financial Officer of R.P.P. Infra Projects Limited certify that:

- a) we have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2022 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee that there are no:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.

**A Nithya**  
Chief Financial officer  
DIN: 00125357

**P Arulsundaram**  
Chairman and Managing Director  
DIN: 00125403

Place: Erode  
Date: 12th August 2022

## Certificate on Compliance with the conditions of Corporate Governance

To,  
The Members of  
RPP Infra Projects Limited  
SF No. 454, Raghupathynaiken Palayam,  
Railway Colony Post, Poondurai Road,  
Erode - 638002, Tamil Nadu

We have examined the compliance of conditions of Corporate Governance by R.P.P Infra Projects Limited ("the Company") for the year ended 31st March 2022 as per Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as stipulated in Regulation 34(3) read with Schedule V of Listing Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as per relevant provisions of the Listing Regulations for the period 1st April 2021 to 31st March 2022.

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

For BGS MISHRA & Associates, Company Secretaries LLP

SD

Gouri Shanker Mishra, Designated Partner

M. No: F 6906; C P No. 13581

Peer Review: 1545/2021

UDIN: F006906D000772836

Place: Chennai

Date: 10th August 2022

## Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
RPP Infra Projects Limited  
SF No. 454, Raghupathynaiken Palayam,  
Railway Colony Post, Poondurai Road,  
Erode - 638002, Tamil Nadu

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of R.P.P Infra Projects Limited ("the Company") produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority as on date of this report:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Arul Sundaram Poosappan	00125403	04/05/1995
2	Mrs. Arulsundaram Nithya	00125357	19/02/1999
3	Mr. Muralidasan Perumal	01771215	01/04/2008
4	Mr. Rangasamy Kulanthasamy	07103549	14/11/2016
5	Mr. P R Sundararajan	07647740	14/11/2016
6	Mr. Ramasamy Kalaimony	08551489	14/11/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BGS MISHRA & Associates, Company Secretaries LLP  
SD  
Gouri Shanker Mishra, Designated Partner  
M. No: F 6906; C P No. 13581  
Peer Review: 1545/2021  
UDIN: F006906D000&&28

Place: Chennai  
Date: 10th August 2022

# STANDALONE FINANCIAL STATEMENTS

# Independent Auditor's Report

TO  
THE MEMBERS OF  
**R.P.P INFRA PROJECTS LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

I have audited the accompanying standalone financial statements of R.P.P INFRA PROJECTS LIMITED ("the Company"), which comprise the Balance sheet as at 31st March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information, which includes two branches and Eight jointly controlled operations.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing ("SA's) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of my report.

I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the standalone financial statements of the current period. These matters were addressed in the context of my audit of the standalone financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined the matters described below to be the key audit matters to be communicated in my report.

S.No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition in accordance with Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>The Company inter alia engages in Fixed-price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs. (Refer Notes No. 27 to the Standalone Financial Statements)</p> <p>I identified revenue recognition of fixed price development contracts as a KAM considering –</p> <ul style="list-style-type: none"> <li>• There is an inherent risk around the accuracy of revenues given, the customised and flexible nature of these contracts in terms of tenure of the projects.</li> <li>• Application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;</li> <li>• These contracts may involve onerous obligations on the Company that require critical estimates to be made by management; and</li> <li>• At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised in the balance sheet.</li> </ul>	<p><b>My audit procedures on revenue recognized from fixed price development contracts include</b></p> <ul style="list-style-type: none"> <li>• Understanding of the systems, processes and controls implemented by management for recording and calculating revenue and work-in-progress/Contract Assets.</li> <li>• On selected samples of contracts, I tested that the revenue recognized is in accordance with the accounting standard by – <ul style="list-style-type: none"> <li>➤ Evaluating the performance obligation;</li> <li>➤ Testing management's calculation of the estimation of contract cost and onerous obligation, if any. I : <ul style="list-style-type: none"> <li>➤ Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management;</li> <li>➤ Performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract; and</li> <li>➤ Assessed the appropriateness of work in progress (contract assets) in balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations.</li> </ul> </li> </ul> </li> </ul>

S.No	Key Audit Matter	Auditor's Response
2	<p><b>Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices</b></p> <p>The Company, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction (EPC) services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could be based on agreed unit price or lump-sum revenue arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the Company's performance has resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, involves a significant amount of judgment. Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment.</p> <p>Refer to Note No. 2.14(i) and Note No.27 of the standalone financial statements</p>	<p><b>The procedures performed included the following:</b></p> <ul style="list-style-type: none"> <li>obtained an understanding of the Company's processes in collating the evidence supporting execution of work for each disaggregated type of revenue;</li> <li>obtained an understanding of the Company's processes in assessing the recoverability of amounts overdue and process over estimating the expected credit loss allowance;</li> <li>tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the provisioning model;</li> <li>evaluated controls over authorisation and calculation of provisioning model;</li> <li>evaluated the delivery and collection history of customers against whose contracts un-invoiced revenue is recognised;</li> <li>verified for the sample selected, receipts post balance sheet date upto the approval of the financial statements by the Board of Directors of the Parent Company;</li> <li>performed an overall assessment of the expected credit loss provision to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment; and</li> <li>tested the appropriateness of the disclosures in the financial statements to ensure compliance with Ind AS 115</li> </ul>
3	<p><b>Claims and exposures relating to taxation and litigation</b></p> <p>The Group is subject to a considerable number of tax and legal disputes, which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case.</p> <p>Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p><b>My audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process.</li> <li>For selected controls I have performed tests of controls.</li> <li>Obtained the summary of Group's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.</li> <li>Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.</li> <li>Assessed the competence and objectivity of the Group's experts, to satisfy ourselves that these parties are suitable in their roles.</li> </ul>

**I have determined that there are no other Key Audit Matters to communicate in my report.**

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and my auditors' report thereon.

My opinion on the standalone financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the standalone financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work I have performed, I have nothing to report in this regard.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial

position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether

the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

I did not audit the financial statements of Two branches and Eight jointly controlled operations included in the standalone financial results of the Company, whose results reflect total assets of ₹158.98 Crore as at 31st March, 2022 and total revenues of ₹377.21 Crore and net profit/(Loss) after tax of ₹(4.63) Crore, and Other comprehensive income of ₹Nil for the year ended March 31st 2022, respectively and net cash flows amounting to ₹14.08 Crore for the year then ended. These branch financial statements have been audited by other Auditors whose reports have not been furnished to me and these JV's financial statements have been audited by other Auditors whose reports have been furnished to me by the Management and my opinion on the standalone financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by me are as stated in paragraph above. My opinion is not modified in respect of this matter.

## Emphasis of Matter

### I invite attention to:

The mobilisation advance received by the Company from certain departments and the proportionate amount which has to be classified as GST liability has been shown as mobilisation advance liability to the extent of ₹10.87Crores (Refer Note No. 23).

My Opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, I give in the Annexure -B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  2. (A) As required by Section 143(3) of the Act, I report that:
    - (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
    - (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
    - (c) The reports and accounts of the branch offices situated in Sri Lanka and Bangladesh have not been audited by me and I have not received any audit report for the same.
    - (d) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including other Comprehensive income), the standalone statement of changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
    - (e) In my opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".
  - (h) In my opinion and to the best of my information and according to the explanations given to me, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.40 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For **CA S.N. Duraiswamy**  
Chartered Accountant

Place : Erode  
Date : 30 May 2022

Membership No. : 026599  
UDIN : 22026599AKGWRB8753

## Annexure 'A'

### to the Independent Auditors' Report on the Standalone Financial Statements of RPP Infra Projects Limited

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory requirements" section of our report of even date)

With reference to the Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2022, I report the following :

3(i) In respect of the Company's Property Plant and Equipment:

(a) (A) the company is generally maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) the company is maintaining proper records showing full particulars of intangible assets.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its in a phased manner during the year. In my opinion, this physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company , the title deeds of all the immovable properties disclosed in the standalone financial statements shown under the Property Plant and Equipment schedule are held in the name of the Company.

(d) According to the information and explanation given to us and on the basis of our examination of the records of the Company ,the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.

(e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no proceedings, that have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

3(ii) (a) The inventory has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company ,the Company has been sanctioned working capital limits in excess of five crores rupees from banks

on the basis of security of current assets, and the quarterly returns or statements filed by the Company with such banks are in agreement with the books of accounts.

3(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a),(b),(c),(d),(e),(f) of the Order are not applicable to the Company.

3(iv) According to the information and explanation given to us and on the basis of our examination of the records of the Company ,the Company has neither made any investments nor has it given any loans or provided any guarantee or security to which provisions of Section 185 of Companies Act 2013 apply. In my opinion and according to explanations given to me, the company has complied with the provisions of the sections 186 of the Act, with respect to the loans given, investment made, guarantees and security given.

3(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

3(vi) I have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records u/s 148 of the Act, and is of the opinion that prima facie, the prescribed accounts and records have been made and maintained. I have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

3(vii) According to the information and explanations given to me, in respect of statutory dues:

a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, duty of customs, cess and any other statutory dues to the appropriate authorities have generally been regularly deposited except the following which is not paid with the appropriate authorities.

Name of the Statute	Nature of Liability	Amount in ₹
Income Tax Act	Income tax – 2018 – 2019	1,73,31,375
Service Tax Act	Service tax liability	53,63,313

- b) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service tax, duty of customs, cess and any other statutory dues to the appropriate authorities have generally been regularly deposited with the appropriate authorities though there had been delays in the following cases :

Name of the Statute	Nature of Liability	Amount in ₹
Income Tax Act	Income tax – 2016-17	13,28,336
Income Tax Act	Income tax – 2014-15	1,09,79,556
Income Tax Act	Income tax – 2010-11	49,95,806
Income Tax Act	Income tax – 2011-12	30,99,224

- c) Details of dues of Income Tax and Service Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

Name of Statute	Nature of the due	Amount in ₹	Period to which the amount relates	Forum where the dispute is pending	Date of Demand Raised	Date of Response	Management Remarks
Income Tax Act	Income Tax	5,066	2005-06	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	29/10/2008	29/05/2015 - Transaction- ID 2156246968	The Response to the demand raised in 2008, was given on 29.05.2015 vide transaction ID 2156246968, where we have submitted that there are no dues from our side payable to the department. Since we are unaware of the details we have requested the department to provide the details of the demand to enable us to work on.
Income Tax Act	Income Tax	24,14,650	2005-06	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	17/08/2007	12/05/2015 - 2140626493	The Response to the demand raised in 2008, was given on 12.05.2015 vide transaction ID 2140626493, where we have submitted that there are no dues from our side payable to the department. Since we are unaware of the details we have requested the department to provide the details of the demand to enable us to work on.
Income Tax Act	Income Tax	8,268	2007-08	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	19/3/2010	29/05/2015 - 2156248760	The Response to the demand raised in 2010, was given on 29.05.2015 vide transaction ID 2156248760, where we have submitted that there are no dues from our side payable to the department. Since we are unaware of the details we have requested the department to provide the details of the demand to enable us to work on.
Income Tax Act	Income Tax	2,546	2008-09	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	23/02/2011	29/05/2015 - 2156249791	The Response to the demand raised in 2010, was given on 29.05.2015 vide transaction ID 2156249791, where we have submitted that there are no dues from our side payable to the department. Since we are unaware of the details we have requested the department to provide the details of the demand to enable us to work on.

Name of Statute	Nature of the due	Amount in ₹	Period to which the amount relates	Forum where the dispute is pending	Date of Demand Raised	Date of Response	Management Remarks
Income Tax Act	Income Tax	67,33,908	2008-09	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	16/11/2017	-	We are yet to receive the details of the demand raised in the portal, based on which we need to submit our response and decide on further course of action.
Income Tax Act	Income Tax	1,41,81,035	2009-10	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	21/08/2019	-	We had approach the Settlement commission in the year 2017 and received the settlement order in the year 2019. The settlement order had imposed a demand of 1.41 crores against which we have remitted 1.01 crores in three instalments. The difference of 0.33 crores refers to TDS which was not updated in the portal at the time of settlement application but later on was updated which we have consider while making the settlement payment.
Income Tax Act	Income Tax	2,47,29,787	2010-11	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	21/08/2019	-	Portal not updated since 2016. To give effect to assessment order. And also the tax paid in the 3 instalments.
Income Tax Act	Income Tax	-	2011-12	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	21/08/2019	-	Portal not updated since 2016. To give effect to Order under Sec 245D(6) Dated 20/06/2019.
Income Tax Act	Income Tax	-	2012-13	The Deputy Commissioner of Income Tax, Central Circle II, Coimbatore	21/08/2019	-	Portal not updated since 2016. To give effect to Order under Sec 245D(6) Dated 20/06/2019.
Income Tax Act	Income Tax	6,88,497	2013-14	Income Tax Department-CPC	21/08/2019	-	We are yet to submit our response and decide on further course of action.
Income Tax Act	Income Tax	21,49,664	2014-15	Income Tax Department-CPC	21/08/2019	-	We are yet to submit our response and decide on further course of action.
Income Tax Act	Income Tax	9,20,190	2015-16	Income Tax Department-CPC	30/01/2020	-	The details of the demand raised in the portal on 31/1/2020 is not known against which we have gone an appeal with respect to 80IA deductions on 26.02.2021. the final demand to be paid will be determined based the appeal order which we have yet to receive.
Income Tax Act	Income Tax	4,36,51,960	2015-16	Income Tax Department-CPC	30/01/2020	-	Appeal filed on 26/02/2021.
Income Tax Act	Income Tax	35,17,720	2016-17	Income Tax Department-CPC	15/03/2021	-	Portal not updated. Give effect to the appellate order.
Income Tax Act	Income Tax	7,01,02,480	2016-17	Income Tax Department-CPC	15/03/2021	-	Portal not updated. Give effect to the appellate order.
Income Tax Act	Income Tax	33,58,690	2017-18	Income Tax Department-CPC	16/10/2019	-	Rectification request 143(3) to be placed.
Income Tax Act	Income Tax	11,80,62,760	2017-18	Income Tax Department-CPC	16/10/2019	-	Rectification request 143(3) to be placed.
Income Tax Act	Income Tax	5,96,66,460	2018-19	Income Tax Department-CPC	21/03/2021	-	Response to 143(1) is yet to be made.

Name of Statute	Nature of the due	Amount in ₹	Period to which the amount relates	Forum where the dispute is pending	Date of Demand Raised	Date of Response	Management Remarks
Income Tax Act	Income Tax	-	2018-19	Income Tax Department-CPC	31/03/2022		Reply made. Awaiting response from Department
Service Tax Act	Service Tax	2.52 Crores	2004-09	Commissioner of Central excise dept	13/12/2010		Awaiting decision or order in response to the appeal filed ,from the department.
Service Tax Act	Service Tax	0.63 Crores	2010	Commissioner of Central excise dept	13/12/2010		Awaiting decision or order in response to the appeal filed, from the department.
Service Tax Act	Service Tax	1.87 Crores	2010-11	Commissioner of Central excise dept	13/12/2010		Awaiting decision or order in response to the appeal filed, from the department.
Service Tax Act	Service Tax	3.44 Crores	2012	Commissioner of Central excise dept	13/12/2010		Awaiting decision or order in response to the appeal filed, from the department.
Service Tax Act	Service Tax	2.18 Crores	2012-13	Commissioner of Central excise dept	13/12/2010		Awaiting decision or order in response to the appeal filed ,from the department.
Service Tax Act	Service Tax	12.29 Crores	2014-17	Commissioner of Central excise dept	30/12/2020		Awaiting for the order in respect of the Notice.
Value Added Tax	VAT	97.57Crores	2012-15	Commissioner of Commercial Tax dept	04/11/2020		Petition filed in the High court.
Value Added Tax	VAT	9,07,852	2010-11	Appellate Deputy Commissioner(ST)	06/10/2021		Pending before Appellate Deputy Commissioner(ST)
Value Added Tax	VAT	15,28,762	2011-12	Appellate Deputy Commissioner(ST)	08/10/2021		Pending before Appellate Deputy Commissioner(ST)
Value Added Tax	VAT	12,83,202	2012-13	Appellate Deputy Commissioner(ST)	18/10/2021		Pending before Appellate Deputy Commissioner(ST)
Value Added Tax	VAT	21,54,469	2013-14	Appellate Deputy Commissioner(ST)	28/10/2021		Pending before Appellate Deputy Commissioner(ST)
Value Added Tax	VAT	4,70,492	2014-15	Appellate Deputy Commissioner(ST)	28/10/2021		Pending before Appellate Deputy Commissioner(ST)
Income Tax Act	TDS	14,28,980	Various periods	Income Tax Department-CPC			Awaiting the Notice from Department

According to the information and explanation given to me and on the basis of my examination of the records of the Company, the Company have received notice from GST Department for various states in which it operates, in ordinary course of business. The value of which couldn't be ascertained because of its nature.

- 3(viii) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year.
- 3(ix) (a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not defaulted in repayment of dues to its bank, financial institution, and to the Government for the year ended 31-03-2022.
- (b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or any financial institution.
- (c) In my opinion and according to the information and explanations given to me, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to me, and the procedures performed by me, and on an overall examination of the financial statements of the company, I report that no funds raised on short-term basis have been used for long-term purposes by the company
- (e) According to the information and explanations given to me and on an overall examination of the financial statements of the company, I report that the company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures as per details below:

Nature of Fund	Name of the Lender	Amount involved ₹ in Crores	Name of the subsidiary/ Joint Venture/Associates	Nature of Transaction for which funds utilised
Cash Credit	Indian Bank	4.83	RPP RENAATUS JV	Project execution purpose
Cash Credit	Canara Bank	(0.45)	RPP DHANYA JV	Project execution purpose. The amount sanctioned is not utilized till the date of this report

- (f) According to the information and explanations given to me and procedures performed by me, I report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 3(x) (a) In my opinion and according to the information and explanations given to me, the company has utilised the money raised by way of initial public offer/ further public offer (including debt instruments) for the purposes for which they were raised.
- (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting in this clause is not applicable.
- 3(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to me, considering the principles of materiality outlined in Standards on Auditing, I report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to me, no report under sub-section (12) of Section 143 of the Act has been filed by the auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to me by the management, there are no whistle blower complaints received by the company during the year.
- 3(xii) The Company is not a Nidhi Company and therefore clause 3(xii) of the Order is not applicable to the Company and I do not comment upon this provision.
- 3(xiii) In my opinion, all the Related Party Transactions entered into by the Company during the year are in compliance with the provisions Sec. 188 & 177 of the Act and the details thereof have been disclosed in the Financial Statements as required by the Accounting standards and the Act.
- 3(xiv) (a) Based on the information and explanation provided to me, in my opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) I have considered the internal audit reports of the company issued till date, for the period under audit.
- 3(xv) According to the information and explanations given to me, in my opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.
- 3(xvi) In my opinion, the Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clause 3(xvi) (a), (b) is not applicable
- (c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. According Clause 3(xvi) (c),(d) is not applicable.
- 3(xvii) The Company has not incurred cash losses in the current financial year and also in the immediately preceding financial year.
- 3(xviii) There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) of the Order is not applicable.
- 3(xix) According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 3(xx) In my opinion and according to the information and explanations given to me, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable

For **CA S.N. Duraiswamy**  
Chartered Accountant

Place : Erode  
Date : 30 May 2022

Membership No. : 026599  
UDIN : 22026599AKGWRB8753

## Annexure 'B'

### to the Independent Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of RPP Infra Projects Limited as of March 31, 2022 in conjunction with my audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting, except relating to the branches in Sri Lanka and Bangladesh.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements are operating effectively as at 31 March 2020, except relating to the branches in Sri Lanka and Bangladesh for which I have neither audited nor received an Independent Auditor's report on the same, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **CA S.N. Duraiswamy**  
Chartered Accountant

Place : Erode  
Date : 30 May 2022

Membership No. : 026599  
UDIN : 22026599AKGWRB8753

## Standalone Balance Sheet as at 31st March, 2022

₹ (Crore)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	61.54	46.99
Capital work in progress	4	2.53	4.08
Other Intangible assets	5	0.01	0.01
Financial assets			
Investments	6	7.14	7.14
Long Term Loans & Advances	7	2.14	2.64
Other Financial Assets	8	53.60	90.44
Deferred Tax Asset	9	0.00	0.00
Other Non-Current Assets	10	4.63	4.48
<b>Total Non -Current Assets</b>		<b>131.59</b>	<b>155.78</b>
<b>Current assets</b>			
Inventories	11	18.30	11.32
Financial assets			
Investments			
Trade Receivables	12	207.30	145.93
Cash and Cash equivalents	13	41.52	16.57
Short Term Loans & Advances	14	24.07	25.43
Other Financial Asset	15	142.49	147.76
Other Current Assets	16	157.37	105.33
Current Tax Assets (net)	26	16.03	10.13
<b>Total Current Assets</b>		<b>607.08</b>	<b>462.47</b>
<b>Total assets</b>		<b>738.67</b>	<b>618.25</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	17	36.69	23.65
Share Warrant		-	6.64
Other Equity	18	280.92	237.52
<b>Total equity</b>		<b>317.61</b>	<b>267.81</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	42.28	68.42
Other Financial Liabilities		-	-
Deferred Tax Liability	9	0.67	0.01
Provisions	20	0.35	0.30
<b>Total Non-current liabilities</b>		<b>43.30</b>	<b>68.73</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	21	<b>62.04</b>	<b>54.61</b>
Trade payables			
(a) Total outstanding dues of micro enterprises & small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	22	114.66	128.23
Other current financial liabilities	23	175.13	77.92
Other Current Liabilities	24	22.30	12.41
Short Term Provisions	25	2.49	2.47
Current Tax Liabilities (Net)	26	1.13	6.08
<b>Total Current liabilities</b>		<b>377.76</b>	<b>281.71</b>
<b>Total liabilities</b>		<b>421.06</b>	<b>350.44</b>
<b>Total equity and liabilities</b>		<b>738.67</b>	<b>618.25</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

On behalf of Board of Directors

For RPP Infra Projects Limited

**CA S N DURAIWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWRB8753

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

## Standalone Profit and Loss for the year Ended 31st March 2022

₹ (Crore)

Particulars	Notes	Year ended 31st March 2022	Year ended 31st March 2021
<b>Income</b>			
Revenue from operations	27	779.82	477.90
Other income	28	14.19	11.21
<b>Total income</b>		<b>794.01</b>	<b>489.10</b>
<b>Expenses</b>			
Cost of Material Consumed	29	186.35	122.22
Direct Operating Cost	30	511.34	287.11
Employee benefits expense	31	18.32	10.94
Finance Cost	32	13.98	18.95
Depreciation and amortization expense	33	7.97	6.11
Other expenses	34	41.86	21.61
<b>Total expense</b>		<b>779.82</b>	<b>466.94</b>
<b>Profit/(Loss) before Exceptional item and tax</b>		<b>14.19</b>	<b>22.16</b>
Exceptional Item		-	-
<b>Profit/(Loss) after Exceptions item and before tax</b>		<b>14.19</b>	<b>22.16</b>
<b>Tax Expense</b>			
Current Tax	35	5.17	7.49
Deferred tax	35	0.66	-0.86
<b>Total Tax Expense</b>		<b>5.83</b>	<b>6.62</b>
<b>Profit/(loss) for the year</b>		<b>8.36</b>	<b>15.53</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
Remeasurement of defined benefit plans		0.09	0.09
Net change in fair values of investments in equity shares carried at fair value through OCI		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the period / year, net of tax</b>		<b>0.09</b>	<b>0.09</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>8.28</b>	<b>15.44</b>
<b>Earnings per share</b>			
(1) Basic (in INR)	38	2.64	5.40
(2) Diluted (in INR)	38	2.64	5.40

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

On behalf of Board of Directors

For RPP Infra Projects Limited

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWRB8753

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

Statutory Reports

Financial Statements

## Standalone Statement of cash flows for the year ended 31st March 2022

₹ (Crore)

Particulars	Note	Year ended 31st March 2022	Year ended 31st March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>PROFIT BEFORE TAX</b>		<b>14.19</b>	<b>22.16</b>
<b>NON-CASH ADJUSTMENTS TO RECONCILE PROFIT/(LOSS) BEFORE TAX TO NET CASH FLOWS</b>			
<b>Add:</b> Depreciation		7.97	6.11
<b>Add:</b> Interest paid		13.98	18.95
<b>Less:</b> Interest received		(4.11)	(2.37)
<b>Add:</b> (Profit)/Loss on sale of Property, Plant and Equipment (Net)		(0.17)	0.16
<b>Add:</b> (Profit)/Loss on sale of Investment (Net)		-	0.02
<b>Add:</b> Changes in WIP		-	0.94
<b>Add:</b> Other non-cash items		-	0.00
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>31.86</b>	<b>45.96</b>
<b>WORKING CAPITAL ADJUSTMENTS</b>			
Increase / (Decrease) in Trade Payables		(13.57)	8.90
Increase / (Decrease) in Other Current Financial Liabilities		97.21	(3.89)
Increase / (Decrease) in Other Current Liabilities		9.89	(4.41)
Increase / (Decrease) in Short Term Provisions		0.03	0.04
(Increase) / Decrease in Trade Receivables		(61.37)	1.50
(Increase) / Decrease in Inventories		(6.98)	12.86
(Increase) / Decrease in Other Non-Current Assets		(0.15)	(1.94)
(Increase) / Decrease in Short Term Loans & Advances		1.36	2.63
(Increase) / Decrease in Other Financial assets		5.27	(4.81)
(Increase) / Decrease in Other Current Assets		(52.04)	5.56
Increase / (Decrease) in Provisions		0.05	0.10
Increase / (Decrease) in Other Non Current Financial Asset		36.84	-
Other Adjustments		(2.15)	(2.03)
<b>Cash generated from/(used in) operating activities</b>		<b>46.24</b>	<b>60.46</b>
<b>Less:</b> Direct Taxes Paid		(13.78)	(15.36)
<b>Net cash generated from/(used in) operating activities</b>		<b>32.47</b>	<b>45.11</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Investments		-	0.03
Payments for Purchase of Property, Plant and Equipment		(21.62)	(5.49)
Proceeds from Sale of Property, Plant and Equipment		0.65	-
Interest received		4.11	2.37
<b>Net cash generated from/(used in) investing activities</b>		<b>(16.86)</b>	<b>(3.09)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	23.50
Repayment of borrowings		(18.70)	(7.02)
Net changes in Long Term Loans & Advances		0.50	(0.19)
Interest paid		(13.98)	(18.95)
Purchase of equity or debt instruments of other entities		13.04	7.69
Others		28.49	8.40
<b>Net cash generated from/(used in) financing activities</b>		<b>9.34</b>	<b>13.42</b>
<b>Net increase in cash and cash equivalents</b>		<b>24.95</b>	<b>55.44</b>
<b>Add:</b> Cash and Cash Equivalents at the beginning of the period	13	16.57	51.57
Cash and Cash Equivalents at the end of the period	13	<b>41.52</b>	<b>107.01</b>

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the IND AS 7 "Statement of cash Flows" as specified in the companies (indian accounting Standards) Rules, 2015
- Previous year figures have been regrouped/reclassified wherever required

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**On behalf of Board of Directors  
For RPP Infra Projects Limited**

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWRB8753

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

## Statement of Changes in Equity for the year ended 31st March 2022

### a. Equity Share Capital

₹ (Crore)

	Note No	Number	₹ in Crore
Equity shares of ₹10 each issued, subscribed and fully paid			
<b>As at 31 March 2020</b>		<b>22600584.00</b>	<b>22.60</b>
Issue of share capital	17	1050000.00	1.05
<b>As at 31 March 2021</b>		<b>23650584.00</b>	<b>23.65</b>
Issue of share capital	17	13035716.00	13.04
<b>As at 31 March 2022</b>		<b>36686300.00</b>	<b>36.69</b>

### b. Other Equity

₹ (Crore)

Particulars	Note	Reserves & Surplus			Share Application Money	
		Share Premium	Retained Earnings	Other Reserves	Share Application Money	Total Other Equity
<b>As at 1 April 2021</b>		<b>48.05</b>	<b>187.08</b>	<b>2.38</b>	-	<b>237.52</b>
Profit for the period	18	-	8.28	-	-	8.28
Dividend	17.5	-	-	-	-	-
Dividend distribution tax	17.5	-	-	-	-	-
Share Warrant Premium	18	-	-	-	-	-
Share Warrant Forfeiture	18	-	-	6.64	-	6.64
Rights Issue Premium	18	26.07	-	-	-	26.07
Share Application Money Pending allotment	18	-	-	-	2.15	2.15
Others	18	-	0.27	-	-	0.27
Other comprehensive income	18	-	-	-	-	-
<b>As at 31st March 2022</b>		<b>74.12</b>	<b>195.63</b>	<b>9.02</b>	<b>2.15</b>	<b>280.92</b>
<b>As at 1 April 2020</b>		<b>39.65</b>	<b>171.54</b>	<b>2.38</b>	-	<b>213.57</b>
Profit for the period	18	-	15.53	-	-	15.53
Dividend	17.5	-	-	-	-	-
Dividend distribution tax	17.5	-	-	-	-	-
Share Warrant Premium	18	8.40	-	-	-	8.40
Others	18	-	(0.08)	-	-	(0.08)
Other comprehensive income	18	-	0.09	-	-	0.09
<b>As at 31st March 2021</b>		<b>48.05</b>	<b>187.08</b>	<b>2.38</b>	-	<b>237.52</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

On behalf of Board of Directors  
For RPP Infra Projects Limited

**CA S N DURAI SWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWRB8753

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 1 : Company Overview

RPP Infra Projects Limited has been engaged in nation-building since 1995. It is engaged in construction across multiple infrastructure verticals like roads, buildings, industrial structures, power, irrigation and water management and has executed many projects in Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh, Maharashtra, Andaman & Nicobar, Jharkand and Uttar Pradesh for 27 years.

### Note 2 : Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements.

#### 2.01 Statement of compliance

##### Recent Accounting Developments:

##### 1) New Standards notified and adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition – Ind AS 115 (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

- a) Identification of the contracts with the customer
- b) Identification of the performance obligations in the contract
- c) Determination of the transaction price
- d) Allocation of transaction price to the performance obligations in the contract (as identified in step b)
- e) Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112). None of these amendments have any material effect on the Company's financial statements.

##### 2) Ind AS New Standard notified but not early adopted by the Company

###### (i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard.

The said amendment does not have any impact on the financial statements.

###### (ii) Other amendments

Several other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

- a) business combination accounting in case of obtaining control of a joint operation;
- b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
- c) income tax consequences in case of dividends;
- d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
- e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
- f) accounting for prepayment features with negative compensation in case of debt instruments;
- g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
- h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Company's financial statements.

#### 2.02 Basis of Preparation

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31, 2021, have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of Companies Act,

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

2013 read with Companies (Indian Accounting Standard) Rules as amended from time to time.

"The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Division II of Schedule III to the Companies Act, 2013."

### Operating Cycle

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

### Current and Non Current Classification

An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2- Inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3- Unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

### Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information presented in Crores has been rounded to two decimals except where otherwise indicated.

### 2.03 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

Assumptions and Key Sources of Estimation Uncertainty

#### (i) Revenue

Revenue is recognised based on the extent of progress towards completion of the performance obligation. This requires the Company to estimate total contract revenue, and remaining cost to complete the contract at the end of each reporting date. The financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, therefore recognized revenue and profit are subject to change as the contract progresses to completion.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### (ii) Useful life of Property, Plant & Equipment (PPE)

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which is reviewed at the end of each reporting period. The rate of depreciation adopted by the company has been tabulated in note 2.03

### (iii) Expected Credit Loss (ECL)

Expected Credit Loss is prepared based on the historical data for the past two years with half yearly intervals and the probability of default is computed accordingly. The mechanism tries to identify the receivables which would probably result in becoming unrecoverable for the company and additional provision is created by company based on the ECL model.

### (iv) Employee Benefits - Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

### (v) Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

### (vi) Fair value measurement

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 45.

### (vii) Provision for contractual obligation

Assessments undertaken in recognising provisions for contractual obligation have been made as per the best judgement of the management based on the current available information.

## 2.04 Property, Plant and Equipment

Land and buildings, Property, Plant and Equipments held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss.

The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and initial estimate of decommissioning, restoring and similar liabilities. Such cost includes the cost of replacing part of the plant and equipment and professional fees. Any trade discounts and rebates are deducted in arriving at the purchase price. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. All other repair and maintenance costs are recognised in profit or loss as incurred. Own fabricated assets are capitalized at cost including an appropriate share of overheads.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

### Depreciation on Property, Plant & Equipment

Depreciation of these PPE commences when the assets are ready for their intended use. It is provided on the cost of PPE (other than leasehold land) less their residual values, using the straight line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the Company. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Particulars	Rate of depreciation
Land	0.00%
Buildings	3.00%
Plant & Machinery	4.75%
Office Equipment	6.33%
Furniture and Fixtures	6.33%

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

Particulars	Rate of depreciation
Computer	16.21%
Light Motor Vehicle	9.50%
Heavy Vehicle	11.31%

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹10,000/- which are fully depreciated at the time of addition.

On subsequent expenditure on PPE arising on account of capital improvement or other factors, depreciation is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped PPE which are capitalized separately is provided for over the reassessed useful life.

### De-Recognition:

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised as in the Statement of Profit and Loss.

Assets not ready for the intended use on the date of the Balance Sheet are disclosed as Capital Work-in-Progress.

### 2.05 Intangible Assets

Intangible assets with finite useful lives that are acquired separately, are carried at cost less accumulated amortisation and accumulated impairment losses. The costs comprises of all cost, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible asset. Amortisation is recognised on a straight line basis over their estimated useful lives from the date of capitalisation. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

Computer software are amortized on a straight line basis over a period of 3 years.

### De-recognition

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

### 2.06 Impairment of tangible and intangible assets

The Company reviews the carrying amount of its tangible and intangible assets and Property, Plant and Equipment (including Capital Works-in-Progress) of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and impairment loss is recognised in the Statement of Profit and Loss.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### 2.07 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

#### Operating leases:

- (i) Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the related assets are classified as operating leases.
- (ii) Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

### 2.08 Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### 2.09 Financial assets

Financial assets comprises of investments, trade receivables, cash and cash equivalents, term loans and advances and other financial assets.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

#### (ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified

dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

#### (iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

#### (v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### (vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

### 2.10 Financial liabilities

#### (i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (a) the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### (ii) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method

### (iii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

### 2.11 Inventories

Inventories are stated at lower of cost and net realisable value. Cost of construction / raw materials comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/ VAT schemes/ Input Tax Credit (ITC). It also includes all other related costs incurred in bringing the inventories to their present location and condition.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories. Cost is determined on first in first out basis. Cost of surplus/ obsolete/ slow moving inventories are adequately provided for. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 2.12 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### 2.13 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 2.14 Revenue recognition

#### (i) Construction Contracts

Revenue is measured based on the consideration specified in a contract with a customer. Company recognises revenue when or as it transfers control over a good or service to a customer.

Allocation of transaction price to performance obligations - A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

**Payment terms** - Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (i.e., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognised in excess of billings which we present as contract assets on the statement of financial position. Amounts billed and due from our customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. For some contracts, we may be entitled to receive an advance payment. We recognise a liability for these advance payments in excess of revenue recognised and present it as contract liabilities on the statement of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

**Warranty** - Certain contracts include an assurance-type warranty clause, typically between 18 to 36 months, to guarantee that the products comply with agreed specifications.

**Revenue recognised over time** - Our performance obligations are satisfied over time as work progresses or at a point in time

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

when performance obligations are fulfilled and control transfers to the customer. Typically, revenue is recognised over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

**Cost-to-cost method** - For our long-term contracts, because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Upon adoption of the new standard we generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Any expected losses on construction-type contracts in progress are charged to earnings, in total, in the period the losses are identified. Previously, such contracts were accounted for under IAS 11 on Construction Contracts. Accordingly, revenue on ongoing contracts was measured on the basis of costs incurred and of margin recognised at the percentage of completion. Margin was recognised only when the visibility of the riskiest stages of the contract was deemed sufficient and when estimates of costs and revenue was considered to be reliable. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones defined for the main deliverables under the contracts or based on the ratio between costs incurred to date and estimated total costs at completion. As soon as the estimate of the final outcome of a contract indicated a loss, a provision was recorded for the entire loss. The gross margin of a long-term contract at completion was based on an analysis of total costs and income at completion, which are reviewed periodically and regularly throughout the life of the contract. A construction contract was considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset or temporary delivery, even if conditional.

**Right to invoice practical expedient** - The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time if we have a right to invoice the customer for an amount that corresponds directly with the value transferred to the customer for our performance completed to date. When this practical expedient is used, we do not estimate variable consideration at the inception of the contract to determine the

transaction price or for disclosure purposes. We have contracts which have payment terms dictated by daily or hourly rates where some contracts may have mixed pricing terms which include a fixed fee portion. For contracts in which we charge the customer a fixed rate based on the time or materials spent during the project that correspond to the value transferred to the customer, we recognise revenue in the amount to which we have the right to invoice.

**Contract modifications**-Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

(ii) **Other Operational Income**

Other Operational Income Includes Revenue for Technical services provided and accounted on accrual basis.

(iii) **Dividend income:**

Dividend income from investments is recognised when the shareholder's right to receive payment is established by the reporting date.

(iv) **Interest Income**

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition.

(v) **Other Income**

(a) Claims were accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance.

(b) Other items of income are accounted as and when the right to receive arises.

### 2.15 Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

### 2.16 Employee Benefits

Employee benefits include salaries, wages, provident fund, employee state insurance and gratuity.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### (i) Defined contribution plans

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) Defined benefit plans

The Gratuity benefit is funded through a defined benefit plan. For this purpose, the Company has obtained a qualified insurance policy from Life Insurance Corporation of India.

### 2.17 Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

### 2.18 Foreign Exchange Transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees, which is the Company's functional currency and the Group's presentation currency.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. In case of fixed assets they are adjusted to the carrying cost of such assets.

### 2.19 General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.

### 2.20 Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

#### (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items

that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

#### (ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

#### (iii) Current and deferred tax expense for the year

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.21 Proposed Dividend

The Company has disclosed dividend, proposed by board of directors after the balance sheet date, in the notes, as provision cannot be created for dividend proposed / declared after the balance sheet date, unless a statute requires otherwise.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### 2.22 Extraordinary and exceptional Items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/ transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

### 2.23 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing

the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 2.24 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 2.25 Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

As per our report of even date

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place :Erode

UIN: 22026599AKGWRB8753

On behalf of Board of Directors

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN 00125357

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 3 : Property, plant & equipment

₹ (Crore)

Particulars	Land	Plant and Machinery	Office Equipment	Furniture and Fixtures	Computer	Buildings	Motor Vehicle	Heavy Vehicle	Total
<b>Gross carrying amount</b>									
<b>As at 31 March 2020</b>	<b>3.31</b>	<b>58.13</b>	<b>1.05</b>	<b>0.31</b>	<b>1.05</b>	<b>0.69</b>	<b>3.28</b>	<b>24.73</b>	<b>92.55</b>
Additions	-	1.72	0.18	0.06	0.18	0.01	0.30	4.93	7.38
Disposals	-	2.70	0.02	0.00	(0.06)	-	0.22	2.12	4.99
<b>As at 31 March 2021</b>	<b>3.31</b>	<b>57.15</b>	<b>1.22</b>	<b>0.37</b>	<b>1.29</b>	<b>0.71</b>	<b>3.36</b>	<b>27.54</b>	<b>94.94</b>
Additions	-	10.29	0.34	0.19	0.48	0.26	3.67	7.83	23.05
Disposals	-	1.33	-	-	-	0.04	0.39	2.38	4.15
<b>As at 31 March 2022</b>	<b>3.31</b>	<b>66.11</b>	<b>1.55</b>	<b>0.55</b>	<b>1.77</b>	<b>0.92</b>	<b>6.63</b>	<b>32.99</b>	<b>113.84</b>
<b>Depreciation and impairment</b>									
<b>As at 31 March 2020</b>	<b>-</b>	<b>24.16</b>	<b>0.78</b>	<b>0.15</b>	<b>0.98</b>	<b>0.14</b>	<b>1.69</b>	<b>16.99</b>	<b>44.88</b>
Depreciation charge for the year	-	3.93	0.11	0.03	0.10	0.02	0.37	1.54	6.09
Disposals/Adjustments	-	1.26	0.02	0.00	-	-	0.18	1.56	3.02
<b>As at 31 March 2021</b>	<b>-</b>	<b>26.83</b>	<b>0.88</b>	<b>0.18</b>	<b>1.07</b>	<b>0.16</b>	<b>1.87</b>	<b>16.96</b>	<b>47.95</b>
Depreciation charge for the year	-	4.72	0.12	0.03	0.19	0.02	0.49	1.73	7.30
Disposals/Adjustments	-	0.47	-	-	-	0.02	0.23	2.22	2.95
<b>As at 31 March 2022</b>	<b>-</b>	<b>31.07</b>	<b>0.99</b>	<b>0.21</b>	<b>1.26</b>	<b>0.17</b>	<b>2.13</b>	<b>16.46</b>	<b>52.30</b>
<b>Net Carrying amount</b>									
<b>At 31 March 2020</b>	<b>3.31</b>	<b>35.04</b>	<b>0.56</b>	<b>0.34</b>	<b>0.51</b>	<b>0.76</b>	<b>4.50</b>	<b>16.53</b>	<b>61.54</b>
<b>At 31 March 2021</b>	<b>3.31</b>	<b>30.32</b>	<b>0.34</b>	<b>0.19</b>	<b>0.22</b>	<b>0.54</b>	<b>1.49</b>	<b>10.58</b>	<b>46.99</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 4 : Capital Work in Progress

₹ (Crore)

Particulars	Capital Work in Progress	Total
<b>Gross carrying amount</b>		
<b>As at 31 March 2020</b>	<b>3.91</b>	<b>3.91</b>
Purchases	0.11	0.11
Transfer	(0.07)	(0.07)
<b>As at 31 March 2021</b>	<b>4.08</b>	<b>4.08</b>
Purchases	0.50	0.50
Transfer	2.04	2.04
<b>As at 31 March 2022</b>	<b>2.54</b>	<b>2.54</b>
<b>Amortisation and impairment</b>		
<b>As at 31 March 2020</b>	-	-
Amortisation	-	-
Adjustment	-	-
<b>As at 31 March 2021</b>	-	-
Amortisation	-	-
Adjustment	(0.01)	(0.01)
<b>As at 31 March 2022</b>	<b>0.01</b>	<b>0.01</b>
<b>Net Carrying Amount</b>		
<b>At 31 March 2022</b>	<b>2.53</b>	<b>2.53</b>
<b>At 31 March 2021</b>	<b>4.08</b>	<b>4.08</b>

### CWIP aging schedule as on 31.03.2022

₹ (Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	2.03	2.03

### CWIP aging schedule as on 31.03.2021

₹ (Crore)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.11	1.94	-	-	2.05
Projects temporarily suspended	-	-	-	2.03	2.03

### Note 5 : Intangible Assets

₹ (Crore)

Particulars	ERP Software	Website Development	Intangible asset under Development	Total
<b>Gross carrying amount</b>				
<b>As at 31 March 2020</b>	<b>0.53</b>	-	-	<b>0.53</b>
Purchases	0.01	-	-	0.01
Transfer	0.23	-	-	0.23
<b>As at 31 March 2021</b>	<b>0.30</b>	-	-	<b>0.30</b>
Purchases	-	-	-	-
Transfer	0.01	-	-	0.01
<b>As at 31 March 2022</b>	<b>0.30</b>	-	-	<b>0.30</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 5 : Intangible Assets

₹ ( Crore )

Particulars	ERP Software	Website Development	Intangible asset under Development	Total
<b>Amortisation and impairment</b>				
<b>As at 31 March 2020</b>	<b>0.27</b>	-	-	<b>0.27</b>
Amortisation	0.01	-	-	0.01
Adjustment	-	-	-	-
<b>As at 31 March 2021</b>	<b>0.29</b>	-	-	<b>0.29</b>
Amortisation	-	-	-	-
Adjustment	-	-	-	-
<b>As at 31 March 2022</b>	<b>0.29</b>	-	-	<b>0.29</b>
<b>Net Carrying Amount</b>				
At 31 March 2022	0.01	-	-	0.01
At 31 March 2021	0.01	-	-	0.01

### Note 6 : Investments -Non- Current

₹ ( Crore )

Particulars	31-Mar-22	31-Mar-21
<b>Non Trade Investments (6A.1)</b>		
Investment in Equity Instruments (Non Trade Investments)	0.11	0.11
<b>Trade Investments (6A.2)</b>		
Investment in Equity Instruments (Trade Investments)	7.03	7.03
<b>Total investments</b>	<b>7.14</b>	<b>7.14</b>

### Note 6A.1 : Non Trade Investments

₹ ( Crore )

Name of the Body Corporate	Classification	Quoted / Unquoted	Partly Paid / Fully paid	No. of Shares / Units		Extent of Holding (%)		₹(Crore)	
				31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
3i Infotech Limited(Face Value @ ₹10 per share)	Others	Quoted	Fully Paid	1,000.00	1,000.00	-	0.00%	-	-
Hindustan Construction Company Limited(Face Value @ ₹1 per share)	Others	Quoted	Fully Paid	9,000.00	9,000.00	0.01%	0.01%	-	-
IVRCL Infrastructure & Projects Limited(Face Value @ ₹2 per share)	Others	Quoted	Fully Paid	900.00	900.00	-	-	-	-
Sakthi Sugars Ltd(Face Value @ ₹10 per share)	Others	Quoted	Fully Paid	500.00	500.00	-	-	-	-
MEP Infra Developers (Face Value @ ₹10 per share)	Others	Quoted	Fully Paid	-	10,000.00	-	-	-	-
Other Comprehensive Income								0.06	0.06
SPAC Terminal Market Complex Ltd.(Face value @ ₹1 Per Share and Previous Face Value per Share @ ₹10 per share)	Others	Unquoted	Fully Paid	2,99,000.00	2,99,000.00	6.89%	6.89%	0.03	0.03
Narayana City Bus Operations Pvt Ltd(Face Value @ ₹100 per share)	Others	Unquoted	Fully Paid	20,000.00	20,000.00	-	-	0.02	0.02
<b>Total Non Trade Investments</b>								<b>0.11</b>	<b>0.11</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 6A.2 : Trade Investments

₹ ( Crore )

Name of the Body Corporate	Classification	Quoted / Unquoted	Partly Paid / Fully paid	No. of Shares / Units		Extent of Holding (%)		(₹Crore)	
				31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
RPP Infra Oversea PLC(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	4,980.00	4,980.00	100%	100%	0.02	0.02
RPP Infra Projects (Lanka) Ltd.(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	1,16,143.00	1,16,143.00	100%	100%	0.05	0.05
Greatful Mercantile Pvt. Ltd.(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	2,11,500.00	2,11,500.00	100%	100%	3.55	3.55
Sanskar Dealcom Pvt Ltd.(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	2,09,930.00	2,09,930.00	100%	100%	3.40	3.40
RPP Annai JV (Face value @ ₹10 Per Share)	Partly Owned Subsidiary	Unquoted	Fully Paid	5,000.00	5,000.00	51%	51%	0.01	0.01
<b>Total Trade Investments</b>								<b>7.03</b>	<b>7.03</b>
Total investments								7.14	7.14
Aggregate Carrying value of Quoted investments								-	-
Aggregate Carrying value of UnQuoted investments								7.08	7.08
Aggregate Market Value of Quoted Investments								-	-

### Note 6A.3 : Subsidiaries

₹ ( Crore )

Name of the Body Corporate	Classification	Quoted / Unquoted	Partly Paid / Fully paid	No. of Shares / Units		Extent of Holding (%)		(₹Crore)	
				31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
RPP Infra Oversea PLC(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	4,980.00	4,980.00	100%	100%	0.02	0.02
RPP Infra Projects (Lanka) Ltd.(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	1,16,143.00	1,16,143.00	100%	100%	0.05	0.05
Greatful Mercantile Pvt. Ltd.(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	2,11,500.00	2,11,500.00	100%	100%	3.55	3.55
Sanskar Dealcom Pvt Ltd.(Face value @ ₹10 Per Share)		Unquoted	Fully Paid	2,09,930.00	2,09,930.00	100%	100%	3.40	3.40
RPP Annai JV (Face value @ ₹10 Per Share)	Partly Owned Subsidiary	Unquoted	Fully Paid	5,000.00	5,000.00	51%	51%	0.01	0.01
<b>Total Trade Investments</b>								<b>7.03</b>	<b>7.03</b>

### Note 7 : Long term Loans & Advances

₹ ( Crore )

Particulars	As at	
	31st March 2022	31st March 2021
Advance to Suppliers	2.14	2.64
<b>Total</b>	<b>2.14</b>	<b>2.64</b>

### Note 8 : Other Financial Assets

₹ ( Crore )

Particulars	As at	
	31st March 2022	31st March 2021
<b>Bank deposits with more than 12 months maturity</b>		
Earmarked Balances	53.60	90.44
<b>Total</b>	<b>53.60</b>	<b>90.44</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 10 : Other Non-Current Assets

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Advances</b>		
Prepaid Expense	4.63	4.48
<b>Total</b>	<b>4.63</b>	<b>4.48</b>

### Note 11 : Inventories

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials- Construction Materials	18.30	11.32
<b>Total inventories at the lower of cost or net realisable value</b>	<b>18.30</b>	<b>11.32</b>

### Inventory is not pledged as security

### Note 12 : Trade receivables

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured considered good	207.30	145.93
<b>Total Trade receivables</b>	<b>207.30</b>	<b>145.93</b>
<b>Total Trade receivables</b>	<b>207.30</b>	<b>145.93</b>

### Trade Receivables ageing schedule as on 31.03.2022

₹ (Crore)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
<b>(i) Undisputed Trade receivables – considered good</b>	140.64	10.92	15.81	10.41	12.41	190.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good					17.12	17.12
(v) Disputed Trade Receivables – which have significant increase in credit risk						

### Trade Receivables ageing schedule as on 31.03.2021

₹ (Crore)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	93.89	6.95	6.37	17.27	7.14	131.61
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good					14.32	14.32
(v) Disputed Trade Receivables – which have significant increase in credit risk						

### Note: 12.1

There are arbitration proceedings going on in respect of the following departments - Rites, Sipcot, Ntecl and MSEZ towards which sums ₹2.13 Crores, ₹0.75 Crores, ₹27.30 and ₹2.80 Crores respectively are shown as receivables. The company has filed the necessary papers with the arbitrators and the above receivables are considered good for recovery. Third Party balances are subject to external confirmations.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 13 : Cash and cash equivalent

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Balances with banks:		
– On current accounts	40.75	15.99
Cash on hand	0.77	0.58
<b>Total</b>	<b>41.52</b>	<b>16.57</b>

### Note 14 : Short Term Loans and Advances

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Unsecured, considered good:</b>		
Advance to employees	0.25	0.35
Advance to sub-contractors	8.04	10.27
Balance with Subsidiaries	0.30	0.46
Non-Trade Receivable	13.52	13.52
Others	1.95	0.83
<b>Total</b>	<b>24.07</b>	<b>25.43</b>

### Note 15 : Other Financial Assets

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Others</b>		
Contract Asset	142.49	147.76
<b>Total</b>	<b>142.49</b>	<b>147.76</b>

Note: Classified as non financial asset as the contractual rights to consideration is dependent on completion of contractual milestone.

### Note 16 : Other Current Assets

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Advances</b>		
Other Recivable-Current	-	10.99
Retention by customers (Refer Note 12.1)	126.61	86.49
Mobilisation Advances / Other Projects Receivables	14.05	-
Balances with statutory / government authorities	16.70	7.84
<b>Total</b>	<b>157.37</b>	<b>105.33</b>

### Note 26 : Current Tax Assets (Net)

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Income Tax (Net of Advance income tax)	16.03	10.13
<b>Total</b>	<b>16.03</b>	<b>10.13</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 17 : Share Capital

₹ ( Crore )

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Authorised Share Capital</b>		
50,000,000 (March 31, 2022: 50,000,000) equity shares of ₹10/-	50,00,00,000	34,00,00,000
<b>Share Capital</b>		
<b>Issued and Subscribed Capital</b>		
37,880,584 (March 31, 2022: 37,880,584) equity shares of ₹10/- each fully paid up	37,88,05,840	23,65,05,840
<b>Issued and Fully Paid up equity capital</b>		
36,686,300 (March 31, 2022: 36,686,300) equity shares of ₹10/- each fully paid up	36,68,63,000	23,65,05,840
<b>Issued and Partly Paid up equity capital</b>		
1,194,284 (March 31, 2022: 1,194,284) equity shares of ₹10/- each fully paid up	1,19,42,840	-

### Note 17.1 : Reconciliation of the number of shares outstanding

₹ ( Crore )

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. Of Shares	Amount	No. Of Shares	Amount
<b>Reconciliation of No. of shares</b>				
<b>Outstanding at the beginning of the year</b>	2,36,50,584	23,65,05,840	2,26,00,584	22,60,05,840
Add: Shares issued during the year	1,30,35,716	13,03,57,160	10,50,000	1,05,00,000
<b>Outstanding at the end of the year</b>	3,66,86,300	36,68,63,000	2,36,50,584	23,65,05,840

### Note 17.2 : Terms / rights attached to equity shares

The company has only one class of equity share having a par value of ₹10 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. the distribution will be in proportion to the number of equity shares held by shareholders.

### Note 17.3 : Details of shares held by subsidiaries of ultimate holding company / holding and / or their subsidiaries / associates

₹ ( Crore )

Name of equity share holders	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% Holding	No. of shares	% Holding
RPP Infra Projects ( Lanka ) Limited	1,16,143.00	100.00%	1,16,143.00	100.00%
RPP Infra Over Seas PLC	4,980.00	100.00%	4,980.00	100.00%
Sanskar Dealcom Private Limited	2,09,930.00	100.00%	2,09,930.00	100.00%
Greatful Mercantile Private Limited	2,11,500.00	100.00%	2,11,500.00	100.00%
Lunkar Finance Private Limited ( Subsidiary - Stepdown)	4,21,430.00	100.00%	4,21,430.00	100.00%
RPP Annai (JV) Private Limited	5,100.00	51.00%	5,100.00	51.00%

### Note 17.4 : Details of shareholders holding more than 5% shares in the Company are as under:-

₹ ( Crore )

Name of equity share holders	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Mr P. Arulsundaram	1,16,29,509.00	60.17%	72,68,443.00	55.83%
Mrs A. Nithya	76,99,837.00	39.83%	57,49,898.00	44.17%
<b>Total</b>	<b>1,93,29,346.00</b>	<b>100.00%</b>	<b>1,30,18,341.00</b>	<b>100%</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 17.5 : Details of Promoters shares in the Company are as under:-

₹ (Crore)

Name of equity share holders	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Mr P. Arulsundaram	1,16,29,509.00	60.17%	72,68,443.00	55.83%
Mrs A. Nithya	76,99,837.00	39.83%	57,49,898.00	44.17%
<b>Total</b>	<b>1,93,29,346.00</b>	<b>100.00%</b>	<b>1,30,18,341.00</b>	<b>100%</b>

### Note 17.5 : Proposed dividends on Equity shares:

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
The board proposed dividend on equity shares after the balance sheet date Proposed dividend on equity shares for the year ended 31st March, 2022 : NIL	-	-
Tax on proposed dividend	-	-

### Note 18 : Other equity

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Securities premium account	74.12	48.05
Revaluation reserve	2.38	2.38
Retained Earnings	195.63	187.08
Other Reserve (Share Warrant Forfeiture)	6.64	-
Share Application Money	2.15	-
<b>Total</b>	<b>280.92</b>	<b>237.52</b>

### Note 18.1 : Securities premium account

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of year	48.05	39.65
Add / Less: Movements	26.07	8.40
<b>Balance at end of year</b>	<b>74.12</b>	<b>48.05</b>

### Note 18.2 : Revaluation reserve

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of year	2.38	2.38
Add / Less: Movements	-	-
<b>Balance at end of year</b>	<b>2.38</b>	<b>2.38</b>

### Note 18.3 : Retained Earnings

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of year	187.08	171.54
Add / Less: Movements	8.55	15.55
<b>Balance at end of year</b>	<b>195.63</b>	<b>187.08</b>

Refer "Statement of Changes in Equity" for additions/deletions in each of these items

A. Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 18.4 : Share Warrant

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Share Warrant	-	6.64
<b>Total</b>	<b>-</b>	<b>6.64</b>

### Note 18.5 : Other Reserve

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Share Warrant - Forfeiture	6.64	-
<b>Total</b>	<b>6.64</b>	<b>-</b>

### Note 18.6 : Share Application Money

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Share Application Money Pending allotment	2.15	0.00
<b>Total</b>	<b>2.15</b>	<b>0.00</b>

Company has obtained approval of the shareholders for 40,00,000@90 allotment of warrant at the General Meeting held on 12th June 2020. Fund Received from Promoter being 25% of consideration in accordance with the SEBI (ICDR) Regulation, 2018. Companies was obtained "In-Principle Approval" under the Regulation 28(1) of SEBI (LODR) Regulation, 2015 granted by the BSE Limited vide its letter reference no. DCS/PREF/BA/PRE/697/2020-21 dated 13th July 2020 and National Stock Exchange of India Limited vide its letter reference no. NSE/LIST/24057 dated 8th July 2020. Accordingly, dated 14.07.2020 Share Allotment Committee approved allotment of 40,00,000 warrants convertible into Equity Shares of ₹10 each to the promoters on preferential basis at an issue price of the ₹90 per warrants on receipt of the amount of ₹9 Crores (Rupees Nine Crores Only) being 25% of consideration in accordance with the SEBI (ICDR) Regulation, 2018.

Further dated 04.03.2021 Share Allotment Committee of the Board of Directors of the Company held on 4<sup>th</sup> March 2021 was allotted 10,50,000 [Ten Lakhs Fifty Thousand] Fully Paid-up Equity Shares of = 10/- each ["said shares"] on conversion of 10,50,000 Warrants on receipt of the full consideration towards these warrants and exercise of option of conversion. The allotted shares ranks pari passu with the existing Equity Shares of the Company in all respects including dividend.

However, on 16 December 2021, we received notice from Warrant holders, informing us about their intention to not to exercise their right for conversion of the remaining Warrants.

Accordingly, pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the said Warrant holders have failed to exercise their rights to acquire the Equity Shares underlying the said Warrants. As a result the remaining Warrants i.e., 29,50,000 Warrants, stand cancelled/lapsed and the consideration of ₹06.637 crores (25% of consideration) received by the Company from the Warrant holders, towards allotment of said Warrants, is forfeited in accordance with the terms of the said Warrants and the provisions of the SEBI ICDR Regulations, 2018, and the same was approved by the Share Allotment Committee of the Board of Directors of RPP Infra projects Limited at its meeting held on 17/12/2021.

### SHARE WARRANT:

₹ ( Crore )

	Units	Amount Received	Share Capital	Securities Premium
Number of Warrant Issued	40,00,000.00	16,08,76,000.00	-	-
Warrants Converted into Shares	10,50,000.00	9,45,00,000.00	1,05,00,000.00	8,40,00,000.00
Warrants Forfeited	29,50,000.00	6,63,76,000.00	-	-
<b>Warrants Forfeited</b>	<b>29,50,000.00</b>			
<b>Amount Forfeited</b>		<b>6,63,76,000.00</b>		

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### RIGHT ISSUE:

₹ (Crore)

	Units	Amount Received	Share Capital	Securities Premium
Shares Issued	1,60,00,000.00			
Shares Subscribed	1,42,30,000.00			
Share Application Money Received		25,61,40,000.00	8,53,80,000.00	17,07,60,000.00
First & Final call Received		15,64,28,592.00	5,21,42,864.00	10,42,85,728.00
<b>Fully Paid up Shares</b>	<b>1,30,35,716.00</b>		<b>13,03,57,160.00</b>	<b>26,07,14,320.00</b>
<b>Partly Paid up Shares</b>	<b>11,94,284.00</b>		<b>71,65,704.00</b>	<b>1,43,31,408.00</b>

ISSUE OF UPTO 1,60,00,000 EQUITY SHARES OF FACE VALUE ₹10 EACH (RIGHTS EQUITY SHARES) OF OUR COMPANY FOR CASH AT A PRICE OF ₹30 PER EQUITY SHARE (ISSUE PRICE), AGGREGATING UPTO ₹48,00,00,000 (RUPEES 48.00 CRORES) (ASSUMING FULL SUBSCRIPTION) ON A RIGHTS BASIS

- (I) TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 RIGHTS EQUITY SHARES FOR EVERY 5 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON SEPTEMBER 20, 2021;
- (II) TO THE RESERVED PORTION IN FAVOUR OF THE WARRANT HOLDERS

On Application, Investors paid ₹18 per Rights Equity Share (Face Value of ₹6 and Premium of ₹12) which constitutes 60% of the Issue Price and the balance ₹12 per Rights Equity Share (Face Value of ₹4 and Premium of ₹8) which constitutes 40% of the Issue Price was paid on First and Final Call, as determined by our Board at its sole discretion, from time to time.

Out of 1,60,00,000 shares issued, 1,42,30,000 shares had been subscribed, through which we have received ₹25.61 Crores.

Out of 1,42,30,000 shares subscribed through payment of Application money, We have received the First and Final call money towards 1,30,35,716 shares, amounting to ₹15.64 Crores

First & Final Call Money (Share Capital - ₹4 & Securities Premium - ₹8) with respect to 11,94,284 partly paid up shares are still in progress as on date.

### Note 19 : Borrowings- Non current

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Secured</b>		
<b>Term Loans</b>		
From Banks (Secured)	35.26	27.86
From NBFC (Secured)	9.51	6.78
<b>Unsecured</b>		
<b>Term Loans</b>		
From Banks (Unsecured)	-	-
From NBFC (Unsecured)	18.25	45.48
<b>Total</b>	<b>63.02</b>	<b>80.11</b>
Less : Current Maturities of Long Term Debt	20.74	11.70
<b>Total</b>	<b>42.28</b>	<b>68.42</b>

### Note 19.1 : Nature of Security

₹ (Crore)

	Loan outstanding	Security	Repayment terms
<b>From Banks</b>			
Secured Loan with Various Banks and Interest @ 8.85%	35.26	Promoters Share	Every Month
<b>From NBFC's</b>			
Term Loan with Non Banking Financial institutions and Interest @ 9.29%	9.51	Promoters Shares	Every Month
Unsecured Loan with Non Banking Financial institutions and Interest @ 11%	18.25	Promoters Shares	Renewal Every Year

Note: Personal Guarantee has been provided by the Directors for all the Loans Sanctioned

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Net debt reconciliation

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents	41.52	16.57
Liquid investments	-	-
Non Current borrowings including interest	42.28	68.42
Current Borrowings	62.04	54.61
<b>Net (debt)/ Cash &amp; Cash Equivalents</b>	<b>62.81</b>	<b>106.45</b>

₹ (Crore)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2020</b>	<b>51.53</b>	<b>-</b>	<b>44.92</b>	<b>62.55</b>	<b>55.94</b>
Cash Flows	74.40		23.45	(7.93)	(58.88)
Interest expense					
Interest paid	(18.95)				18.95
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2021</b>	<b>106.98</b>	<b>-</b>	<b>68.37</b>	<b>54.62</b>	<b>16.01</b>
Cash Flows(Note)	(51.52)		(26.10)	7.43	32.82
Interest expense					
Interest paid	(13.98)				13.98
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2022</b>	<b>41.52</b>	<b>-</b>	<b>42.28</b>	<b>62.05</b>	<b>62.81</b>

Note: Bank Guarantee margin have been regrouped from cash and cash equivalents to other financial assets. This regrouping have been made taking into consideration the nature of Bank guarantee margin. This results in decrease in cash flow to the extent of ₹90.44 crores which ultimately leads to negative cash flow.

### Note 20 : Provisions- Long term

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Gratuity	0.35	0.30
<b>Total</b>	<b>0.35</b>	<b>0.30</b>

### Note 21 : Borrowings- Current

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
Loans repayable on Demand from banks (Refer 21.1)	41.30	42.91
Loans repayable within one year from banks	-	-
Current maturities of Long Term Secured Debt	12.97	11.70
Current maturities of Long Term Unsecured Debt	7.78	0.00
<b>Total</b>	<b>62.04</b>	<b>54.61</b>

Note: Personal Guarantee has been provided by the Directors for all the Loans Sanctioned

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 21.1 : Nature of Security

₹ ( Crore )

Particulars	Loan outstanding	Security	Repayment terms
<b>From Banks</b> Working Capital with Various Banks and Interest @ 11.50%	41.30	Personal Security of Vacant land, Building, Factory building, Vacant House, Residential Building @ various places Land & building, vacant land @ various places Immovable Land and Building property @ Giundy Taluk Personal Guarantee Value of Property	Renewal Every Year
From NBFC's			
Working Capital with Non Banking Financial institutions and Interest @ 11.50%		Personal Guarantee	Renewal Every Year

### Note 21.2: Fund Based Limit Enjoyed by the Company

₹ ( Crore )

Name of Lending institutions	Type of Loan	Sanctioned Limit	Utilised	
			As at 31st March 2022	As at 31st March 2021
Indian Overseas Bank, Surampatti Branch, Erode	Cash Credit	35.00	30.87	29.36
Bank of India - Coimbatore	Cash Credit	8.00	6.05	7.97
Indian Bank, Chennai	Cash Credit	7.00	4.83	-
Canara Bank, Erode	Cash Credit	3.00	(0.45)	-
Exim Bank , Chennai	Cash Credit	2.50	-	-
Industrial Development Bank of India ( IDBI), Chennai	Cash Credit	-	-	5.58
<b>Total</b>		<b>55.50</b>	<b>41.30</b>	<b>42.91</b>

Note: on the basis of Sanctioned Letter, our company have complied with all the requirements asked from the lending Institutions which includes monthly stock and debtor statement and QIS, QOS and HOS and which resembles the Accounts.

Our company is not declared as wilful defaulter by any bank or financial Institution or other lender.

Our company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

Our company has taken funds from the Indian Bank and Canara Bank on account of or to meet the obligations of Joint Ventures(RPP Renaatus JV and RPP Dhanya JV) respectively.

### Note 22 : Trade payable

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Dues to Micro Enterprises and Small Enterprises (Ref. Note 42)	-	-
(b) total outstanding dues of creditors other than micro enterprises & small enterprises	114.66	128.23
<b>Total</b>	<b>114.66</b>	<b>128.23</b>

### Trade Payables aging schedule as of 31.3.2022

₹ ( Crore )

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others					
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Trade Payables aging schedule as of 31.3.2021

₹ ( Crore )

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others					
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

### Note 23 : Other financial liabilities - Current

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Mobilisation Advances / Other Projects Payables	112.01	39.69
Due to directors	0.11	0.22
Expenses payable	6.62	5.01
Unpaid dividend	0.03	0.03
Retention money - others	56.36	32.97
<b>Total</b>	<b>175.13</b>	<b>77.92</b>

Note: TDS on expenses is made on and when incurred. TDS is not reckoned for the sum stated as provision for expenses. Mobilisation advance received by the Company from certain departments and the proportionate amount which has to be classified as GST liability has been shown as mobilisation advance liability to the extent of ₹10.87 crore

### Note 24 : Other Current Liabilities

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Advances from customers	0.07	-
Statutory dues payable	9.35	3.74
Other Payables	12.88	8.67
<b>Total</b>	<b>22.30</b>	<b>12.41</b>

### Note 25 : Provisions- Short term

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Gratuity.	0.09	0.05
Provision for Warranty	2.41	2.42
<b>Total</b>	<b>2.49</b>	<b>2.47</b>

### Note 26 : Current Tax Liabilities (Net)

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Income Tax (Net of Advance income tax)	1.13	6.08
<b>Total</b>	<b>1.13</b>	<b>6.08</b>

### Note 9 : Deferred Tax Asset / Liability

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Asset/Liability	0.67	0.01
<b>Total</b>	<b>0.67</b>	<b>0.01</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 27 : Revenue from operations:

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Contract Revenue	779.82	477.90
<b>Total</b>	<b>779.82</b>	<b>477.90</b>

### Note 28 : Other income

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Hire charges Received	2.46	3.15
Discount Received	0.27	0.05
Interest Income	4.11	2.37
Miscellaneous Income	3.66	0.48
Scrap Sales	0.19	0.02
Consulting Services & Service Charges	1.11	5.18
Profit on Sale of Assets	0.17	-
Forex Gain (Net)	1.35	(0.06)
Royalty Received	0.86	-
<b>Total</b>	<b>14.19</b>	<b>11.21</b>

Note: The amount of interest income on FD's with banks has been estimated on the basis of the rate of interest applicable, the amount of deposit and the period for which the deposit has run.

### Note 29 : Cost of Materials Consumed

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Inventory at the Beginning of the Period	10.91	23.76
Add: Purchases during the period	193.75	109.37
Less: Inventory at the end of the Period	18.30	10.91
<b>Total</b>	<b>186.35</b>	<b>122.22</b>

### Note 30 : Direct Cost

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Works Contract Cost	426.93	222.35
Other Operating Cost	84.41	64.76
<b>Total</b>	<b>511.34</b>	<b>287.11</b>

### Note: Joint Venture Agreement

The Company has an unincorporated JV with the Party Ramalingam Construction Company Pvt Ltd with whom a project was jointly bidded and obtained. However, the execution was fully done by the company. Company has agreed to pay 2% of Turnover of this project as Royalty to the Partner and this amount has been charged off to the Statement of Profit & Loss.

### Note 31 : Employee benefits expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Salary Expenses	16.05	9.75
Company's Contribution to Employees' Provident Fund	0.32	0.20
Company's Contribution to Employees' State Insurance Corporation	0.03	0.02
Gratuity	0.02	0.04
Staff Welfare	1.89	0.93
<b>Total</b>	<b>18.32</b>	<b>10.94</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 32 : Finance Cost

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Interest expenses</b>		
On Term Loans and Other Loans	7.20	6.10
On Working Capital Loans	5.33	6.06
<b>Other borrowing costs</b>		
Bank Charges and Bank Guarantee Commission		5.18
Processing Charges Paid	1.45	1.62
<b>Total</b>	<b>13.98</b>	<b>18.95</b>

### Note 33 : Depreciation and Amortisation Expenses

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Depreciation of tangible fixed assets	7.97	6.11
<b>Total</b>	<b>7.97</b>	<b>6.11</b>

### Note 34 : Other expense

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Advertisement	0.02	0.01
Business Development Expenses	0.21	0.44
Brokerage	-	0.01
Donation	0.04	0.03
Consulting Fees Paid	1.66	0.29
Miscellaneous Expense	0.44	0.35
Corporate Social Responsibilities	0.79	0.47
Equipment Hire Charges	0.53	0.91
Insurance	1.84	0.83
Repairs & Maintenance - Machinery	3.47	2.84
Repairs & Maintenance - Office	0.48	0.33
Repairs & Maintenance - Others	18.51	7.37
Postage & Telegraph	0.04	0.05
Professional Charges	1.26	0.63
Loss On Sale of Assets	-	0.16
Legal Fees Paid	0.38	0.04
Printing and Stationery	0.34	0.15
Rent & Electricity	1.25	0.95
<b>Audit Fee</b>		
-Statutory Audit	0.27	0.26
-Other services	0.17	0.66
Bad Debts	-	0.62
Deposit Write Off	-	1.11
Secretarial Expenses	0.28	0.05

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 34 : Other expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Rates & Taxes	0.13	0.05
Loss On Sale of Investment	-	0.02
Changes in CWIP	-	0.94
Telephone Expenses	0.07	0.05
Travelling Expenses	0.97	0.44
<b>Interest</b>		
On Statutory Dues	0.77	1.02
Registration and Renewals	0.25	0.16
Royalty Paid	1.16	0.18
Security Service Charges	0.07	0.10
Other Expenses	-	0.06
Packing & Forwarding Charges	0.02	0.02
Bank Charges and Bank Guarantee Commission	6.45	-
<b>Total</b>	<b>41.86</b>	<b>21.61</b>

### Note 35 : Income Tax Expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Current Tax	5.17	7.49
Deferred tax	0.66	(0.86)
<b>Total</b>	<b>5.83</b>	<b>6.62</b>

### Note 36: Other Comprehensive Income

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Current tax		
Deferred tax		
A (i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	0.09	0.09
Net change in fair values of investments in equity shares carried at fair value through OCI		
(ii) Income tax relating to items that will not be reclassified to profit or loss		
B (i) Items that will be reclassified to profit or loss		
(ii) Income tax relating to items that will be reclassified to profit or loss		
Other Comprehensive Income for the period / year, net of tax		
<b>Total</b>	<b>0.09</b>	<b>0.09</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 37 : The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ ( Crore )

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021 (Restated)
<b>Profit before tax</b>	<b>14.19</b>	<b>22.16</b>
Income tax expense	3.57	5.58
<b>Less:Exemption/Deductions</b>		
Others		
<b>Add:-Effect of expenses that are not deductible in determining taxable profit</b>		
Expenses not allowed in income tax	1.36	1.27
Tax Effects due to difference in treatment of expenses between acts	0.66	(0.86)
Others	0.24	0.64
<b>Total</b>	<b>5.83</b>	<b>6.62</b>
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised In Statement of Profit & Loss (reating to continuing operations)	5.83	6.62

₹ ( Crore )

Income tax recognised in other comprehensive income	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Deferred tax	-	-
Arising on income and expenses recognised in other comprehensive income	-	-
Net fair value gain on investments in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligation	0.09	0.09
Total income tax recognised in other comprehensive income	-	-
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	0.09	0.09
Items that may be reclassified to profit or loss	-	-

### Note 38 : Earnings per share (EPS)

₹ ( Crore )

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
<b>Basic EPS</b>		
Profit attributable to equity holders	8.36	15.53
Weighted average number of Equity shares for EPS	3,16,38,423.86	2,87,63,877.27
<b>EPS (₹ per share)</b>		
Basic	2.64	5.40
Profit attributable to equity holders	8.36	15.53
Weighted average number of Equity sharesincluding Potential Equity shares for EPS	3,16,86,218.88	2,87,63,877.27
<b>EPS (₹ per share)</b>		
Diluted	2.64	5.40
Nominal Value of Shares (₹ per share)	10.00	10.00

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 39 : Gratuity & other post employment benefit plans

#### Defined Contribution Plan

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Insurance Company in the form of a qualifying Insurance Policy.

"Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. Generally equity instruments should not exceed 15% of total portfolio. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. The plan assets include significant investment in Debt Fund, hence, the Company is not exposed to any market risk."

The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet.

#### Changes in Present Value of Obligations

Particulars	₹ ( Crore )	
	2021-22	2020-21
Present Value of Obligation as at the beginning of the year	0.57	0.46
Interest Cost	0.04	0.03
Current Service Cost	0.12	0.11
Benefits paid	(0.06)	(0.06)
Past Service Cost	-	-
Actual(Gain)/ Loss on Obligations*	(0.10)	0.03
Present Value of Obligations at the end of the year	0.57	0.57

#### Changes in Fair Value of Planed Assets

Particulars	₹ ( Crore )	
	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	0.23	0.21
Investment Income	0.02	0.01
Contributions	-	-
Benefits Paid	(0.06)	(0.06)
Employers Contribution	0.01	0.07
Return on plan assets , excluding amount recognised in net interest expense	-	-
Actual(Gain)/ Loss on Plan Asset*	-	-
Fair Value of Plan Assets at the end of the year	0.20	0.23

Particulars	₹ ( Crore )	
	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	0.29	0.21
Actual Return on Plan Assets	0.02	0.01
Employer's Contribution	0.01	0.07
Fair Value of Plan Assets at the end of the year	0.32	0.29

#### Amount recognised in balance sheet

Particulars	₹ ( Crore )	
	2021-22	2020-21
Present value of projected benefit obligation at the end of the year	0.57	0.57
Fair value of plan assets at the end of year	0.32	0.29
Funded status amount of liability recognised in balance sheet	0.26	0.28

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Expenses Recognised in the Profit & Loss Account

₹ (Crore)

Particulars	2021-22	2020-21
Current Service Cost	0.12	0.11
Past Service Cost	-	-
Interest Cost	0.02	0.02
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/ Loss Recognised In the period	-	-
Expenses Recognised in Statement of Profit and Loss	0.14	0.13

### Other Comprehensive Income

₹ (Crore)

Particulars	2021-22	2020-21
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.04)	-
- experience variance (i.e. Actual experience vs assumptions)	(0.06)	0.02
- others	-	-
Return on plan assets, excluding amount recognised in net interest expenses	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-

### Summary of actuarial assumptions

₹ (Crore)

Particulars	2021-22	2020-21
Discount rate	7.30%	6.80%
Salary growth rate	5.00%	5.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

### Demographic Assumption

₹ (Crore)

Particulars	2021-22	2020-21
Mortality rate (% of IALM 12-14)	1.00	1.00
Normal retirement age	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Upto 30 years	10.00%	10.00%
31-44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

₹ (Crore)

Particulars	2021-22	2020-21
Defined Benefit Obligation (Base)	0.57	0.57

₹ (Crore)

Name of equity share holders	2021-22		2020-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.66	0.51	0.66	0.50
(% change compared to base due to sensitivity)	14.30%	-11.80%	15.00%	-12.30%
Salary Growth Rate (- / + 1%)	0.50	0.66	0.50	0.66
(% change compared to base due to sensitivity)	-12.10%	14.50%	-12.60%	15.20%
Attrition Rate (- / + 50% of attrition rates)	0.56	0.58	0.57	0.58
(% change compared to base due to sensitivity)	-1.90%	1.40%	-1.20%	0.80%
Mortality Rate (- / + 10% of mortality rates)	0.57	0.57	0.57	0.57
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### Note 40 : Commitments and contingencies

#### Contingent Liabilities

₹ (Crore)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
(a) Counter Indemnities given to Banks in respect of contracts	275.72	227.30
(b) Income Tax Liability that may arise in respect of which Company is in appeal	35.02	33.60
(c) Service Tax liability that may arise in respect of matters in appeal	22.93	22.93
(d) TDS Liability as reflected in the Traces Portal which are under Reconciliation/ Appeal	0.14	0.05
(e) Value Added Tax liability that may arise in respect of matters in appeal	98.20	97.57

- The Company is contesting the demands and the Management, including its legal counsel/Tax Advisors, believe that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognised in the financial statements.
- WRIT Petition is under process against the Income Tax Settlement Commission Order which has been completed in the Financial Year 2019-20 and Tax due has been paid as per ITSC order in three Installments. Two Installments paid in the Financial year 2019-20 and due to Covid 19 final Installment paid in Financial year 2020-21.
- GST returns have been filed belatedly for most of the Months.
- The reconciliation for purchases and expenditures with the details available in Form 2A, according to the GST portal is under process. No provision for dues of interest on GST dues, if any, is provided in the accounts pending finalisations.
- We have received notice from GST department for various states in which we operate, in ordinary course of Business. The value of which couldn't be ascertained because of its nature. Correspondance with GST Department have been made with respect to the notice received.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 41 : Segment Information

The company's operations predominantly consist of construction / project activities.

Hence there are no reportable segments under Indian Accounting standard -108 - 'Operating Segments'.

### Note 42 : Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

There are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company. Further, the Company has not paid any interest to any Micro and Small Enterprises during the year ended March 31, 2022.

### Note 43: Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date

₹ ( Crore )

Particulars	Year ended 31 Mar 2022		Year ended 31 Mar 2021	
	Foreign Currency	Equivalent INR	Foreign Currency	Equivalent INR
Payables				
LKR	19.85	7.70	19.85	7.70
<b>Total</b>	<b>19.85</b>	<b>7.70</b>	<b>19.85</b>	<b>7.70</b>
Receivables				
USD	0.11	7.94	0.11	7.94
TAKA	24.58	20.84	13.26	10.84
LKR	13.03	6.09	12.53	5.88
<b>Total</b>	<b>37.72</b>	<b>34.87</b>	<b>25.90</b>	<b>24.66</b>

### Notes 44: Related Party Relationship and Transaction

(a) Name of related Parties and related party relationship

Related Party where control exists

Sr No	Name of the Related Party	Nature of Relationship
1	RPP Infra Overseas PLC	Subsidiary
2	RPP Infra Projects (Lanka) Limited	Subsidiary
3	Sanskar Dealcom Pvt Ltd	Subsidiary
4	Greatful Mercantile Pvt Ltd	Subsidiary
5	Lunkar Finance Private limited	Step down Subsidiary
6	RPP Annai JV Private Limited	Subsidiary
7	P Arul Sundaram – Chairman & Managing Director	Key Management Personnel
8	A Nithya – Whole Time Director	Key Management Personnel
9	Renaatus Projects Pvt Ltd	Mr. Arul Sundaram (CMD) is the brother of Mr. P. Selvasundaram who is promoter of M/S.Renaatus Projects Pvt Ltd
10	P & C Projects Pvt Ltd	Mrs. A. Nithya (WTD) is one of the share holder in M/s. P & C Construction Pvt Ltd and her brothers are Chairman of M/s. P & C Projects Pvt Ltd.
11	Sanjeevi Constructions	Mr. Muralithasan who is the Director, is Managing Partner of the Firm
12	RPP P& C JV	A Firm in which RPP IPL is lead partner
13	RPP RK P& C JV	A Firm in which RPP IPL is lead partner
14	RPP Dhanya JV	A Firm in which RPP IPL is lead partner
15	RPP Renaatus JV	A Firm in which RPP IPL is lead partner
16	RPP Sathyamoorthy JV	A Firm in which RPP IPL is lead partner
17	RPP RK JV	A Firm in which RPP IPL is lead partner

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

18	RPP Blue Metals	Mr.P.Selvasundaram who is brother of Mr.Arulsundaram (CMD), is a director.
19	Ero Techno Systems	Mr P Arul Sundaram and Mrs. A Nithya both are Partners in the Firm
20	Nirara Shelters LLP	Mrs. A Nithya (WTD) is one of the Partner
21	R.P.P. Stocks and Securities Private Limited	Common Director
22	Arve Impex Private Limited	Common Director
23	RRP Ventures Private Limited	Common Director
24	Renaatus –RPP JV	A Firm in which RPPIPL is least partner
25	P&C RPP JV	A Firm in which RPPIPL is least partner
26	Spac Terminal Market Complex Limited	Common Director
27	Supreme Poultry Private Limited	Common Director
28	Dexterity Business Analysts Private Limited	Common Director
29	RPP RCCL JV	A Firm in which RPPIPL is lead partner
30	RPP Infra Projects Myanmar Limited	Associate Company
31	RPP SMC JV	A Firm in which RPPIPL is lead partner
32	Renaatus Procon Private Limited	Mr. Arul Sundaram (CMD) is the brother of Mr. P. Selvasundaram who is promoter of M/S.Renaatus Projects Pvt Ltd
33	IEL RPP JV	A Firm in which RPPIPL is least partner

### (b) Transactions with Related Parties

₹ ( Crore )

Nature of Transaction/ Relationship/ Parties	2021-22	2020-21
<b>Purchase of Goods &amp; Services/ Work Bills</b>		
<b>Other Related Parties</b>		
P & C Projects Pvt Ltd	0.06	0.22
Sanjeevi Constructions	0.00	0.24
Renaatus Projects Pvt Ltd	0.00	0.15
RPP Blue Metals	0.40	0.28
Ero Techno Systems	0.44	0.33
RPP RK P&C JV	0.00	0.00
RPP P&C JV	0.00	0.00
Renaatus Procon Private Limited	0.00	0.00
RPP Dhanya JV	0.18	0.00
RPP Renaatus JV	0.52	0.00
<b>Sale of goods/ contract revenue &amp; services/Asset</b>		
<b>Subsidiaries</b>		
RPP Annai JV Private Limited	0.00	0.00
<b>Other Related Parties</b>		
Renaatus Projects Pvt Ltd	0.18	0.37
P & C Projects Pvt Ltd	0.01	5.81
Sanjeevi Constructions	0.00	0.00
Ero Techno Systems	0.00	0.21
RPP P&C JV	0.70	10.05
RPP RCCL JV	0.00	4.76
RPP RK P&C JV	0.16	0.00
RPP SMC JV	3.08	0.00
RPP Dhanya JV	4.93	0.00
RPP Renaatus JV	3.70	0.00
Renaatus RPP JV	7.99	0.00
<b>Subscription to equity shares (including application money paid)</b>		
<b>Sale of Subsidiaries</b>		

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

₹ ( Crore )

Nature of Transaction/ Relationship/ Parties	2021-22	2020-21
R.P.P. Energy Systems Pvt Ltd	0.00	0.03
<b>Advances/Loan received/ recovered</b>		
<b>Subsidiaries</b>		
RPP Infra Overseas PLC	0.00	0.00
RPP Annai JV Private Limited	0.05	0.00
<b>Other Related Parties</b>		
Sanjeevi Constructions	0.00	0.28
Renaatus Projects Pvt Ltd	3.20	5.80
P & C Projects Pvt Ltd	0.71	0.40
RPP Dhanya JV	6.00	7.18
RPP Renaatus JV	2.60	3.99
Renaatus RPP JV	20.79	0.00
RPP SMC JV	0.27	0.00
<b>Other Related Parties Transactions</b>		
P. Arulsundaram – Chairman and Managing Director	12.07	5.93
Mrs. A. Nithya – Whole Time Directors	13.33	4.26
<b>Other Transactions</b>		
<b>Out standing Balance as on 31/03/2022</b>		
<b>Subsidiaries</b>		
RPP Infra Overseas PLC	7.94	7.94
RPP Infra Projects (Lanka) Limited	7.70	7.70
Sanskar Dealcom Pvt Ltd	0.01	0.00
Greatful Mercantile Pvt Ltd	0.01	0.01
RPP Annai JV Private Limited	5.71	4.96
<b>Other Related Parties</b>		
Renaatus Projects Pvt Ltd	2.11	6.38
P & C Projects Pvt Ltd	1.54	4.41
Sanjeevi Constructions	0.41	0.65
RPP Dhanya JV	4.93	7.00
RPP Renaatus JV	9.70	3.99
RPP Sathyamoorthy JV	0.00	0.00
Lunkar Finance Private limited	10.45	10.45
Ero Techno Systems	0.47	0.31
RPP Blue Metals	0.01	0.25
RPP P&C JV	6.09	0.80
RPP RK P&C JV	1.43	0.99
RPP RK JV	0.00	0.00
RPP SMC JV	0.62	0.00
Renaatus Procon Private Limited	0.02	0.00
Renaatus RPP JV	7.92	0.00
<b>Due to Director ( Current Account)</b>		
P. Arulsundaram – Chairman and Managing Director	0.11	0.15
Mrs. A. Nithya – Whole Time Directors	0.00	0.07
<b>Payment of Salaries/ perquisites (Other than commission to Key management personnel)</b>		
Mr. P. Arulsundaram – Chairman and Managing Director	0.48	0.12
Mrs. A. Nithya – Whole Time Directors	0.21	0.05
<b>Rent Paid to Directors</b>		
Mr. P. Arulsundaram – Chairman and Managing Director	0.30	0.08

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## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### Note 45 : Financial Instruments Disclosure

#### 45.1 Capital management

The Company's objective when managing capital is to:

- (i) Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.
- (iii) The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company comprises of equity share capital, retained earnings and other equity attributable to equity holders.. The Company is not subject to any externally imposed capital requirements.

#### 45.2 Gearing ratio

The following table summarizes the capital of the Company and the gearing ratios:

Particulars	₹ ( Crore )	
	As at 31 Mar 2022	As at 31 Mar 2021
<b>Total equity as per balance sheet</b>	<b>317.61</b>	<b>267.81</b>
Non- current borrowings	42.28	68.42
Current borrowings	62.04	54.61
Cash and Bank balances	41.52	16.57
<b>Net Debt</b>	<b>145.84</b>	<b>139.60</b>
Net debt to Equity ratio	2.18	1.92

#### 44.3 Categories of Financial Instruments

Particulars	₹ ( Crore )	
	As at 31 Mar 2022	As at 31 Mar 2021
<b>Financial Assets</b>		
<b>Measured at fair value through profit or loss (FVTPL) (mandatorily measured)</b>		
(a) Investment	7.14	7.14
<b>Measured at Amortised cost</b>		
(b) Trade Receivables	207.30	145.93
(c) Cash and Cash equivalents	41.52	16.57
(d) Short Term Loans & Advances	24.07	25.43
(e) Others	142.49	147.76
<b>Financial Liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Borrowings	104.32	123.03
(b) Trade payables	114.66	128.23
(c) Other financial liabilities	175.13	77.92

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### 45.4 Financial Risk Management Objectives

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Management reviews and approves risk Management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks

#### 45.4.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are foreign currency exchange risk and interest rate risk.

##### 45.4.1.1 Foreign Currency Risk Management

The company has overseas subsidiaries which are however are not material subsidiaries. Net amount payable / receivable are not hedge and company is hopeful of recovering the same in ensuing financial year. There are no other foreign currency risk exposure to the Company.

##### 45.4.1.2. Interest rate risk.

The Company is not exposed to interest rate risk because of borrowal of funds at fixed interest rates. The company's exposure to interest rate on borrowings are detailed in note 19.

#### 45.4.2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer profile consists of around 70-80% from Govt. Sectors

The company's exposure to credit risk for trade and other receivables by type of counterparty are as follows

Particulars	₹ ( Crore )	
	Percentage to Total Trade receivables	
	As at 31 Mar 2022	As at 31 Mar 2021
Govt companies	77.95%	82.74%
Others	22.05%	17.26%

#### 45.4.3 Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

#### Contractual maturity of financial liabilities:

As at March 31, 2022	₹ ( Crore )		
	Due - within 1 year	Due – More than 1 year	Total
Non-Current Borrowings	20.74	42.28	63.02
Other Non-Current Financial Liabilities	-	-	-
Current Borrowings	41.30	-	41.30
Trade Payables	114.66	-	114.66
Other Current Financial Liabilities	175.13	-	175.13
<b>Total</b>	<b>351.83</b>	<b>42.28</b>	<b>394.11</b>

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

₹ (Crore)

As at March 31, 2021	Due - within 1 year	Due - More than 1 year	Total
Non-Current Borrowings	11.70	68.42	<b>80.11</b>
Other Non-Current Financial Liabilities	-	-	-
Current Borrowings	42.91	-	<b>42.91</b>
Trade Payables	128.23	-	<b>128.23</b>
Other Current Financial Liabilities	77.92	-	<b>77.92</b>
<b>Total</b>	<b>260.76</b>	<b>68.42</b>	<b>329.17</b>

### Note 46 : Joint Venture Agreement

The Company has an unincorporated JV with the Party Ramalingam Construction Company Pvt Ltd with whom a project was jointly bid and obtained. However, the execution was fully done by the company. Company has agreed to pay 2% of Turnover of this project as Royalty to the Partner and this amount has been charged off to the Statement of Profit & Loss.

### NOTE 47 - DISCLOSURE PURSUANT TO CONSTRUCTION CONTRACTS

Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers

- (a) The Company believes that the information provided vide Note 27 (Revenue from Operations) and vide Note 38 (Segment reporting) is sufficient to meet the disclosure requirements with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.
- (b) Reconciliation of the amount for revenue recognised in the Standalone Statement of Profit and Loss with the contracted price:

₹ (Crore)

Particulars	3/31/2022	3/31/2021
Revenue from operations	779.82	477.90
<b>Adjustments:</b>		
Claims	-	-
<b>Revenue from contract with customers</b>	<b>779.82</b>	<b>477.90</b>

### (c) Contract balances

- (i) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

₹ (Crore)

Particulars	3/31/2022	3/31/2021
Trade receivables	207.30	145.93
Contract assets : Unbilled revenue	142.49	147.76
Contract liabilities - Advance billing to customer	12.88	8.67
Contract liabilities - Mobilisation advances	112.01	39.69

- (ii) Movement in contract balances during the year

₹ (Crore)

	Contract assets	Contract liabilities	Net contract balances
Opening balance as at April 1, 2021	147.76	48.35	99.41
Closing balance as at March 31, 2022	142.49	124.89	17.60
Net increase/(Decrease)	(5.27)	76.54	(81.81)

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

(iii) Revenue recognised during the year from opening balance of Contract liabilities amounts to ₹25.59 Crores

(d) Remaining performance obligations

In case of revenue from Road repair and maintenance, the Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations where the Company has a right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. Accordingly, the Company recognises revenue by an amount to which the Company has a right to invoice.

Remaining performance obligations are subject to variability due to several factors such as changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to remaining performance obligations is ₹1680 Crores out of which 35%-45% is expected to be recognised as revenue in the next year and the balance thereafter.

### NOTE 48 - RATIOS

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance	Reason for variance (+/- >25%)
Current Ratio	Current Assets	Current Liabilities	1.61	1.64	-2.11%	-
Debt -equity Ratio	Total Debt	Shareholder's Equity	0.33	0.46	-28.50%	Shareholder's Equity increase due to rights Issue that causes the difference
Debt Service Coverage Ratio	"Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc."	Debt Service = Interest & Lease Payments + Principal Repayments <sup>1</sup>	1.25	1.49	-16.54%	
Return On Equity (%)	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	2.86%	6.16%	-53.65%	Three high value road projects are at establishment phase which reduces the profit.
Inventory Turnover Ratio	Cost of goods sold OR Sales	Average Inventory = (Opening + Closing balance/2)	NA <sup>2</sup>	NA <sup>2</sup>	NA <sup>2</sup>	-
Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales - Sales return	Average Accounts Receivable = (Opening + Closing balance/2)	4.42	3.26	35.52%	Previous Years Turnover is low when compared to current year, because of covid -19 Pandemic.
Trade Payables Turnover Ratio	Net Credit Purchases = Gross credit purchases - Purchase return	Average Trade Payables	1.53	0.99	55.41%	In Previous Year, business flow is affected, because of covid -19 Pandemic. In Current year, it became normal.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance	Reason for variance (+/- >25%)
Net Capital Turnover Ratio	Net Sales = Total sales - Sales returns	Working Capital = Current assets - Current liabilities	3.40	2.64	28.62%	Previous Years Turnover is low when compared to current year, because of covid -19 Pandemic
Net Profit Ratio	Net Profit = Net profit shall be after tax	Net Sales = Total sales - Sales returns	0.01	0.03	-67.00%	Three high value road projects are at establishment phase which reduces the profit.
Return On Capital Employed	Earnings before interest & taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08	0.12	-36.09%	Three high value road projects are at establishment phase which reduces the profit. In addition, increase in capital employed because of Rights issue, leads to reduction in ROCE.
<b>Return On Investment<sup>4</sup></b>	$\frac{\{MV(T1) - MV(T0) - \sum[C(t)]\}}{T1 - T0}$ where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $\frac{t - T0}{T1 - T0}$	$\frac{\{MV(T0) + \sum[W(t) * C(t)]\}}{T1 - T0}$ where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $\frac{t - T0}{T1 - T0}$	-	-	-	-

1. Interest expense + Principal repayments made during the period for Long term borrowings
2. Irrelevant to nature of business of the company, as the company falls under service sector.
3. Here, total debt consists of Long Term Borrowings alone.
4. Return received on Investment is immaterial as majority of investments are made in Subsidiaries and the rest are made in unquoted shares, from which we haven't received material return either in the form of dividend or appreciation in value.

## Notes to the Standalone Financials Statement for the year ended 31st March 2022

### NOTE 49

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### NOTE 50 : ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION II

- a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority
- c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- e) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

As per our report of even date

**On behalf of Board of Directors**

**P. ArulSundaram**

Chairman & Managing Director  
DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer  
DIN 00125357

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place :Erode

UIN: 22026599AKGWRB8753

# Independent Auditor's Report

TO  
THE MEMBERS OF  
**R.P.P INFRA PROJECTS LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

I have audited the accompanying consolidated financial statements of R.P.P. Infra Projects Limited ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

I conducted my audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to my audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined the matters described below to be the key audit matters to be communicated in my report.

S.No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition in accordance with Ind AS 115 "Revenue from Contracts with Customers"</b></p> <p>The Company inter alia engages in Fixed-price development contracts, where, revenue is recognized using the percentage of completion computed as per the input method based on management's estimate of contract costs. (Refer Note No. 27 to the Standalone Financial Statements)</p> <p>I identified revenue recognition of fixed price development contracts as a KAM considering –</p> <ul style="list-style-type: none"> <li>• There is an inherent risk around the accuracy of revenues given, the customised and flexible nature of these contracts in terms of tenure of the projects.</li> <li>• Application of revenue recognition accounting standard is complex and involves a number of key judgments and estimates including estimating the future cost-to-completion of these contracts, which is used to determine the percentage of completion of the relevant performance obligation;</li> <li>• These contracts may involve onerous obligations on the Company that require critical estimates to be made by management; and</li> <li>• At year-end a significant amount of work in progress (Contract assets and liabilities) related to these contracts is recognised in the balance sheet.</li> </ul>	<p><b>My audit procedures on revenue recognized from fixed price development contracts include</b></p> <ul style="list-style-type: none"> <li>• Understanding of the systems, processes and controls implemented by management for recording and calculating revenue and work-in-progress/Contract assets.</li> <li>• On selected samples of contracts, I tested that the revenue recognized is in accordance with the accounting standard by – <ul style="list-style-type: none"> <li>➤ Evaluating the performance obligation;</li> <li>➤ Testing management's calculation of the estimation of contract cost and onerous obligation, if any. I;</li> <li>➤ Observed that the estimates of cost to complete were reviewed and approved by appropriate levels of management;</li> <li>➤ Performed a retrospective review of costs incurred with estimated costs to identify significant variations and verify whether those variations have been considered in estimating the remaining costs to complete the contract; and</li> <li>➤ Assessed the appropriateness of work in progress (contract assets) in balance sheet by evaluating the underlying documentation to identify possible delays in achieving milestones which may require change in estimated costs to complete the remaining performance obligations.</li> </ul> </li> </ul>

S.No	Key Audit Matter	Auditor's Response
2	<p><b>Measurement of contract assets in respect of overdue milestones and receivables in respect of overdue invoices</b></p> <p>The Company, in its contract with customers, promises to transfer distinct services to its customers, which may be rendered in the form of engineering, procurement, and construction (EPC) services through design-build contracts, and other forms of construction contracts. The recognition of revenue is based on contractual terms, which could be based on agreed unit price or lump-sum revenue arrangements. At each reporting date, revenue is accrued for costs incurred against work performed that may not have been invoiced. Identifying whether the Company's performance has resulted in a service that would be billable and collectable where the works carried out have not been acknowledged by customers as of the reporting date, or in the case of certain defence contracts, where the evidence of work carried out and cost incurred are covered by confidentiality arrangements, involves a significant amount of judgment. Assessing the recoverability of contract assets related to overdue milestones and amounts overdue against invoices raised which have remained unsettled for a significantly long period after the end of the contractual credit period also involves a significant amount of judgment.</p> <p>Refer to Note No. 2.07(i) and Note No.27 of the consolidated financial statements</p>	<p><b>The procedures performed included the following:</b></p> <ul style="list-style-type: none"> <li>obtained an understanding of the Company's processes in collating the evidence supporting execution of work for each disaggregated type of revenue;</li> <li>obtained an understanding of the Company's processes in assessing the recoverability of amounts overdue and process over estimating the expected credit loss allowance;</li> <li>tested the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs and assumptions into the provisioning model;</li> <li>evaluated controls over authorisation and calculation of provisioning model;</li> <li>evaluated the delivery and collection history of customers against whose contracts un-invoiced revenue is recognised;</li> <li>verified for the sample selected, receipts post balance sheet date upto the approval of the financial statements by the Board of Directors of the Parent Company;</li> <li>performed an overall assessment of the expected credit loss provision to determine if they were reasonable considering the Company's portfolio, risk profile, credit risk management practices and the macroeconomic environment; and</li> <li>tested the appropriateness of the disclosures in the financial statements to ensure compliance with Ind AS 115</li> </ul>
3	<p><b>Claims and exposures relating to taxation and litigation</b></p> <p>The Group is subject to a large number of tax and legal disputes, which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case.</p> <p>Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process.</li> <li>For selected controls we have performed tests of controls.</li> <li>Obtained the summary of Group's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.</li> <li>Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.</li> <li>Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.</li> <li>Assessed the competence and objectivity of the Group's experts, to satisfy ourselves that these parties are suitable in their roles.</li> </ul>

**I have determined that there are no other Key Audit Matters to communicate in my report.**

**Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and my auditors' report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I have required reporting that fact. I have nothing to report in this regard.

**Management's Responsibilities for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial

statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks,

and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, I am also responsible for expressing my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which I am the independent auditor. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. I remain solely responsible for my audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work;

and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

### Emphasis of Matter

#### I invite attention to:

- a. The mobilisation advance received by the Company from certain departments and the proportionate amount which has to be classified as GST liability has been shown as mobilisation advance liability to the extent of ₹10.87 Crores (Refer Note No. 23).

My Opinion is not modified in respect of this matter

### Other Matters

I did not audit the financial statements of Two branches and Eight jointly controlled operations included in the standalone financial results of the Company, whose results reflect total assets of ₹158.98 Crore as at 31st March, 2022 and total revenues of ₹377.21 Crore and net profit/(Loss) after tax of ₹(4.63) Crore, and Other comprehensive income of ₹ Nil for the year ended March 31st 2022 and for the period 01.01.2022 to 31.03.2022, respectively and net cash flows amounting to ₹14.08 Crore for the year then ended. These branch financial statements have been audited by other Auditors whose reports have not been furnished to me and these JV's financial statements have been audited by other Auditors whose reports have been furnished to me by the Management and my opinion on the standalone financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by me are as stated in paragraph above. My opinion is not modified in respect of this matter.

I did not audit the financial statements of Six subsidiaries, One Associate operations included in the consolidated quarterly financial results and year to date results, whose consolidated financial statements reflect total assets of ₹53.71 Crore as at March 31, 2022, total revenue of ₹21.96 Crore and total net profit/(loss) after tax of ₹(3.01), and Other comprehensive income/(loss) of ₹3.40 Crore and for the year ended 31st March, 2022 respectively and cash flows (net) of ₹0.003 Crore for the year ended March 31, 2022, as considered in the consolidated financial results. The Interim financial statements and other financial information of Six subsidiaries, One Associate have been audited by other auditors whose reports have been furnished to me, and my opinion on the quarterly financial results and the year to date results, to the extent they have derived from such interim financial statements is based solely on the report of such other auditor. In respect of the financial statements of two of subsidiaries RPP Infra Overseas PLC

Mauritius, RPP Infra Projects (Lanka) Limited and branch offices at Jaffna - Sri Lanka and at Dhaka - Bangladesh, the audited statements were not made available and reliance has been entirely placed only on the certificate by the management.

My opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to my reliance on the work done and the reports of the other auditors and the Financial Results/ financial information certified by the Board of Directors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, I report, to the extent applicable, that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit of the aforesaid consolidated financial statements.
- (b) In my opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from my examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In my opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls; refer to my separate report in Annexure-A, which is based on the auditor's report of the company and its subsidiary companies incorporated in India. My audit report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the company and its subsidiary companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit

and Auditor's) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.
- ii. The Group does not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies incorporated in India..
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or

entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to me, and based on the CARO reports issued by me for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, I report that there are no qualifications or adverse remarks in these CARO reports.

For **CA S.N. Duraiswamy**  
Chartered Accountant

Place : Erode  
Date : 30 May 2022

Membership No. : 026599  
UDIN : 22026599AKGWFY5614

# Annexure 'A'

## to the Independent Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of RPP Infra Projects Limited as of March 31, 2022 in conjunction with my audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's

internal financial controls system over financial reporting, except relating to the branches in Sri Lanka and Bangladesh.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In my opinion, to the best of the information and explanations given to me, except relating to the branches in Sri Lanka and Bangladesh for which I have neither audited nor received an Independent Auditor's report on the same, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **CA S.N. Duraiswamy**  
Chartered Accountant

Place : Erode  
Date : 30 May 2022

Membership No. : 026599  
UDIN : 22026599AKGWFY5614

## Consolidated Balance Sheet as at 31st March, 2022

₹ (Crore)

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	61.55	47.00
Capital work in progress	4	2.53	4.08
Other Intangible assets	5	0.01	0.01
Goodwill		0.27	0.32
Financial assets			
Investments	6	0.11	0.07
Long Term Loans & Advances	7	8.89	9.22
Other Financial Assets	8	53.60	90.44
Deferred Tax Asset	9	-	-
Other Non-Current Assets	10	4.68	4.48
<b>Total Non -Current Assets</b>		<b>131.64</b>	<b>155.62</b>
<b>Current assets</b>			
Inventories	11	18.43	11.45
Financial assets			
Investments			
Trade Receivables	12	216.98	156.03
Cash and Cash equivalents	13	41.79	16.84
Short Term Loans & Advances	14	23.79	25.16
Other Financial Asset	15	142.49	147.78
Other Current Assets	16	169.41	109.42
Current Tax Assets (net)	26	17.31	11.46
<b>Total Current Assets</b>		<b>630.19</b>	<b>478.14</b>
<b>Total assets</b>		<b>761.84</b>	<b>633.77</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	17	36.69	23.65
Share Warrant		-	6.64
Other Equity	18	299.97	256.17
Equity Attributable to the Shareholders of the Company		336.67	286.47
Non Controlling Interests		(0.01)	(0.01)
<b>Total equity</b>		<b>336.66</b>	<b>286.46</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	31.82	57.96
Other Financial Liabilities			
Deferred Tax Liability	9	0.67	0.01
Provisions	20	0.35	0.30
<b>Total Non-current liabilities</b>		<b>32.84</b>	<b>58.27</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	21	62.04	54.61
Trade payables			
(a) Total outstanding dues of micro enterprises & small enterprises			
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	22	119.33	130.65
Other current financial liabilities	23	184.23	83.00
Other Current Liabilities	24	23.11	12.23
Short Term Provisions	25	2.49	2.47
Current Tax Liabilities (Net)	26	1.13	6.08
<b>Total Current liabilities</b>		<b>392.34</b>	<b>289.03</b>
<b>Total liabilities</b>		<b>425.17</b>	<b>347.30</b>
<b>Total equity and liabilities</b>		<b>761.84</b>	<b>633.77</b>

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

On behalf of Board of Directors  
For RPP Infra Projects Limited

CA S N DURAISWAMY

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWFY5614

P. ArulSundaram

Chairman & Managing Director

DIN: 00125403

A. Nithya

Whole Time Director & Chief Financial Officer

DIN: 00125357

## Consolidated Profit and Loss for the year Ended 31st March 2022

₹ ( Crore )

Particulars	Notes	Year ended 31st March 2022	Year ended 31st March 2021
<b>Income</b>			
Revenue from operations	27	801.68	513.11
Other income	28	14.28	11.22
<b>Total income</b>		<b>815.97</b>	<b>524.33</b>
<b>Expenses</b>			
Cost of Material Consumed	29	186.35	122.22
Direct Operating Cost	30	533.21	322.34
Employee benefits expense	31	18.32	10.94
Finance Cost	32	13.98	18.95
Depreciation and amortization expense	33	7.97	6.12
Other expenses	34	44.95	21.64
<b>Total expense</b>		<b>804.78</b>	<b>502.21</b>
<b>Profit/(Loss) before Exceptional item and tax</b>		<b>11.19</b>	<b>22.12</b>
Exceptional Item		<b>0.00</b>	<b>0.00</b>
<b>Profit/(Loss) after Exceptions item and before tax</b>		<b>11.19</b>	<b>22.12</b>
<b>Tax Expense</b>			
Current Tax	35	5.17	7.49
Deferred tax	35	0.66	(0.86)
<b>Total Tax Expense</b>		<b>5.83</b>	<b>6.62</b>
<b>Profit/(loss) for the year</b>		<b>5.36</b>	<b>15.51</b>
Owner of the Parent		5.36	15.51
Non Controlling Interest		0.00	(0.01)
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
Remeasurement of defined benefit plans	36	0.09	0.09
Net change in fair values of investments in equity shares carried at fair value through OCI		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
Exchange differences on translation of Financial Statement of Foreign Companies	36	(3.40)	7.00
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the period / year, net of tax</b>		<b>(3.32)</b>	<b>7.09</b>
Owner of the Parent		(3.32)	7.09
Non Controlling Interest		-	-
<b>Total Comprehensive Income for the year, net of tax attributable to</b>		<b>8.67</b>	<b>8.41</b>
Owner of the Parent		8.67	8.42
Non Controlling Interest		(0.00)	(0.01)
<b>Earnings per share</b>			
(1) Basic (in INR)	38	1.69	5.39
(2) Diluted (in INR)	38	1.69	5.39

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.

As per our report of even date

On behalf of Board of Directors

For RPP Infra Projects Limited

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWFY5614

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

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## Consolidated Statement of cash flows for the year ended 31st March 2022

₹ ( Crore )

Particulars	Notes	Year ended 31st March 2022	Year ended 31st March 2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>PROFIT BEFORE TAX</b>		<b>14.19</b>	<b>22.12</b>
<b>NON-CASH ADJUSTMENTS TO RECONCILE PROFIT/(LOSS) BEFORE TAX TO NET CASH FLOWS</b>			
<b>Add:</b> Depreciation		7.97	6.12
<b>Add:</b> Interest paid		13.98	18.95
<b>Less:</b> Interest received		(4.15)	(2.37)
<b>Add:</b> (Profit)/Loss on sale of Property, Plant and Equipment (Net)		(0.17)	0.16
<b>Add:</b> (Profit)/Loss on sale of Investment (Net)		-	0.02
<b>Add:</b> Changes in WIP		-	0.94
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>31.81</b>	<b>45.93</b>
<b>WORKING CAPITAL ADJUSTMENTS</b>			
Increase / (Decrease) in Trade Payables		(11.32)	15.30
Increase / (Decrease) in Other Current Financial Liabilities		101.23	(14.49)
Increase / (Decrease) in Other Current Liabilities		10.88	(4.02)
Increase / (Decrease) in Short Term Provisions		0.03	0.04
(Increase) / Decrease in Trade Receivables		(60.95)	8.34
(Increase) / Decrease in Inventories		(6.98)	12.86
(Increase) / Decrease in Other Non-Current Assets		(0.21)	(1.13)
(Increase) / Decrease in Short Term Loans & Advances		1.37	3.81
(Increase) / Decrease in Other Financial assets		5.30	(4.82)
(Increase) / Decrease in Other Current Assets		(59.99)	(2.88)
Increase / (Decrease) in Provisions		0.05	1.13
Increase / (Decrease) in Other Non Current Financial Asset		36.84	-
Other Adjustments		0.92	6.80
<b>Cash generated from/(used in) operating activities</b>		<b>48.97</b>	<b>66.87</b>
<b>Less:</b> Direct Taxes Paid		(16.39)	(15.36)
<b>Net cash generated from/(used in) operating activities</b>		<b>32.58</b>	<b>51.51</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Investments		-	0.02
Payments for Purchase of Property, Plant and Equipment		(21.62)	(5.49)
Proceeds from Sale of Property, Plant and Equipment		0.65	-
Interest received		4.15	2.37
<b>Net cash generated from/(used in) investing activities</b>		<b>(16.82)</b>	<b>(3.09)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		(26.14)	-
Repayment of borrowings		7.43	16.48
Net changes in Long Term Loans & Advances		0.34	(6.78)
Interest paid		(13.98)	(18.95)
Purchase of equity or debt instruments of other entities		13.04	7.69
Others		28.49	8.46
<b>Net cash generated from/(used in) financing activities</b>		<b>9.18</b>	<b>6.89</b>
<b>Net increase in cash and cash equivalents</b>		<b>24.95</b>	<b>55.31</b>
<b>Add:</b> Cash and Cash Equivalents at the beginning of the period	13	16.84	51.97
Cash and Cash Equivalents at the end of the period	13	<b>41.79</b>	<b>107.28</b>

Notes:

- Statement of cash flows has been prepared under the indirect method as set out in the IND AS 7 "Statement of cash Flows" as specified in the companies (indian accounting Standards) Rules, 2015
- Previous year figures have been regrouped/reclassified wherever required

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**On behalf of Board of Directors  
For RPP Infra Projects Limited**

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWFY5614

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

## Statement of Changes in Equity for the year ended 31st March 2022

### a. Equity Share Capital

₹ (Crore)

	Note No	Number	₹ in Crore
Equity shares of ₹10 each issued, subscribed and fully paid			
<b>As at 31 March 2020</b>		<b>2,26,00,584.00</b>	<b>22.60</b>
Issue of share capital	17	10,50,000.00	1.05
<b>As at 31 March 2021</b>		<b>2,36,50,584.00</b>	<b>23.65</b>
Issue of share capital	17	1,30,35,716.00	13.04
<b>As at 31 March 2022</b>		<b>3,66,86,300.00</b>	<b>36.69</b>

### b. Other Equity

₹ (Crore)

Particulars	Notes	Reserves & Surplus			Share Application Money	Total attributable to the equity holders of the Parent	Non-controlling interest	Total Other Equity
		Share Premium	Retained Earnings	Other Reserves	Share Application Money			
<b>As at 1 April 2021</b>		<b>64.26</b>	<b>189.54</b>	<b>2.38</b>	-	<b>256.18</b>	<b>(0.01)</b>	<b>256.17</b>
Profit for the period	18	-	5.36	-	-	5.36	-	5.36
Dividend	17.5	-	-	-	-	-	-	-
Dividend distribution tax	17.5	-	-	-	-	-	-	-
Share Warrant Premium	18	-	-	-	-	-	-	-
Share Warrant Forfeiture	18	-	-	6.64	-	6.64	-	6.64
Rights Issue Premium	18	26.07	-	-	-	26.07	-	26.07
Share Application Money Pending allotment	18	-	-	-	2.15	2.15	-	2.15
Others	18	-	0.27	-	-	0.27	-	0.27
Other comprehensive income	18	-	3.32	-	-	3.32	-	3.32
<b>As at 31st March 2022</b>		<b>90.33</b>	<b>198.48</b>	<b>9.02</b>	<b>2.15</b>	<b>299.98</b>	<b>(0.01)</b>	<b>299.97</b>
<b>As at 1 April 2020</b>		<b>55.86</b>	<b>180.89</b>	<b>2.38</b>	-	<b>239.12</b>		<b>239.12</b>
Profit for the period	18	-	15.50	-	-	15.51	-	15.50
Dividend	17.5	-	-	-	-	-	(0.01)	-
Dividend distribution tax	17.5	-	-	-	-	-	-	-
Share Warrant Premium	18	8.40	-	-	-	8.40	-	8.40
Others	18	-	(13.94)	-	-	(13.94)	-	(13.94)
Other comprehensive income	18	-	7.09	-	-	7.09	-	7.09
<b>As at 31st March 2021</b>		<b>64.26</b>	<b>189.54</b>	<b>2.38</b>	-	<b>256.18</b>	<b>(0.01)</b>	<b>256.17</b>

As per our report of even date

On behalf of Board of Directors  
For RPP Infra Projects Limited

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place : Erode

UIN: 22026599AKGWFY5614

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN: 00125357

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## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 1 : Company Overview

RPP Infra Projects Limited has been engaged in nation-building since 1995. It is engaged in construction across multiple infrastructure verticals like roads, buildings, industrial structures, power, irrigation and water management and has executed many projects in Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, Telangana, Madhya Pradesh, Maharashtra, Andaman & Nicobar, Jharkand and Uttar Pradesh for 27 years. The company has the following subsidiaries which are engaged in the businesses mentioned below: R.P.P Infra Overseas PLC and RPP Infra Projects (Lanka) Limited and RPP Annai JV Private Limited are engaged in the business of construction contracts and construction activities. Greatful Mercantile Private Limited and Sanskar Dealcom Private Limited are engaged in the business of other non-specialised wholesale trade. Lunkar Finance Private Limited is in the business of providing non-banking financial services.

### Note 2 : Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements.

#### 2.01 Statement of compliance

##### Recent Accounting Developments:

##### 1) New Standards notified and adopted by the Company

MCA on 29 March 2018 notified the new standard for revenue recognition – Ind AS 115 (effective from 1 April 2018) which overhauls the existing revenue recognition standards including Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five-step application principle to be followed for revenue recognition:

- a) Identification of the contracts with the customer
- b) Identification of the performance obligations in the contract
- c) Determination of the transaction price
- d) Allocation of transaction price to the performance obligations in the contract (as identified in step b)
- e) Recognition of revenue when the Company satisfies a performance obligation.

A number of other standards had been modified on miscellaneous issues with effect from 1st April 2018. Such changes include principle for transfer of asset to, or from, Investment Property (Amendment to Ind AS 40), determination of exchange rate for translation of foreign currency where a pre-payment asset or a deferred income liability is recognized (Amendment to Ind AS 21), segregation of deductible temporary differences in accordance with tax laws and assessing them on that basis to recognise deferred tax asset (Amendment to Ind AS 12), permitting election of fair value or

equity method of accounting for investments in associates and joint ventures by venture capital, mutual fund and other similar organisations (Amendment to Ind AS 28) and Applicability of disclosure requirements to interests classified as held for sale or as discontinued operation (Amendment to Ind AS 112). None of these amendments have any material effect on the Company's financial statements."

##### 2) Ind AS New Standard notified but not early adopted by the Company

##### (i) New Accounting Standard on Lease

Ind AS 116 replaces existing standard Ind AS 17 "Leases". The standard is effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard.

The said amendment does not have any impact on the financial statements.

##### (ii) Other amendments

Several other accounting standards have been modified on miscellaneous issues with effect from 1st April 2019. Such changes include clarification/guidance on:

- a) business combination accounting in case of obtaining control of a joint operation;
- b) accounting in case of obtaining joint control of an operation wherein there was no joint control earlier;
- c) income tax consequences in case of dividends;
- d) accounting for income tax when there is uncertainty over income tax treatment of an item by tax authorities;
- e) accounting treatment for specific borrowings post capitalization of corresponding qualifying asset;
- f) accounting for prepayment features with negative compensation in case of debt instruments;
- g) accounting for plan amendment, curtailment or settlement occurring in-between the reporting periods in case of long-term employee benefit plans;
- h) accounting for long-term interests in associates and joint ventures to which the equity method is not applied but that in substance form part of the net

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

investment in the associate or joint venture (long-term interests).

None of these amendments are expected to have any material effect on the Company's financial statements.

### 2.02 Basis of Preparation

The Financial Statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity, Statement of Cash Flow together with notes for the year ended March 31, 2021, have been prepared in accordance with applicable Indian Accounting Standards (Ind AS) prescribed under section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules as amended from time to time.

The Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. As the operating cycle cannot be identified in normal course due to the special nature of industry, the same has been assumed to have duration of 12 months. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Division II of Schedule III to the Companies Act, 2013.

#### Operating Cycle

Operating cycle for the business activities of the company covers the duration of the specific project/contract/product line/service including the defect liability period wherever applicable and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business.

#### Current and Non Current Classification

An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- (i) It is expected to be settled in normal operating cycle

- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

#### Functional and Presentation Currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian rupee is the functional currency of the Company.

The Financial Statements are presented in Indian Rupees which is company's presentation currency. All financial information presented in Crores has been rounded to two decimals except where otherwise indicated.

### 2.03 Critical Accounting Judgments, Assumptions and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods which are affected.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Assumptions and Key Sources of Estimation Uncertainty

#### (i) Revenue

Revenue is recognised based on the extent of progress towards completion of the performance obligation. This requires the Company to estimate total contract revenue, and remaining cost to complete the contract at the end of each reporting date. The financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, therefore recognized revenue and profit are subject to change as the contract progresses to completion.

#### (ii) Useful life of Property, Plant & Equipment (PPE)

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which is reviewed at the end of each reporting period. The rate of depreciation adopted by the company has been tabulated in note 2.03

#### (iii) Expected Credit Loss (ECL)

Expected Credit Loss is prepared based on the historical data for the past two years with half yearly intervals and the probability of default is computed accordingly. The mechanism tries to identify the receivables which would probably result in becoming unrecoverable for the company and additional provision is created by company based on the ECL model.

#### (iv) Employee Benefits - Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### (v) Taxation

Determining of income tax liabilities using tax rates and tax laws that have been enacted or substantially enacted requires the Management to estimate the level of tax that will be payable based upon the Group's/ expert's interpretation of applicable tax laws, relevant judicial pronouncements and an estimation of the likely outcome of any open tax assessments including litigations or closures thereof.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilized.

#### (vi) Fair value measurement

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The Management

determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 39.

#### (vii) Provision for contractual obligation

Assessments undertaken in recognising provisions for contractual obligation have been made as per the best judgement of the management based on the current available information.

### 2.03 Property, Plant and Equipment

Land and buildings, Property, Plant and Equipments held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and impairment losses, if any. Property, Plant and Equipment (PPE) in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss.

The cost of an asset comprises its purchase price or its construction cost (net of applicable tax credits), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management and initial estimate of decommissioning, restoring and similar liabilities. Such cost includes the cost of replacing part of the plant and equipment and professional fees. Any trade discounts and rebates are deducted in arriving at the purchase price. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components. All other repair and maintenance costs are recognised in profit or loss as incurred. Own fabricated assets are capitalized at cost including an appropriate share of overheads.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

#### Depreciation on Property, Plant & Equipment

Depreciation of these PPE commences when the assets are ready for their intended use. Depreciation is provided on the cost of PPE (other than leasehold land) less their residual values, using the straight line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on technical assessment by the

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

Company. The Company has used the following rates to provide depreciation on its property, plant and equipment.

Particulars	Rate of depreciation
Land	0.00%
Buildings	3.00%
Plant & Machinery	4.75%
Office Equipment	6.33%
Furniture and Fixtures	6.33%
Computer	16.21%
Light Motor Vehicle	9.50%
Heavy Vehicle	11.31%

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions except low value items not exceeding ₹10,000/- which are fully depreciated at the time of addition.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped PPE which are capitalized separately is provided for over the reassessed useful life.

### De-Recognition:

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised as in the Statement of Profit and Loss.

Assets not ready for the intended use on the date of the Balance Sheet are disclosed as Capital Work-in-Progress.

### 2.04 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. The costs comprises of all cost, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible asset. Amortisation is recognised on a straight line basis over their estimated useful lives from the date of capitalisation. The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate being accounted for prospectively.

Computer software are amortized on a straight line basis over a period of 3 years.

### De-recognition

Intangible assets is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

### 2.05 Impairment of tangible and intangible assets

The Company reviews the carrying amount of its tangible and intangible assets and Property, Plant and Equipment (including Capital Works-in -Progress) of a "Cash Generating Unit" (CGU) at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and impairment loss is recognised in the Statement of Profit and Loss.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

### 2.08 Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

#### Operating leases:

- (i) Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the related assets are classified as operating leases.
- (ii) Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

### 2.17 Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### 2.18 Financial assets

Financial assets comprises of investments, trade receivables, cash and cash equivalents, term loans and advances and other financial assets.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

#### (ii) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

#### (iv) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

#### (v) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### (vi) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

# Notes to the Consolidated Financials Statement for the year ended 31st March 2022

## 2.19 Financial liabilities

### (i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- (a) the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### (ii) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method

### (iii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

## 2.06 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of construction / raw materials comprises cost of purchases and includes taxes and duties and is net of eligible credits under CENVAT/VAT schemes/ Input Tax Credit (ITC). It also includes all other related costs incurred in bringing the inventories to their present location and condition.

Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Cost is determined on first in first out basis. Cost of surplus/ obsolete/ slow moving inventories are adequately provided for.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## 2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

## 2.17 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

## 2.07 Revenue recognition

### (i) Construction Contracts

Revenue is measured based on the consideration specified in a contract with a customer. Company recognises revenue when or as it transfers control over a good or service to a customer.

Allocation of transaction price to performance obligations - A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, when, or as, the performance obligation is satisfied. To determine the proper revenue recognition method, we evaluate whether the proper revenue recognition method, we evaluate whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment; some of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using our best estimate of the standalone selling price of each distinct good or service in the contract.

Payment terms - Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Payment terms may either be fixed, lump-sum or driven by time and materials (i.e., daily or hourly rates, plus materials). Because typically the customer retains a small portion of the contract price until completion of the contract, our contracts generally result in revenue recognised in excess of billings which we present as contract assets on the statement of financial position. Amounts billed and due from our customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

a significant financing component because the intent is to protect the customer. For some contracts, we may be entitled to receive an advance payment. We recognise a liability for these advance payments in excess of revenue recognised and present it as contract liabilities on the statement of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract and to protect us from the other party failing to adequately complete some or all of its obligations under the contract.

**Warranty** - Certain contracts include an assurance-type warranty clause, typically between 18 to 36 months, to guarantee that the products comply with agreed specifications.

**Revenue recognised over time** - Our performance obligations are satisfied over time as work progresses or at a point in time when performance obligations are fulfilled and control transfers to the customer. Typically, revenue is recognised over time using an input measure (e.g., costs incurred to date relative to total estimated costs at completion) to measure progress.

**Cost-to-cost method** - For our long-term contracts, because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation. Upon adoption of the new standard we generally use the cost-to-cost measure of progress for our contracts because it best depicts the transfer of control to the customer which occurs as we incur costs on our contracts. Under the cost-to-cost measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Any expected losses on construction-type contracts in progress are charged to earnings, in total, in the period the losses are identified. Previously, such contracts were accounted for under IAS 11 on Construction Contracts. Accordingly, revenue on ongoing contracts was measured on the basis of costs incurred and of margin recognised at the percentage of completion. Margin was recognised only when the visibility of the riskiest stages of the contract was deemed sufficient and when estimates of costs and revenue was considered to be reliable. The percentage of completion was calculated according to the nature and the specific risk of each contract in order to reflect the effective completion of the project. This percentage of completion could be based on technical milestones defined for the main deliverables under the contracts or based on the ratio between costs incurred to date and estimated total costs at completion. As soon as the estimate of the final outcome of a contract indicated a loss, a provision was recorded for the entire loss. The gross margin of a long-term contract at completion was based on an analysis of total costs and income

at completion, which are reviewed periodically and regularly throughout the life of the contract. A construction contract was considered completed when the last technical milestone is achieved, which occurs upon contractual transfer of ownership of the asset or temporary delivery, even if conditional.

**Right to invoice practical expedient** - The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time if we have a right to invoice the customer for an amount that corresponds directly with the value transferred to the customer for our performance completed to date. When this practical expedient is used, we do not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes. We have contracts which have payment terms dictated by daily or hourly rates where some contracts may have mixed pricing terms which include a fixed fee portion. For contracts in which we charge the customer a fixed rate based on the time or materials spent during the project that correspond to the value transferred to the customer, we recognise revenue in the amount to which we have the right to invoice.

**Contract modifications** - Contracts are often modified to account for changes in contract specifications and requirements. We consider contract modifications to exist when the modification either creates new, or changes the existing, enforceable rights and obligations. Most of our contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and our measure of progress for the performance obligation to which it relates is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

### (ii) Other Operational Income

Other Operational Income Includes Revenue for Technical services provided and accounted on accrual basis.

### (iii) Dividend income:

Dividend income from investments is recognised when the shareholder's right to receive payment is established by the reporting date.

### (iv) Interest Income

Interest income from financial assets is recognised at the effective interest rate method applicable on initial recognition.

### (v) Other Income

(a) Claims were accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

- (b) Other items of income are accounted as and when the right to receive arises.

### 2.15 Borrowing Costs

Borrowing costs specifically identified to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

### 2.1 Employee Benefits

Employee benefits include salaries, wages, provident fund, employee state insurance and gratuity.

#### (i) Defined contribution plans

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) Defined benefit plans

The Gratuity benefit is funded through a defined benefit plan. For this purpose, the Company has obtained a qualified insurance policy from Life Insurance Corporation of India.

### 2.11 Voluntary Retirement Scheme

Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

### 2.09 Foreign Exchange Transactions

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Indian Rupees, which is the Company's functional currency and the Group's presentation currency

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are translated using mean exchange rate prevailing on the last day of the reporting period. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. In case of fixed assets they are adjusted to the carrying cost of such assets.

Gain/loss on foreign exchange translation at the year end is credited/debited to the Foreign Currency Translation Reserve

### 2.13 General Administrative Expenses

General administrative expenses which are directly attributable are allocated to activities and the balance is charged to Statement of Profit and Loss.

### 2.14 Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

#### (i) Current tax

Provision for current tax is made based on taxable income computed for the year under the Income Tax Act, 1961. Provision for current tax for the foreign subsidiaries are as in accordance with the applicable local laws

#### (ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### (iii) Current and deferred tax expense for the year

Current and deferred tax expense is recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 2.12 Proposed Dividend

The Company has disclosed dividend, proposed by board of directors after the balance sheet date, in the notes, as provision cannot be created for dividend proposed / declared after the balance sheet date, unless a statute requires otherwise

### 2.13 Extraordinary and exceptional Items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/ transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified

as an exceptional item and accordingly disclosed in the notes to accounts.

### 2.14 Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 2.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit after tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 2.16 Segment reporting

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

As per our report of even date

**CA S N DURAISWAMY**

Membership No. :026599

Date :

Place :Erode

UIN: 22026599AKGWFY5614

On behalf of Board of Directors

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN 00125357

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 3 : Property, plant & equipment

₹ (Crore)

Particulars	Land	Plant and Machinery	Office Equipment	Furniture and Fixtures	Computer	Buildings	Motor Vehicle	Heavy Vehicle	Total
<b>Gross carrying amount</b>									
<b>As at 31 March 2020</b>	<b>3.31</b>	<b>58.13</b>	<b>1.05</b>	<b>0.31</b>	<b>1.05</b>	<b>0.83</b>	<b>3.28</b>	<b>24.73</b>	<b>92.70</b>
Additions	-	1.72	0.18	0.06	0.18	0.01	0.30	4.93	7.38
Disposals	-	2.70	0.02	-	(0.06)	-	0.22	2.12	4.99
<b>As at 31 March 2021</b>	<b>3.31</b>	<b>57.15</b>	<b>1.22</b>	<b>0.37</b>	<b>1.29</b>	<b>0.84</b>	<b>3.36</b>	<b>27.54</b>	<b>95.09</b>
Additions	-	10.29	0.34	0.19	0.48	0.26	3.67	7.83	23.05
Disposals	-	1.33	-	-	-	0.04	0.39	2.39	4.16
<b>As at 31 March 2022</b>	<b>3.31</b>	<b>66.11</b>	<b>1.55</b>	<b>0.55</b>	<b>1.77</b>	<b>1.06</b>	<b>6.63</b>	<b>32.98</b>	<b>113.98</b>
<b>Depreciation and impairment</b>									
<b>As at 31 March 2020</b>	<b>-</b>	<b>24.16</b>	<b>0.78</b>	<b>0.15</b>	<b>0.98</b>	<b>0.28</b>	<b>1.63</b>	<b>16.99</b>	<b>45.02</b>
Depreciation charge for the year	-	3.93	0.11	0.03	0.10	0.02	0.37	1.54	6.09
Disposals/Adjustments	-	1.26	0.02	-	-	-	0.18	1.56	3.02
<b>As at 31 March 2021</b>	<b>-</b>	<b>26.83</b>	<b>0.88</b>	<b>0.18</b>	<b>1.07</b>	<b>0.31</b>	<b>1.81</b>	<b>16.96</b>	<b>48.09</b>
Depreciation charge for the year	-	4.72	0.12	0.03	0.19	0.02	0.49	1.73	7.30
Disposals/Adjustments	-	0.47	-	-	-	0.02	0.24	2.17	2.91
<b>As at 31 March 2022</b>	<b>-</b>	<b>31.07</b>	<b>0.99</b>	<b>0.21</b>	<b>1.26</b>	<b>0.32</b>	<b>2.06</b>	<b>16.51</b>	<b>52.43</b>
<b>Net Carrying amount</b>									
<b>At 31 March 2022</b>	<b>3.31</b>	<b>35.04</b>	<b>0.56</b>	<b>0.34</b>	<b>0.51</b>	<b>0.75</b>	<b>4.57</b>	<b>16.47</b>	<b>61.55</b>
<b>At 31 March 2021</b>	<b>3.31</b>	<b>30.32</b>	<b>0.34</b>	<b>0.19</b>	<b>0.22</b>	<b>0.54</b>	<b>1.55</b>	<b>10.58</b>	<b>47.00</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 4 : Capital Work in Progress

₹ (Crore)

Particulars	Capital Work in Progress	Total
<b>Gross carrying amount</b>		
<b>As at 31 March 2020</b>	<b>3.91</b>	<b>3.91</b>
Purchases	0.11	0.11
Transfer	(0.07)	(0.07)
<b>As at 31 March 2021</b>	<b>4.08</b>	<b>4.08</b>
Purchases	0.50	0.50
Transfer	2.04	2.04
<b>As at 31 March 2022</b>	<b>2.54</b>	<b>2.54</b>
<b>Amortisation and impairment</b>		
<b>As at 31 March 2020</b>	-	-
Amortisation	-	-
Adjustment	-	-
<b>As at 31 March 2021</b>	-	-
Amortisation	-	-
Adjustment	(0.01)	(0.01)
<b>As at 31 March 2022</b>	<b>0.01</b>	<b>0.01</b>
<b>Net Carrying Amount</b>		
<b>At 31 March 2022</b>	<b>2.53</b>	<b>2.53</b>
<b>At 31 March 2021</b>	<b>4.08</b>	<b>4.08</b>

### CWIP aging schedule as on 31.03.2022

₹ (Crore)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.50	-	-	-	0.50
Projects temporarily suspended	-	-	-	2.03	2.03

### CWIP aging schedule as on 31.03.2021

₹ (Crore)

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.11	1.94	-	-	2.05
Projects temporarily suspended	-	-	-	2.03	2.03

### Note 5 : Intangible Assets

₹ (Crore)

Particulars	ERP Software	Website Development	Intangible asset under Development	Total
<b>Gross carrying amount</b>				
<b>As at 31 March 2020</b>	<b>0.53</b>	-	-	<b>0.53</b>
Purchases	0.01	-	-	0.01
Transfer	0.23	-	-	0.23
<b>As at 31 March 2021</b>	<b>0.30</b>	-	-	<b>0.30</b>
Additions	-	-	-	-
Disposals	0.01	-	-	0.01
<b>As at 31 March 2022</b>	<b>0.30</b>	-	-	<b>0.30</b>
<b>Amortisation and impairment</b>				
<b>As at 31 March 2020</b>	<b>0.27</b>	-	-	<b>0.27</b>
Amortisation	0.01	-	-	0.01
Adjustment	-	-	-	-

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 5 : Intangible Assets

₹ (Crore)

Particulars	ERP Software	Website Development	Intangible asset under Development	Total
As at 31 March 2021	0.29	-	-	0.29
Amortisation	-	-	-	-
Adjustment	-	-	-	-
As at 31 March 2022	0.29	-	-	0.29
<b>Net Carrying Amount</b>				
At 31 March 2022	0.01	-	-	0.01
At 31 March 2021	0.01	-	-	0.01

### Note 6 : Investments -Non- Current

₹ (Crore)

Particulars	31-Mar-22	31-Mar-21
<b>Non Trade Investments (6A.1)</b>		
Investment in Equity Instruments (Non Trade Investments)	0.11	0.07
<b>Trade Investments (6A.2)</b>		
Investment in Equity Instruments (Trade Investments)	-	-
<b>Total investments</b>	<b>0.11</b>	<b>0.07</b>

### Note 7 : Long term Loans & Advances

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Advance to Suppliers	2.14	2.64
Long term loans and advances	6.75	6.59
<b>Total</b>	<b>8.89</b>	<b>9.22</b>

### Note 8 : Other Financial Assets

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Bank deposits with more than 12 months maturity</b>		
Earmarked Balances	53.60	90.44
<b>Total</b>	<b>53.60</b>	<b>90.44</b>

### Note 10 : Other Non-Current Assets

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Advances</b>		
Prepaid Expense	4.68	4.48
<b>Total</b>	<b>4.68</b>	<b>4.48</b>

### Note 11 : Inventories

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Raw materials- Construction Materials	18.30	11.32
Stock in Trade (Stock of Shares & Securities held for Trading)	0.13	0.13
<b>Total inventories at the lower of cost or net realisable value</b>	<b>18.43</b>	<b>11.45</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Inventory is not pledged as security

#### Note 12 : Trade receivables

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Unsecured considered good	216.98	156.03
<b>Total Trade receivables</b>	<b>216.98</b>	<b>156.03</b>

#### Trade Receivables ageing schedule as on 31.03.2022

₹ (Crore)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	140.64	10.92	15.81	10.41	22.09	199.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good					17.12	17.12
(v) Disputed Trade Receivables – which have significant increase in credit risk						

#### Trade Receivables ageing schedule as on 31.03.2021

₹ (Crore)

Particulars	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	93.89	6.95	6.37	17.27	78.19	202.66
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
(iii) Undisputed Trade Receivables – credit impaired						
(iv) Disputed Trade Receivables–considered good					14.32	14.32
(v) Disputed Trade Receivables – which have significant increase in credit risk						

#### Note: 12.1

There are arbitration proceedings going on in respect of the following departments - Rites, Sipcot, Ntecl and MSEZ towards which sums ₹2.13 Crores, ₹0.75 Crores, ₹27.30, ₹2.80 Crores respectively are shown as receivables. The company has filed the necessary papers with the arbitrators and the above receivables are considered good for recovery. Third Party balances are subject to external confirmations.

#### Note 13 : Cash and cash equivalent

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Balances with banks:</b>		
– On current accounts	40.84	16.06
Cash on hand	0.95	0.78
<b>Total</b>	<b>41.79</b>	<b>16.84</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 14 : Short Term Loans and Advances

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Unsecured, considered good:</b>		
Advance to employees	0.25	0.35
Advance to sub-contractors	8.04	10.27
Balance with Subsidiaries	0.02	0.19
Non-Trade Receivable	13.52	13.52
Others	1.95	0.83
<b>Total</b>	<b>23.79</b>	<b>25.16</b>

### Note 15 : Other Financial Assets

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Contract Asset	142.49	147.76
Others-s	-	0.02
<b>Total</b>	<b>142.49</b>	<b>147.78</b>

Note: Classified as non financial asset as the contractual rights to consideration is dependent on completion of contractual milestone.

### Note 16 : Other Current Assets

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Other Advances</b>		
Other Receivable-Current	-	6.00
Retention by customers (Refer Note 12.1)	131.17	89.82
Advance paid towards Equity Shares subscription	5.71	5.71
Advance Tax/ Tds deducted (receivables)	0.03	0.03
Mobilisation Advances / Other Projects Receivables	15.52	-
Balances with statutory / government authorities	16.97	7.84
<b>Total</b>	<b>169.41</b>	<b>109.42</b>

### Note 26 : Current Tax Assets (Net)

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Income Tax (Net of Advance income tax)	17.31	11.46
<b>Total</b>	<b>17.31</b>	<b>11.46</b>

### Note 17 : Share Capital

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Authorised Share Capital</b>		
50,000,000 (March 31, 2022: 50,000,000) equity shares of ₹10/-	50,00,00,000	34,00,00,000
<b>Share Capital</b>		
<b>Issued and Subscribed Capital</b>		
37,880,584 (March 31, 2022: 37,880,584) equity shares of ₹10/- each fully paid up	37,88,05,840	23,65,05,840
<b>Issued and Fully Paid up equity capital</b>		
36,686,300 (March 31, 2022: 36,686,300) equity shares of ₹10/- each fully paid up	36,68,63,000	23,65,05,840
<b>Issued and Partly Paid up equity capital</b>		
1,194,284 (March 31, 2022: 1,194,284) equity shares of ₹10/- each fully paid up	1,19,42,840	-

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 17.1 : Reconciliation of the number of shares outstanding

₹ ( Crore )

Particulars	As at 31st March 2022		As at 31st March 2021	
	No. Of Shares	Amount	No. Of Shares	Amount
<b>Reconciliation of No. of shares</b>				
<b>Outstanding at the beginning of the year</b>	2,36,50,584	23,65,05,840	2,26,00,584	22,60,05,840
Add: Shares issued during the year	1,30,35,716	13,03,57,160	10,50,000	1,05,00,000
<b>Outstanding at the end of the year</b>	<b>3,66,86,300</b>	<b>36,68,63,000</b>	<b>2,36,50,584</b>	<b>23,65,05,840</b>

### Note 17.2 : Terms / rights attached to equity shares

The company has only one class of equity share having a par value of ₹10 per share. Each shareholder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. the distribution will be in proportion to the number of equity shares held by shareholders.

### Note 17.3 : Details of shares held by subsidiaries of ultimate holding company / holding and / or their subsidiaries / associates

₹ ( Crore )

Name of equity share holders	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% Holding	No. of shares	% Holding
RPP Infra Projects ( Lanka ) Limited	1,16,143.00	100.00%	1,16,143.00	100.00%
RPP Infra Over Seas PLC	4,980.00	100.00%	4,980.00	100.00%
Sanskar Dealcom Private Limited	2,09,930.00	100.00%	2,09,930.00	100.00%
Greatful Mercantile Private Limited	2,11,500.00	100.00%	2,11,500.00	100.00%
Lunkar Finance Private Limited ( Subsidiary - Stepdown)	4,21,430.00	100.00%	4,21,430.00	100.00%
RPP Annai (JV) Private Limited	5,100.00	51.00%	5,100.00	51.00%

### Note 17.4 : Details of shareholders holding more than 5% shares in the Company are as under:-

₹ ( Crore )

Name of equity share holders	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Mr P. Arulsundaram	1,16,29,509.00	60.17%	72,68,443.00	55.83%
Mrs A. Nithya	76,99,837.00	39.83%	57,49,898.00	44.17%
<b>Total</b>	<b>1,93,29,346.00</b>	<b>100.00%</b>	<b>1,30,18,341.00</b>	<b>100%</b>

### Note 17.5 : Details of Promoters shares in the Company are as under:-

₹ ( Crore )

Name of equity share holders	As at 31st March 2022		As at 31st March 2021	
	No. of shares	% Holding	No. of shares	% Holding
Mr P. Arulsundaram	1,16,29,509.00	60.17%	72,68,443.00	55.83%
Mrs A. Nithya	76,99,837.00	39.83%	57,49,898.00	44.17%
<b>Total</b>	<b>1,93,29,346.00</b>	<b>100.00%</b>	<b>1,30,18,341.00</b>	<b>100%</b>

### Note 17.5 : Proposed dividends on Equity shares:

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
The board proposed dividend on equity shares after the balance sheet date Proposed dividend on equity shares for the year ended 31st March, 2022 : NIL	-	-
Tax on proposed dividend	-	-

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 18 : Other equity

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Securities premium account	90.33	64.26
Revaluation reserve	2.38	2.38
Retained Earnings	198.40	189.45
Retained Earnings-Non Controlling Interest	(0.01)	(0.01)
Other Reserve (Share Warrant Forfeiture)	6.64	-
Share Application Money	2.15	-
General Reserve	0.05	0.05
Statutory Reserve	0.04	0.04
<b>Total</b>	<b>299.97</b>	<b>256.17</b>

### Note 18.1 : Securities premium account

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of year	64.26	55.86
Add / Less: Movements	26.07	8.40
<b>Balance at end of year</b>	<b>90.33</b>	<b>64.26</b>

### Note 18.2 : Revaluation reserve

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of year	2.38	2.38
Add / Less: Movements	-	-
<b>Balance at end of year</b>	<b>2.38</b>	<b>2.38</b>

### Note 18.3 : Retained Earnings

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Balance at beginning of year	189.53	180.88
Add / Less: Movements	8.95	8.65
<b>Balance at end of year</b>	<b>198.47</b>	<b>189.53</b>

Refer "Statement of Changes in Equity" for additions/deletions in each of these items

A. Securities Premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act 2013 for specified purposes.

### Note 18.4 : Share Warrant

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Share Warrant	-	6.64
<b>Total</b>	<b>-</b>	<b>6.64</b>

### Note 18.5 : Other Reserve

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Share Warrant - Forfeiture	6.64	-
<b>Total</b>	<b>6.64</b>	<b>-</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 18.6 : Share Application Money

₹ ( Crore )

Particulars	As at	
	31st March 2022	31st March 2021
Share Application Money Pending allotment	2.15	-
<b>Total</b>	<b>2.15</b>	<b>-</b>

Company has obtained approval of the shareholders for 40,00,000@90 allotment of warrant at the General Meeting held on 12th June 2020. Fund Received from Promoter being 25% of consideration in accordance with the SEBI (ICDR) Regulation, 2018. Companies was obtained "In-Principle Approval" under the Regulation 28(1) of SEBI (LODR) Regulation, 2015 granted by the BSE Limited vide its letter reference no. DCS/PREF/BA/PRE/697/2020-21 dated 13th July 2020 and National Stock Exchange of India Limited vide its letter reference no. NSE/LIST/24057 dated 8th July 2020. Accordingly, dated 14.07.2020 Share Allotment Committee approved allotment of 40,00,000 warrants convertible into Equity Shares of ₹10 each to the promoters on preferential basis at an issue price of the ₹90 per warrants on receipt of the amount of ₹9 Crores (Rupees Nine Crores Only) being 25% of consideration in accordance with the SEBI (ICDR) Regulation, 2018.

Further dated 04.03.2021 Share Allotment Committee of the Board of Directors of the Company held on 4<sup>th</sup> March 2021 was allotted 10,50,000 [Ten Lakhs Fifty Thousand] Fully Paid-up Equity Shares of = 10/- each ["said shares"] on conversion of 10,50,000 Warrants on receipt of the full consideration towards these warrants and exercise of option of conversion. The allotted shares ranks pari passu with the existing Equity Shares of the Company in all respects including dividend.

However, on 16 December 2021, we received notice from Warrant holders, informing us about their intention to not to exercise their right for conversion of the remaining Warrants.

Accordingly, pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that the said Warrant holders have failed to exercise their rights to acquire the Equity Shares underlying the said Warrants. As a result the remaining Warrants i.e., 29,50,000 Warrants, stand cancelled/lapsed and the consideration of ₹06.637 crores (25% of consideration) received by the Company from the Warrant holders, towards allotment of said Warrants, is forfeited in accordance with the terms of the said Warrants and the provisions of the SEBI ICDR Regulations, 2018, and the same was approved by the Share Allotment Committee of the Board of Directors of RPP Infra projects Limited at its meeting held on 17/12/2021.

### SHARE WARRANT:

₹ ( Crore )

	Units	Amount Received	Share Capital	Securities Premium
Number of Warrant Issued	40,00,000.00	16,08,76,000.00		
Warrants Converted into Shares	10,50,000.00	9,45,00,000.00	1,05,00,000.00	8,40,00,000.00
Warrants Forfeited	29,50,000.00	6,63,76,000.00		
<b>Warrants Forfeited</b>	<b>29,50,000.00</b>			
<b>Amount Forfeited</b>		<b>6,63,76,000.00</b>		

### RIGHT ISSUE:

₹ ( Crore )

	Units	Amount Received	Share Capital	Securities Premium
Shares Issued	1,60,00,000.00			
Shares Subscribed	1,42,30,000.00			
Share Application Money Received		25,61,40,000.00	8,53,80,000.00	17,07,60,000.00
First & Final call Received		15,64,28,592.00	5,21,42,864.00	10,42,85,728.00
<b>Fully Paid up Shares</b>	<b>1,30,35,716.00</b>		<b>13,03,57,160.00</b>	<b>26,07,14,320.00</b>
<b>Partly Paid up Shares</b>	<b>11,94,284.00</b>		<b>71,65,704.00</b>	<b>1,43,31,408.00</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

ISSUE OF UPTO 1,60,00,000 EQUITY SHARES OF FACE VALUE ₹10 EACH (RIGHTS EQUITY SHARES) OF OUR COMPANY FOR CASH AT A PRICE OF ₹30 PER EQUITY SHARE (ISSUE PRICE), AGGREGATING UPTO ₹48,00,00,000 (RUPEES 48.00 CRORES) (ASSUMING FULL SUBSCRIPTION) ON A RIGHTS BASIS

- (I) TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 RIGHTS EQUITY SHARES FOR EVERY 5 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON SEPTEMBER 20, 2021;
- (II) TO THE RESERVED PORTION IN FAVOUR OF THE WARRANT HOLDERS

On Application, Investors paid ₹18 per Rights Equity Share (Face Value of ₹6 and Premium of ₹12) which constitutes 60% of the Issue Price and the balance ₹12 per Rights Equity Share (Face Value of ₹4 and Premium of ₹8) which constitutes 40% of the Issue Price was paid on First and Final Call, as determined by our Board at its sole discretion, from time to time.

Out of 1,60,00,000 shares issued, 1,42,30,000 shares had been subscribed, through which we have received ₹25.61 Crores.

Out of 1,42,30,000 shares subscribed through payment of Application money, We have received the First and Final call money towards 1,30,35,716 shares, amounting to ₹15.64 Crores

First & Final Call Money (Share Capital - ₹4 & Securities Premium - ₹8) with respect to 11,94,284 partly paid up shares are still in progress as on date.

### Note 19 : Borrowings- Non current

Particulars	₹ (Crore)	
	As at 31st March 2022	As at 31st March 2021
<b>Secured</b>		
<b>Term Loans</b>		
From Banks (Secured)	35.26	27.86
From NBFC (Secured)	9.51	6.78
<b>Unsecured</b>		
<b>Term Loans</b>		
From Banks (Unsecured)	-	
From NBFC (Unsecured)	7.79	35.01
<b>Total</b>	<b>52.56</b>	<b>69.65</b>
Less : Current Maturities of Long Term Debt	20.74	11.70
<b>Total</b>	<b>31.82</b>	<b>57.96</b>

### Note 19.1 : Nature of Security

	₹ (Crore)		
	Loan outstanding	Security	Repayment terms
<b>From Banks</b>			
Secured Loan with Various Banks and Interest @ 8.85%	35.26	Promoters Share	Every Month
<b>From NBFC's</b>			
Term Loan with Non Banking Financial institutions and Interest @ 9.29%	9.51	Promoters Shares	Every Month
Unsecured Loan with Non Banking Financial institutions and Interest @ 11%	7.79	Promoters Shares	Renewal Every Year

Note: Personal Guarantee has been provided by the Directors for all the Loans Sanctioned

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Net debt reconciliation

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents	41.79	16.84
Liquid investments		
Non Current borrowings including interest	31.82	57.96
Current Borrowings	62.04	54.61
<b>Net (debt)/ Cash &amp; Cash Equivalents</b>	<b>52.08</b>	<b>95.72</b>

₹ (Crore)

Particulars	Other Assets		Liabilities from financing activities		Total
	Cash and bank overdraft	Liquid Investments	Non-current borrowings	Current borrowings	
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2020</b>	<b>51.96</b>	-	<b>34.45</b>	<b>62.55</b>	<b>45.03</b>
Cash Flows	74.27		23.50	(7.93)	(58.70)
Interest expense					-
Interest paid	(18.95)				18.95
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2021</b>	<b>107.27</b>	-	<b>57.94</b>	<b>54.62</b>	<b>5.28</b>
Cash Flows	(51.51)		(26.14)	7.43	32.81
Interest expense					-
Interest paid	(13.98)				13.98
<b>(Net debt)/ Cash &amp; Cash Equivalents as at 31 March 2022</b>	<b>41.78</b>	-	<b>31.81</b>	<b>62.05</b>	<b>52.08</b>

Note: Bank Guarantee margin have been regrouped from cash and cash equivalents to other financial assets. This regrouping have been made taking into consideration the nature of Bank guarantee margin. This results in decrease in cash flow to the extent of ₹90.44 crores which ultimately leads to negative cash flow.

### Note 20 : Provisions- Long term

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Gratuity	0.35	0.30
<b>Total</b>	<b>0.35</b>	<b>0.30</b>

### Note 21 : Borrowings- Current

₹ (Crore)

Particulars	As at 31st March 2022	As at 31st March 2021
Secured		
Loans repayable on Demand from banks (Refer 21.1)	41.30	42.91
Loans repayable within one year from banks	-	-
Current maturities of Long Term Secured Debt	12.97	11.70
Current maturities of Long Term Unsecured Debt	7.78	-
<b>Total</b>	<b>62.04</b>	<b>54.61</b>

Note: Personal Guarantee has been provided by the Directors for all the Loans Sanctioned

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 21.1 : Nature of Security

₹ ( Crore )

Particulars	Loan outstanding	Security	Repayment terms
<b>From Banks</b>	41.30	Personal Security of Vacant land, Building, Factory building, Vacant House, Residential Building @ various places Land & building, vacant land @ various places	Renewal Every Year
Working Capital with Various Banks and Interest @ 11.50%		Immovable Land and Building property @ Giundy Taluk Personal Guarantee	Value of Property
<b>From NBFC's</b>		Personal Guarantee	Renewal Every Year
Working Capital with Non Banking Financial institutions and Interest @ 11.50%			

### Note 21.2: Fund Based Limit Enjoyed by the Company

₹ ( Crore )

Name of Lending institutions	Type of Loan	Sanctioned Limit	Utilised	
			As at 31st March 2022	As at 31st March 2021
Indian Overseas Bank, Surampatti Branch, Erode	Cash Credit	35.00	30.87	29.36
Bank of India - Coimbatore	Cash Credit	8.00	6.05	7.97
Indian Bank, Chennai	Cash Credit	7.00	4.83	-
Canara Bank, Erode	Cash Credit	3.00	(0.45)	-
Exim Bank , Chennai	Cash Credit	2.50	-	-
Industrial Development Bank of India ( IDBI), Chennai	Cash Credit	-	-	5.58
<b>Total</b>		<b>55.50</b>	<b>41.30</b>	<b>42.91</b>

Note: on the basis of Sanctioned Letter, our company have complied with all the requirements asked from the lending Institutions which includes monthly stock and debtor statement and QIS, QOS and HOS and which resembles the Accounts.

Our company is not declared as wilful defaulter by any bank or financial Institution or other lender.

Our company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

Our company has taken funds from the Indian Bank and Canara Bank on account of or to meet the obligations of Joint Ventures(RPP Renaatus JV and RPP Dhanya JV) respectively.

### Note 22 : Trade payable

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Dues to Micro Enterprises and Small Enterprises (Ref. Note 41)	-	-
(b) total outstanding dues of creditors other than micro enterprises & small enterprises	119.33	130.65
<b>Total</b>	<b>119.33</b>	<b>130.65</b>

### Trade Payables aging schedule as of 31.3.2022

₹ ( Crore )

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME					
(ii) Others					
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Trade Payables aging schedule as of 31.3.2021

₹ ( Crore )

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME					
(ii) Others					
(iii) Disputed dues – MSME					
(iv) Disputed dues - Others					

### Note 23 : Other financial liabilities - Current

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Mobilisation Advances / Other Projects Payables	109.79	34.69
Due to directors	0.11	0.22
Expenses payable	6.64	5.05
Balance with Subsidiaries	6.74	6.70
Unpaid dividend	0.03	0.03
Retention money - others	60.92	36.31
<b>Total</b>	<b>184.23</b>	<b>83.00</b>

Note: Note: TDS on expenses is made on and when incurred. TDS is not reckoned for the sum stated as provision for expenses. Mobilisation advance received by the Company from certain departments and the proportionate amount which has to be classified as GST liability has been shown as mobilisation advance liability to the extent of ₹10.87 crore

### Note 24 : Other Current Liabilities

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Advances from customers	0.07	-
Statutory dues payable	9.35	2.78
Other Payables	13.68	9.45
<b>Total</b>	<b>23.11</b>	<b>12.23</b>

### Note 25 : Provisions- Short term

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Gratuity.	0.09	0.05
Provision for Warranty	2.41	2.42
<b>Total</b>	<b>2.49</b>	<b>2.47</b>

### Note 26 : Current Tax Liabilities (Net)

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Provision for Income Tax (Net of Advance income tax)	1.13	6.08
<b>Total</b>	<b>1.13</b>	<b>6.08</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 9 : Deferred Tax Asset / Liability

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Deferred Tax Asset/Liability	0.67	0.01
<b>Total</b>	<b>0.67</b>	<b>0.01</b>

### Note 27 : Revenue from operations:

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Contract Revenue	801.68	513.11
<b>Total</b>	<b>801.68</b>	<b>513.11</b>

### Note 28 : Other income

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Hire charges Received	2.46	3.15
Discount Received	0.27	0.05
Interest Income	4.15	2.37
Miscellaneous Income	3.66	0.48
Scrap Sales	0.19	0.02
Consulting Services & Service Charges	1.15	5.18
Profit on Sale of Assets	0.17	-
Forex Gain (Net)	1.35	(0.04)
Royalty Received	0.86	-
<b>Total</b>	<b>14.28</b>	<b>11.22</b>

Note: The amount of interest income on FD's with banks has been estimated on the basis of the rate of interest applicable, the amount of deposit and the period for which the deposit has run.

### Note 29 : Cost of Materials Consumed

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Inventory at the Beginning of the Period	10.91	23.76
Add: Purchases during the period	193.75	109.37
Less: Inventory at the end of the Period	18.30	10.91
<b>Total</b>	<b>186.35</b>	<b>122.22</b>

### Note 30 : Direct Cost

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Works Contract Cost	448.80	257.58
Other Operating Cost	84.41	64.76
<b>Total</b>	<b>533.21</b>	<b>322.34</b>

### Note: Joint Venture Agreement

The Company has an unincorporated JV with the Party Ramalingam Construction Company Pvt Ltd with whom a project was jointly bid and obtained. However, the execution was fully done by the company. Company has agreed to pay 2% of Turnover of this project as Royalty to the Partner and this amount has been charged off to the Statement of Profit & Loss.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 31 : Employee benefits expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Salary Expenses	16.05	9.75
Company's Contribution to Employees' Provident Fund	0.32	0.20
Company's Contribution to Employees' State Insurance Corporation	0.03	0.02
Gratuity	0.02	0.04
Staff Welfare	1.89	0.93
<b>Total</b>	<b>18.32</b>	<b>10.94</b>

### Note 32 : Finance Cost

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Interest expenses</b>		
On Term Loans and Other Loans	7.20	6.10
On Working Capital Loans	5.33	6.06
<b>Other borrowing costs</b>		
Bank Charges and Bank Guarantee Commission		5.18
Processing Charges Paid	1.45	1.62
<b>Total</b>	<b>13.98</b>	<b>18.95</b>

### Note 33 : Depreciation and Amortisation Expenses

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Depreciation of tangible fixed assets	7.97	6.12
<b>Total</b>	<b>7.97</b>	<b>6.12</b>

### Note 34 : Other expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Advertisement	0.02	0.01
Business Development Expenses	0.21	0.44
Brokerage	-	0.01
Donation	0.04	0.03
Consulting Fees Paid	1.66	0.29
Miscellaneous Expense	0.44	0.35
Corporate Social Responsibilities	0.79	0.47
Equipment Hire Charges	0.53	0.91
Insurance	1.88	0.83
Repairs & Maintenance - Machinery	3.47	2.84
Repairs & Maintenance - Office	0.48	0.33
Repairs & Maintenance - Others	18.51	7.37
Postage & Telegraph	0.04	0.05
Professional Charges	1.27	0.65
Loss On Sale of Assets	-	0.16
Legal Fees Paid	0.38	0.04
Printing and Stationery	0.34	0.15

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 34 : Other expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Rent & Electricity	1.25	0.95
<b>Audit Fee</b>		
-Statutory Audit	0.32	0.28
-Other services	0.24	0.66
Bad Debts	-	0.62
Deposit Write Off	-	1.11
Secretarial Expenses	0.28	0.05
Rates & Taxes	0.13	0.05
Loss On Sale of Investment	-	0.02
Changes in CWIP	-	0.94
Telephone Expenses	0.07	0.05
Travelling Expenses	0.97	0.44
<b>Interest</b>		
On Statutory Dues	0.77	1.02
Registration and Renewals	0.25	0.16
Royalty Paid	1.16	0.18
Security Service Charges	0.07	0.10
Forex Loss (Net)	2.92	-
Other Expenses	-	0.06
Packing & Forwarding Charges	0.02	0.02
Bank Charges and Bank Guarantee Commission	6.46	
<b>Total</b>	<b>44.95</b>	<b>21.64</b>

### Note 35 : Income Tax Expense

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Current Tax	5.17	7.49
Deferred tax	0.66	-0.86
<b>Total</b>	<b>5.83</b>	<b>6.62</b>

### Note 36: Other Comprehensive Income

₹ ( Crore )

Particulars	As at 31st March 2022	As at 31st March 2021
Current tax		
Deferred tax		
A (i) Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	0.09	0.09
Net change in fair values of investments in equity shares carried at fair value through OCI	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-
B (i) Items that will be reclassified to profit or loss	-	-
Exchange differences on translation of Financial Statement of Foreign Companies	(3.40)	7.00
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Other Comprehensive Income for the period / year, net of tax		
<b>Total</b>	<b>(3.32)</b>	<b>7.09</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 37 : The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ ( Crore )

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
<b>Profit before tax</b>	<b>11.19</b>	<b>22.16</b>
Income tax expense	2.82	5.58
<b>Less:Exemption/Deductions</b>		
Others		
<b>Add:Effect of expenses that are not deductible in determining taxable profit</b>		
Expenses not allowed in income tax	1.36	1.27
Tax Effects due to difference in treatment of expenses between acts	0.66	-0.86
Others	1.00	0.64
<b>Total</b>	<b>5.83</b>	<b>6.62</b>
Adjustments recognised in the current year in relation to the current tax of prior years	-	-
Income tax expense recognised In Statement of Profit & Loss (relating to continuing operations)	5.83	6.62

₹ ( Crore )

Income tax recognised in other comprehensive income	Year ended 31 Mar 2022	Year ended 31 Mar 2021
Deferred tax	-	-
Arising on income and expenses recognised in other comprehensive income	-	-
Net fair value gain on investments in equity shares at FVTOCI	-	-
Remeasurement of defined benefit obligation	0.09	0.09
Total income tax recognised in other comprehensive income	-	-
Bifurcation of the income tax recognised in other comprehensive income into:	-	-
Exchange differences on translation of Financial Statement of Foreign Companies	(3.40)	7.00
Items that will not be reclassified to profit or loss	0.09	0.09
Items that may be reclassified to profit or loss	(3.40)	7.00

### Note 38 : Earnings per share (EPS)

₹ ( Crore )

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021 (Restated)
<b>Basic EPS</b>		
Profit attributable to equity holders	5.36	15.50
Weighted average number of Equity shares for EPS	3,16,38,423.86	2,87,63,877.27
<b>EPS (₹ per share)</b>		
Basic	1.69	5.39
Profit attributable to equity holders	5.36	15.50
<b>Weighted average number of Equity shares including Potential Equity shares for EPS</b>	<b>3,16,86,218.88</b>	<b>2,87,63,877.27</b>
<b>EPS (₹ per share)</b>		
Diluted	1.69	5.39
Nominal Value of Shares (₹ per share)	10.00	10.00

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note no: 39

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases. The Consolidated Financial Statements are prepared using uniform accounting policies consistently for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's standalone financial statements, except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

### Additional information as required under Schedule III to the Companies Act 2013, of enterprises consolidated as subsidiaries

Name of the entity	Net assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (in ₹ Crores)	As % of consolidated profit or loss	Amount (in ₹ Crores)	As % of consolidated profit or loss	Amount (in ₹ Crores)	As % of consolidated profit or loss	Amount (in ₹ Crores)
Parent								
Rpp Infra Projects Limited	92.39%	317.61	156%	8.36	-2.57%	0.09	95.45%	8.28
Subsidiaries								
Indian								
Greatful Mercantile Pvt. Ltd.	0.05%	0.17	-	-	-	-	-0.03%	-
Sanskar Dealcom Pvt Ltd.	0.05%	0.17	-	-	-	-	-0.03%	-
Lunkar Finance Private limited	4.75%	16.33	-	-	-	-	-0.04%	-
RPP ANNAI JV Private Limited	0.00%	-0.02	-	-	-	-	-0.02%	-
Foreign								
RPP Infra Overseas PLC	2.47%	8.50	-1%	(0.07)	16.38%	(0.54)	5.45%	0.47
RPP Infra Projects (Lanka) Ltd.	0.29%	1.01	-55%	(2.93)	86.19%	(2.86)	-0.79%	(0.07)
<b>Total</b>	<b>100.00%</b>	<b>343.78</b>	<b>100.00%</b>	<b>5.36</b>	<b>100.00%</b>	<b>(3.32)</b>	<b>100.00%</b>	<b>8.67</b>

### Note 40 : Gratuity & other post employment benefit plans

#### Defined Contribution Plan

The Company has defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Insurance Company in the form of a qualifying Insurance Policy.

"Each year, the Board of Trustees reviews the level of funding in the gratuity plan. Such a review includes the asset-liability matching strategy and investment risk management policy. The Board of Trustees decides its contribution based on the results of this annual review. Generally, it aims to have a portfolio mix of equity instruments and debt instruments. Generally equity instruments should not exceed 15% of total portfolio. The Board of Trustees aim to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise. The plan assets include significant investment in Debt Fund, hence, the Company is not exposed to any market risk."

The following table summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Changes in Present Value of Obligations

₹ ( Crore )

Particulars	2021-22	2020-21
Present Value of Obligation as at the beginning of the year	0.57	0.46
Interest Cost	0.04	0.03
Current Service Cost	0.12	0.11
Benefits paid	(0.06)	(0.06)
Past Service Cost	-	-
Actual(Gain)/ Loss on Obligations*	(0.10)	0.03
Present Value of Obligations at the end of the year	0.57	0.57

### Changes in Fair Value of Planed Assets

₹ ( Crore )

Particulars	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	0.23	0.21
Investment Income	0.02	0.01
Contributions	-	-
Benefits Paid	(0.06)	(0.06)
Employers Contribution	0.01	0.07
Return on plan assets , excluding amount recognised in net interest expense	-	-
Actual(Gain)/ Loss on Plan Asset*	-	-
Fair Value of Plan Assets at the end of the year	0.20	0.23

₹ ( Crore )

Particulars	2021-22	2020-21
Fair Value of Plan Assets at the beginning of the year	0.29	0.21
Actual Return on Plan Assets	0.02	0.01
Employer's Contribution	0.01	0.07
Fair Value of Plan Assets at the end of the year	0.32	0.29

### Amount recognised in balance sheet

₹ ( Crore )

Particulars	2021-22	2020-21
Present value of projected benefit obligation at the end of the year	0.57	0.57
Fair value of plan assets at the end of year	0.32	0.29
Funded status amount of liability recognised in balance sheet	0.26	0.28

### Expenses Recognised in the Profit & Loss Account

₹ ( Crore )

Particulars	2021-22	2020-21
Current Service Cost	0.12	0.11
Past Service Cost	-	-
Interest Cost	0.02	0.02
Expected Return on Plan Assets	-	-
Net Actuarial( Gain)/ Loss Recognised In the period	-	-
Expenses Recognised in Statement of Profit and Loss	0.14	0.13

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Other Comprehensive Income

₹ ( Crore )

Particulars	2021-22	2020-21
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	(0.04)	-
- experience variance (i.e. Actual experience vs assumptions)	(0.06)	0.02
- others	-	-
Return on plan assets, excluding amount recognised in net interest expenses	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Components of defined benefit costs recognised in other comprehensive income	-	-

### Summary of actuarial assumptions

₹ ( Crore )

Particulars	2021-22	2020-21
Discount rate	7.30%	6.80%
Salary growth rate	5.00%	5.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

### Demographic Assumption

₹ ( Crore )

Particulars	2021-22	2020-21
Mortality rate (% of IALM 12-14)	1.00	1.00
Normal retirement age	58 Years	58 Years
Attrition / Withdrawal rates, based on age: (per annum)		
Upto 30 years	10.00%	10.00%
31-44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

### Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

₹ ( Crore )

Particulars	2021-22	2020-21
Defined Benefit Obligation (Base)	0.57	0.57

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

₹ (Crore)

Name of equity share holders	2021-22		2020-21	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%)	0.66	0.51	0.66	0.50
(% change compared to base due to sensitivity)	14.30%	-11.80%	15.00%	-12.30%
Salary Growth Rate (- / + 1%)	0.50	0.66	0.50	0.66
(% change compared to base due to sensitivity)	-12.10%	14.50%	-12.60%	15.20%
Attrition Rate (- / + 50% of attrition rates)	0.56	0.58	0.57	0.58
(% change compared to base due to sensitivity)	-1.90%	1.40%	-1.20%	0.80%
Mortality Rate (- / + 10% of mortality rates)	0.57	0.57	0.57	0.57
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Sensitivity due to mortality & withdrawals are not material & hence impact of change not calculated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

### Note 41 : Commitments and contingencies

#### Contingent Liabilities

₹ (Crore)

Particulars	Year ended 31 Mar 2022	Year ended 31 Mar 2021
(a) Counter Indemnities given to Banks in respect of contracts	275.72	227.30
(b) Income Tax Liability that may arise in respect of which Company is in appeal	35.02	33.60
(c) Service Tax liability that may arise in respect of matters in appeal	22.93	22.93
(d) TDS Liability as reflected in the Traces Portal which are under Reconciliation/ Appeal	0.14	0.05
(e) Value Added Tax liability that may arise in respect of matters in appeal	98.20	97.57

- The Company is contesting the demands and the Management, including its legal counsel/Tax Advisors, believe that it is possible, but not probable, the action will succeed and accordingly no provision for liability has been recognised in the financial statements.
- WRIT Petition is under process against the Income Tax Settlement Commission Order which has been completed in the Financial Year 2019-20 and Tax due has been paid as per ITSC order in three Installments. Two Installments paid in the Financial year 2019-20 and due to Covid 19 final Installment paid in Financial year 2020-21.
- GST returns have been filed belatedly for most of the Months.
- The reconciliation for purchases and expenditures with the details available in Form 2A, according to the GST portal is under process. No provision for dues of interest on GST dues, if any, is provided in the accounts pending finalisations.
- We have received notice from GST department for various states in which we operate, in ordinary course of Business. The value of which couldn't be ascertained because of its nature. Correspondance with GST Department have been made with respect to the notice received.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Note 42 : Segment Information

The Company is engaged in one business segment, namely, "Construction and Infrastructure Development". The Company and its subsidiaries operate in India, Sri Lanka, and Mauritius. As the net profit/loss from the Overseas operations constitutes more than 10% of the total profit, geographical segment has been considered as the primary segment for consolidated Financial Statement and there are no other reportable segments as required to be disclosed under Ind AS 108 - Operating Segments

Particulars	₹ (Crore)	
	Year ended 31 Mar 2022	Year ended 31 Mar 2021
<b>Segmental Revenues</b>		
India	793.72	491.63
Overseas	7.97	21.48
<b>Total Revenue</b>	<b>801.68</b>	<b>513.11</b>
Less: Inter Segmental Revenues	-	-
Net Sales/ Income from Operations	801.68	513.11
Add: Other Income	14.28	11.22
Revenues	815.97	524.33
<b>Segmental Profits (Profit before Interest &amp; tax)</b>		
India	35.72	51.78
Overseas	(10.56)	4.56
Less: Interest & Finance Charges	(13.98)	(18.95)
Profit before tax	11.19	37.38
<b>Capital Employed (Segmental Assets minus Liabilities)</b>		
India	368.65	328.80
Overseas	0.85	22.66

### Note 43 : Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006

There are no overdue amounts payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 based on information available with the Company. Further, the Company has not paid any interest to any Micro and Small Enterprises during the year ended March 31, 2022.

### Note 44: Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date

Particulars	Year ended 31 Mar 2022		Year ended 31 Mar 2021	
	Foreign Currency	Equivalent INR	Foreign Currency	Equivalent INR
Payables				
LKR	19.85	7.70	19.85	7.70
<b>Total</b>	<b>19.85</b>	<b>7.70</b>	<b>19.85</b>	<b>7.70</b>
Receivables				
USD	0.11	7.94	0.11	7.94
TAKA	24.58	20.84	13.26	10.84
LKR	13.03	6.09	12.53	5.88
<b>Total</b>	<b>37.72</b>	<b>34.87</b>	<b>25.90</b>	<b>24.66</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### Notes 45: Related Party Relationship and Transaction

#### (a) Name of related Parties and related party relationship

Related Party where control exists

Sr No	Name of the Related Party	Nature of Relationship
1	RPP Infra Overseas PLC	Subsidiary
2	RPP Infra Projects (Lanka) Limited	Subsidiary
3	Sanskar Dealcom Pvt Ltd	Subsidiary
4	Greatful Mercantile Pvt Ltd	Subsidiary
5	Lunkar Finance Private limited	Step down Subsidiary
6	RPP Annai JV Private Limited	Subsidiary
7	P Arul Sundaram – Chairman & Managing Director	Key Management Personnel
8	A Nithya – Whole Time Director	Key Management Personnel
9	Renaatus Projects Pvt Ltd	"Mr. Arul Sundaram (CMD) is the brother of Mr. P. Selvasundaram who is promoter of M/S.Renaatus Projects Pvt Ltd"
10	P & C Projects Pvt Ltd	Mrs. A. Nithya (WTD) is one of the share holder in M/s. P & C Construction Pvt Ltd and her brothers are Chairman of M/s. P & C Projects Pvt Ltd.
11	Sanjeevi Constructions	Mr. Muralithasan who is the Director, is Managing Partner of the Firm
12	RPP P&C JV	A Firm in which RPPIPL is lead partner
13	RPP RK P&C JV	A Firm in which RPPIPL is lead partner
14	RPP Dhanya JV	A Firm in which RPPIPL is lead partner
15	RPP Renaatus JV	A Firm in which RPPIPL is lead partner
16	RPP Sathyamoorthy JV	A Firm in which RPPIPL is lead partner
17	RPP RK JV	A Firm in which RPPIPL is lead partner
18	RPP Blue Metals	Mr.P.Selvasundaram who is brother of Mr.Arulsundaram (CMD), is a director.
19	Ero Techno Systems	Mr P Arul Sundaram and Mrs. A Nithya both are Partners in the Firm
20	Nirara Shelters LLP	Mrs. A Nithya (WTD) is one of the Partner
21	R.P.P. Stocks and Securities Private Limited	Common Director
22	Arve Impex Private Limited	Common Director
23	RPP Ventures Private Limited	Common Director
24	Renaatus –RPP JV	A Firm in which RPPIPL is least partner
25	P&C RPP JV	A Firm in which RPPIPL is least partner
26	Spac Terminal Market Complex Limited	Common Director
27	Supreme Poultry Private Limited	Common Director
28	Dexterity Business Analysts Private Limited	Common Director
29	RPP RCCL JV	A Firm in which RPPIPL is lead partner
30	RPP Infra Projects Myanmar Limited	Associate Company
31	RPP SMC JV	A Firm in which RPPIPL is lead partner
32	Renaatus Procon Private Limited	Mr. Arul Sundaram (CMD) is the brother of Mr. P. Selvasundaram who is promoter of M/S.Renaatus Projects Pvt Ltd
33	IEL RPP JV	A Firm in which RPPIPL is least partner

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

(b) Transactions with Related Parties

₹ (Crore)

Nature of Transaction/ Relationship/ Parties	2021-22	2020-21
<b>Purchase of Goods &amp; Services/ Work Bills</b>		
<b>Other Related Parties</b>		
P & C Projects Pvt Ltd	0.06	0.22
Sanjeevi Constructions	0.00	0.24
Renaatus Projects Pvt Ltd	0.00	0.15
RPP Blue Metals	0.40	0.28
Ero Techno Systems	0.44	0.33
RPP RK P&C JV	0.00	0.00
RPP P&C JV	0.00	0.00
Renaatus Procon Private Limited	0.00	0.00
RPP Dhanya JV	0.18	0.00
RPP Renaatus JV	0.52	0.00
<b>Sale of goods/ contract revenue &amp; services</b>		
<b>Subsidiaries</b>		
RPP Annai JV Private Limited	0.00	0.00
<b>Other Related Parties</b>		
Renaatus Projects Pvt Ltd	0.18	0.37
P & C Projects Pvt Ltd	0.01	5.81
Sanjeevi Constructions	0.00	0.00
Ero Techno Systems	0.00	0.21
RPP P&C JV	0.70	10.05
RPP RCCL JV	0.00	4.76
RPP RK P&C JV	0.16	0.00
RPP SMC JV	3.08	0.00
RPP Dhanya JV	4.93	0.00
RPP Renaatus JV	3.70	0.00
Renaatus RPP JV	7.99	0.00
<b>Subscription to equity shares (including application money paid)</b>		
<b>Sale of Subsidiaries</b>		
R.P.P. Energy Systems Pvt Ltd	0.00	0.03
<b>Advances/Loan received/ recovered</b>		
<b>Subsidiaries</b>		
RPP Infra Overseas PLC	0.00	0.00
RPP Annai JV Private Limited	0.05	0.00
<b>Other Related Parties</b>		
Sanjeevi Constructions	0.00	0.28
Renaatus Projects Pvt Ltd	3.20	5.80
P & C Projects Pvt Ltd	0.71	0.40
RPP Dhanya JV	6.00	7.18
RPP Renaatus JV	2.60	3.99
Renaatus RPP JV	20.79	0.00
RPP SMC JV	0.27	0.00
<b>Other Related Parties Transactions</b>		
P. Arulsundaram – Chairman and Managing Director	12.07	5.93
Mrs. A. Nithya – Whole Time Directors	13.33	4.26
<b>Other Transactions</b>		
<b>Out standing Balance as on 31/03/2022</b>		
<b>Subsidiaries</b>		
RPP Infra Overseas PLC	7.94	7.94
RPP Infra Projects (Lanka) Limited	7.70	7.70
Sanskar Dealcom Pvt Ltd	0.01	0.00
Greatful Mercantile Pvt Ltd	0.01	0.01
RPP Annai JV Private Limited	5.71	4.96
Other Related Parties		

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## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

₹ (Crore)

Nature of Transaction/ Relationship/ Parties	2021-22	2020-21
Renaatus Projects Pvt Ltd	2.11	6.38
P & C Projects Pvt Ltd	1.54	4.41
Sanjeevi Constructions	0.41	0.65
RPP Dhanya JV	4.93	7.00
RPP Renaatus JV	9.70	3.99
RPP Sathyamoorthy JV	0.00	0.00
Lunkar Finance Private limited	10.45	10.45
Ero Techno Systems	0.47	0.31
RPP Blue Metals	0.01	0.25
RPP P&C JV	6.09	0.80
RPP RK P&C JV	1.43	0.99
RPP RK JV	0.00	0.00
RPP SMC JV	0.62	0.00
Renaatus Procon Private Limited	0.02	0.00
Renaatus RPP JV	7.92	0.00
<b>Due to Director ( Current Account)</b>		
P. Arulsundaram – Chairman and Managing Director	0.11	0.15
Mrs. A. Nithya – Whole Time Directors	0.00	0.07
<b>Payment of Salaries/ perquisites (Other than commission to Key management personnel)</b>		
Mr. P. Arulsundaram – Chairman and Managing Director	0.48	0.12
Mrs. A. Nithya – Whole Time Directors	0.21	0.05
<b>Rent Paid to Directors</b>		
Mr. P. Arulsundaram – Chairman and Managing Director	0.30	0.08

### Note 46 : Financial Instruments Disclosure

#### 46.1 Capital management

The Company's objective when managing capital is to:

- Safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.
- The company maintains its financial framework to support the pursuit of value growth for shareholders, while ensuring a secure financial base. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Company comprises of equity share capital, retained earnings and other equity attributable to equity holders.. The Company is not subject to any externally imposed capital requirements.

#### 46.2 Gearing ratio

The following table summarizes the capital of the Company and the gearing ratios:

₹ (Crore)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Total equity as per balance sheet</b>	<b>336.66</b>	<b>286.46</b>
Non- current borrowings	31.82	57.96
Current borrowings	62.04	54.61
Cash and Bank balances	41.79	16.84
<b>Net Debt</b>	<b>135.65</b>	<b>129.41</b>
Net debt to Equity ratio	2.48	2.21

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### 46.3 Categories of Financial Instruments

₹ (Crore)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
<b>Financial Assets</b>		
<b>Measured at fair value through profit or loss (FVTPL) (mandatorily measured)</b>		
(a) Investment	0.11	0.07
<b>Measured at Amortised cost</b>		
(b) Trade Receivables	216.98	156.03
(c) Cash and Cash equivalents	41.79	16.84
(d) Short Term Loans & Advances	23.79	25.16
(e) Others	142.49	147.78
<b>Financial Liabilities</b>		
<b>Measured at amortised cost</b>		
(a) Borrowings	93.86	112.57
(b) Trade payables	119.33	130.65
(c) Other financial liabilities	184.23	83.00

### 46.4 Financial Risk Management Objectives

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Management reviews and approves risk Management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks

#### 46.4.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. The major components of market risk are foreign currency exchange risk and interest rate risk.

##### 44.4.1.1 Foreign Currency Risk Management

The company has overseas subsidiaries which are however are not material subsidiaries. Net amount payable / receivable are not hedge and company is hopeful of recovering the same in ensuing financial year. There are no other foreign currency risk exposure to the Company.

##### 44.4.1.2. Interest rate risk.

The Company is not exposed to interest rate risk because of borrowal of funds at fixed interest rates. The company's exposure to interest rate on borrowings are detailed in note 19.

#### 46.4.2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The customer profile consists of around 60-70% from Govt. Sectors

The company's exposure to credit risk for trade and other receivables by type of counterparty are as follows

₹ (Crore)

Particulars	Percentage to Total Trade receivables	
	As at 31 Mar 2022	As at 31 Mar 2021
Govt companies	77.95%	82.74%
Others	22.05%	17.26%

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### 46.4.3 Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

#### Contractual maturity of financial liabilities:

₹ (Crore)

As at March 31, 2022	Due - within 1 year	Due – More than 1 year	Total
Non-Current Borrowings	20.74	31.82	52.56
Other Non-Current Financial Liabilities	-	-	-
Current Borrowings	41.30	-	41.30
Trade Payables	119.33	-	119.33
Other Current Financial Liabilities	184.23	-	184.23
<b>Total</b>	<b>365.60</b>	<b>31.82</b>	<b>397.42</b>

₹ (Crore)

As at March 31, 2021	Due - within 1 year	Due – More than 1 year	Total
Non-Current Borrowings	11.70	57.96	69.65
Other Non-Current Financial Liabilities	-	-	-
Current Borrowings	42.91	-	42.91
Trade Payables	130.65	-	130.65
Other Current Financial Liabilities	83.00	-	83.00
<b>Total</b>	<b>268.26</b>	<b>57.96</b>	<b>326.21</b>

#### Note 47 : Joint Venture Agreement

The Company has an unincorporated JV with the Party Ramalingam Construction Company Pvt Ltd with whom a project was jointly bid and obtained. However, the execution was fully done by the company. Company has agreed to pay 2% of Turnover of this project as Royalty to the Partner and this amount has been charged off to the Statement of Profit & Loss.

#### NOTE 48 - DISCLOSURE PURSUANT TO CONSTRUCTION CONTRACTS

Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers

- The Company believes that the information provided vide Note 26 (Revenue from Operations) and vide Note 38 (Segment reporting) is sufficient to meet the disclosure requirements with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.
- Reconciliation of the amount for revenue recognised in the Standalone Statement of Profit and Loss with the contracted price:

₹ (Crore)

Particulars	3/31/2022	3/31/2021
Revenue from operations	801.68	513.11
<b>Adjustments:</b>		
Claims	-	-
<b>Revenue from contract with customers</b>	<b>801.68</b>	<b>513.11</b>

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### (c) Contract balances

(i) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	Note	₹ ( Crore )	
		3/31/2022	3/31/2021
Trade receivables	12	216.98	156.03
Contract assets : Unbilled revenue	15	142.49	147.78
Contract liabilities - Advance billing to customer	24	13.68	9.45
Contract liabilities - Mobilisation advances	23	109.79	34.69

(ii) Movement in contract balances during the year

	₹ ( Crore )		
	Contract assets	Contract liabilities	Net contract balances
Opening balance as at April 1, 2021	147.78	44.14	103.64
Closing balance as at March 31, 2022	142.49	123.47	19.02
<b>Net increase/(Decrease)</b>	(5.30)	79.33	(84.63)

Note: Increase in net contract balances is primarily due to higher revenue recognition as compared to progress bills raised during the year.

(iii) Revenue recognised during the year from opening balance of Contract liabilities amounts to ₹27.37 Crores

(d) Remaining performance obligations

In case of revenue from Road repair and maintenance, the Company applies the practical expedient in paragraph 121 of Ind AS 115 and does not disclose information about remaining performance obligations where the Company has a right to consideration from customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date. Accordingly, the Company recognises revenue by an amount to which the Company has a right to invoice.

Remaining performance obligations are subject to variability due to several factors such as changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to remaining performance obligations is ₹1680 Crores out of which 35%-45% is expected to be recognised as revenue in the next year and the balance thereafter.

### NOTE 49 - RATIOS

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance	Reason for variance (+/- >25%)
Current Ratio	Current Assets	Current Liabilities	1.61	1.65	-2.90%	-
Debt -equity Ratio	Total Debt	Shareholder's Equity	0.28	0.39	-29.05%	Shareholder's Equity increase due to rights Issue that causes the difference
Debt Service Coverage Ratio	Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt Service = Interest & Lease Payments + Principal Repayments <sup>1</sup>	1.17	1.49	-21.41%	-
Return On Equity (%)	Net Profits after taxes - Preference Dividend (if any)	Average Shareholder's Equity	1.72%	5.65%	-69.59%	Three high value road projects are at establishment phase which reduces the profit.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

Ratio	Numerator	Denominator	Current Period	Previous Period	% variance	Reason for variance (+/- >25%)
Inventory Turnover Ratio	Cost of goods sold OR Sales	Average Inventory = (Opening + Closing balance/2)	NA2	NA2	NA2	-
Trade Receivables Turnover Ratio	Net Credit Sales = Gross credit sales - Sales return	Average Accounts Receivable = (Opening + Closing balance/2)	4.30	3.20	34.20%	Previous Years Turnover is low when compared to current year, because of covid -19 Pandemic.
Trade Payables Turnover Ratio	Net Credit Purchases = Gross credit purchases - Purchase return	Average Trade Payables	1.49	1.00	49.66%	In Previous Year, business flow is affected, because of covid -19 Pandemic. In Current year, it became normal.
Net Capital Turnover Ratio	Net Sales = Total sales - Sales returns	Working Capital = Current assets - Current liabilities	3.37	2.71	24.22%	-
Net Profit Ratio	Net Profit = Net profit shall be after tax	Net Sales = Total sales - Sales returns	0.01	0.03	-77.88%	Three high value road projects are at establishment phase which reduces the profit.
Return On Capital Employed	Earnings before interest & taxes	Capital Employed = Tangible Net Worth + Total Debt <sup>3</sup> + Deferred Tax Liability	0.07	0.12	-42.83%	Three high value road projects are at establishment phase which reduces the profit. In addition, increase in capital employed because of Rights issue, leads to reduction in ROCE.
<b>Return On Investment<sup>4</sup></b>	$\{MV(T1)-MV(T0)-\text{Sum}[C(t)]\}$ where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$	$\{MV(T0)+\text{Sum}[W(t)*C(t)]\}$ where, T1 = End of time period T0 = Beginning of time period t = Specific date falling between T1 and T0 MV(T1) = Market Value at T1 MV(T0) = Market Value at T0 C(t) = Cash inflow, cash outflow on specific date W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as $[T1 - t] / T1$	-	-	-	-

1. Interest expense + Principal repayments made during the period for Long term borrowings

2. Irrelevant to nature of business of the company, as the company falls under service sector.

3. Here, total debt consists of Long Term Borrowings alone.

4. Return received on Investment is immaterial as majority of investments are made in unquoted shares, from which we haven't received material return either in the form of dividend or appreciation in value.

## Notes to the Consolidated Financials Statement for the year ended 31st March 2022

### NOTE 50

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### NOTE 51 : ADDITIONAL DISCLOSURES UNDER SCHEDULE III DIVISION II

- a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority
- c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- e) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

As per our report of even date

**On behalf of Board of Directors**

**P. ArulSundaram**

Chairman & Managing Director  
DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer  
DIN 00125357

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place :Erode

UIN: 22026599AKGWFY5614

# Notes to the Consolidated Financials Statement for the year ended 31st March 2022

## ANNEXURE 4 Form No AOC - 1

Name of the Subsidiary Reporting period for the Subsidiary concerned	RPP Infra Projects (Lanka)	RPP Infra Overseas PLC	Sanskar Dealcom Pvt Ltd	Greatful Mercantile Pvt Ltd	Lunkar Finance Pvt Ltd	RPP Annai JV Pvt Limited
	As at 31st March 2022	As at 31st March 2022	As at 31st March 2022	As at 31st March 2022	As at 31st March 2022	As at 31st March 2022
Reporting Currency	LKR	US \$	INR	INR	INR	INR
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR/LKR 0.26	INR/USD 0.01				
Share Capital	0.05	0.02	0.03	0.03	0.42	0.01
Reserves and Surplus	0.96	8.48	0.14	0.15	15.90	(0.03)
<b>Total Assets</b>	<b>7.76</b>	<b>17.37</b>	<b>0.18</b>	<b>0.19</b>	<b>16.36</b>	<b>11.86</b>
<b>Total liabilities</b>	<b>6.75</b>	<b>8.86</b>	<b>0.01</b>	<b>0.01</b>	<b>0.03</b>	<b>11.88</b>
Investments	-	-	0.18	0.18	-	-
Turnover	-	-	-	-	-	21.87
Profit before taxation	(2.93)	(0.07)	-	-	-	-
Provision for taxation	-	-	-	-	-	-
Profit after taxation	(2.93)	(0.07)	-	-	-	-
Proposed Dividend	-	-	-	-	-	-
% of Shareholding	100%	100%	100%	100%	100%	51%

As per our report of even date

**CA S N DURAISWAMY**

Membership No. :026599

Date : 30.05.2022

Place :Erode

UIN: 22026599AKGWFY5614

**On behalf of Board of Directors**

**P. ArulSundaram**

Chairman & Managing Director

DIN: 00125403

**A. Nithya**

Whole Time Director & Chief Financial Officer

DIN 00125357



### Registered office

S.F. No. 454, Raghupathynaiken Palayam,  
Railway Colony (Post), Poondurai Road,  
Erode - 638002, Tamil Nadu, India.

**Ph:** +91 0424 2284077

**Fax:** +91 0424 2284077

**Email:** [ao@rppi.com](mailto:ao@rppi.com)

