

**KARTHIKEYAN & JAYARAM**
CHARTERED ACCOUNTANTS

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REPORT OF THE AUDITORS TO THE MEMBERS OF
R.P.P INFRA PROJECTS LTD

We have audited the accompanying financial statements of R.P.P. Infra Projects Limited ('the company') which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



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d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **KARTHIKEYAN & JAYARAM**
CHARTERED ACCOUNTANTS

Place: Erode
Date : 29/05/2014

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

Partner.

Membership No: 200-027291

Firm Regn No: 007570S





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ANNEXURE TO THE AUDITOR'S REPORT

Re: R.P.P INFRA PROJECTS LTD

The Annexure referred to in our report to the members of R.P.P. Infra Limited ('the company') for the year 31st March 2014. We report that:

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

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

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

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

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

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

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

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



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(v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section; and

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

(vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public so as to attract section 58A, 58AA and other relevant provisions of the Act.

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

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

(ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, excise duty and cess were in arrears as at 31st March, 2014, for a period of more than six months from the date they became payable except in respect of the particulars given here under:

S.No.	Tax Laws	Financial Period	Amount
1	Income Tax (TDS)	2013-14	Rs.11,08,608/-





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

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

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

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

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

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

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

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

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

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

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

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

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

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

For KARTHIKEYAN & JAYARAM
CHARTERED ACCOUNTANTS

CA. G.N. JAYARAM, F.C.A.
Partner
Membership No: 200-027291
Firm Regn.No: 007570S



PLACE: ERODE
DATE: 29/05/2014