

# Annual Report 2013

Ramky Infrastructure Limited

What the world needs, we engineer...



Towards sustainable growth

## Milestones in Ramky Infra's Growth

2013

◀ Inauguration of Regulator cum bridge Chamravottom, one of the Largest Bridge, Kerala

Launched two DBFOT Road Projects ▶

2012

2011

◀ OHSAS & EMS Certification

- Transformed into a Public Listed Company
- Expanded Operations in West Africa
- Completion of 1<sup>st</sup> BOT Road Project (Outer Ring Road to Hyderabad city), ahead of schedule

2010

2009

◀ Inauguration of one of the Asia's largest STP (172MLD) Nagole, A.P.

ISO 9001:2008 Certification across RIL operations ▶

2008

2007

◀ Inauguration of 750 bed Rajiv Gandhi Institute of Medical Sciences, a fully integrated medical college hospital, by Smt. Sonia Gandhi

- Global Foot Print with Operations in Sharjah, UAE
- Expanded Operations in Power Transmission and Distribution
- Infusion of Private Equity of ₹1250M From IL&FS and SAPE

2006

2005

◀ First integrated Township Project Ramky Towers in, Hyderabad.

2012

Crosses ₹ 30,000 Million mark in Annual Revenue

Launched Ramky Pharma City India's first sector specific industrial park ▶

2004

2003

◀ Launched first BOT inter-state bus terminal, Dehradun

2011

Crosses ₹ 20,000 Million mark in Annual Revenue

Geographical expansion to other states of India ▶

2001

1998

◀ Expanded Operations to other Sectors like Buildings, Irrigation, Industrial and Roads

2008

Crosses ₹ 10,000 Million mark in Annual Revenue

Expands client portfolio by starting work with Government ▶

1997

1995

◀ Expanded operations to include water & waste water management

2005

Crosses ₹ 5,000 Million mark in Annual Revenue

Incorporation of Ramky Infra focusing on environmental projects ▶

1994

2003

Crosses ₹ 1,000 Million mark in Annual Revenue

*Ramky Infra has steadily transformed from being a consulting company to an EPC player and infrastructure developer in multiple sectors*

# Corporate Information

## BOARD OF DIRECTORS

**Mr. A. Ayodhya Rami Reddy**

*Executive Chairman*

**Mr. Y. R. Nagaraja**

*Managing Director*

**Mr. Rajiv Maliwal**

*Non-Executive Director*

**Dr. Archana Niranjana Hingorani**

*Non-Executive Director*

**Mr. Kamlesh Shivji Vikamsey**

*Non-Executive Independent Director*

**Mr. V. Harish Kumar**

*Non-Executive Independent Director*

**Mr. V. Murahari Reddy**

*Non-Executive Independent Director*

**Dr A. G. Ravindranath Reddy**

*Non-Executive Independent Director*

**Mr. Rajasekhara Reddy**

*Non-Executive Independent Director*

## JOINT STATUTORY AUDITORS

M/s. Visweswara Rao & Associates  
Chartered Accountants  
"SRI" Plot No.512A1, Road No.31  
Jubilee Hills, Hyderabad - 500033

## JOINT STATUTORY AUDITORS

M/s. B S R & Co.,  
Chartered Accountants  
8-2-618/2, Reliance Humsafar, Fourth Floor,  
Road No.11, Banjara Hills, Hyderabad-500 034

## INTERNAL AUDITORS

M/s. K.P. Rao & Associates  
Chartered Accountants  
7-1-59/4 & 8, Ameerpet,  
Hyderabad - 500 016

## REGISTERED OFFICE

6-3-1089/G/10&11,  
1<sup>st</sup> Floor, Gulmohar Avenue  
Rajbhavan Road, Somajiguda  
Hyderabad - 500082,  
Andhra Pradesh.  
Phone: 040-23310091  
Fax: 040-23302353

## REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited  
Plot no. 17-24, Vithalrao Nagar,  
Madhapur, Hyderabad 500 081,  
Andhra Pradesh, India.  
Telephone: +91 40 44655000  
Fax: +91 40 23420814

## COMPANY SECRETARY

Mr. V. Phani Bhushan

## BANKERS

State Bank of India  
ICICI Bank Limited  
Axis Bank Limited  
Punjab National Bank

IDBI Bank Limited  
State Bank of Hyderabad  
ING Vysya Bank Limited.  
Yes Bank Limited

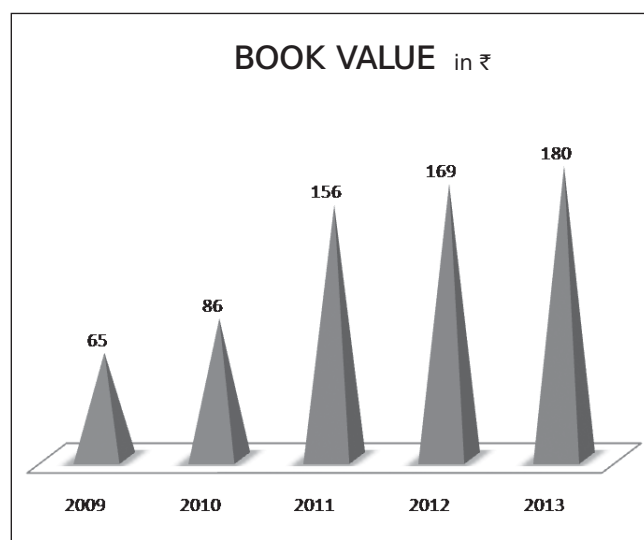
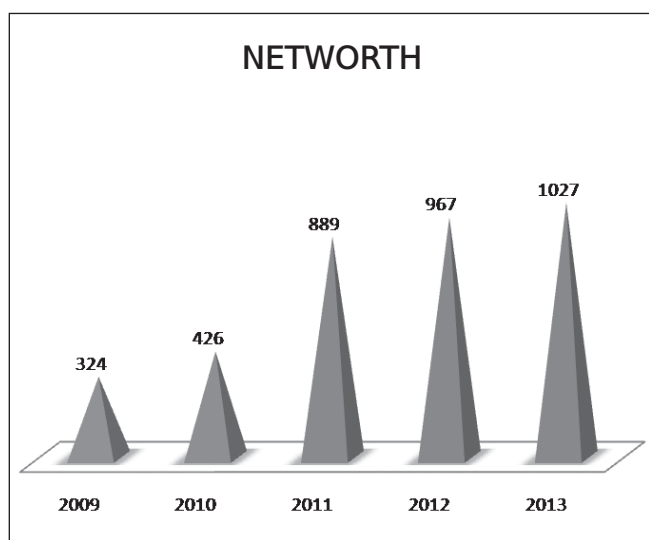
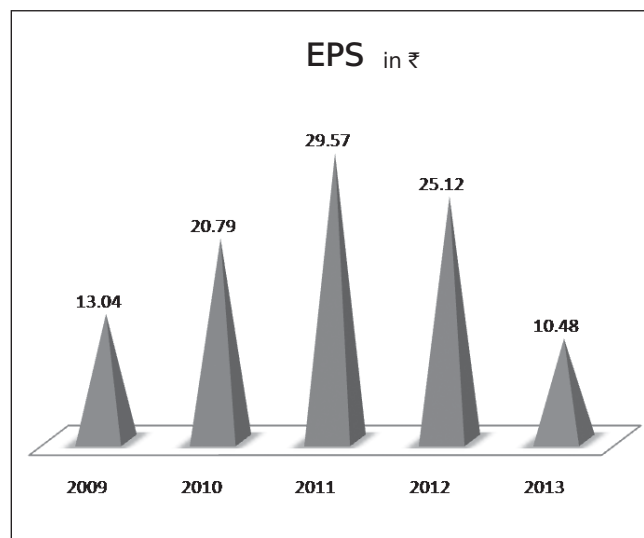
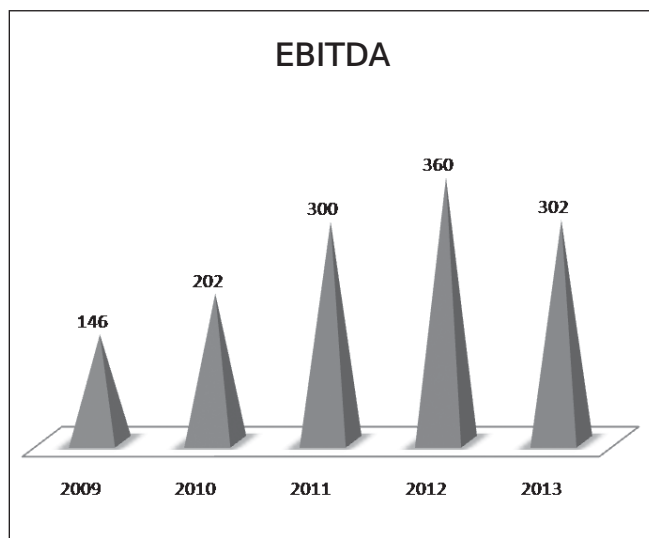
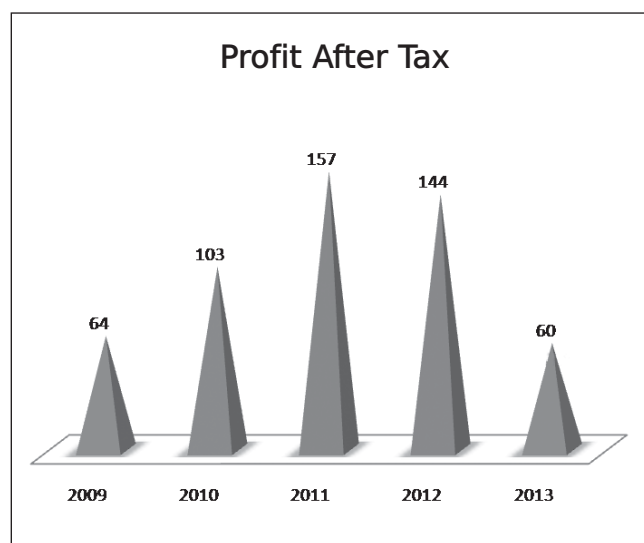
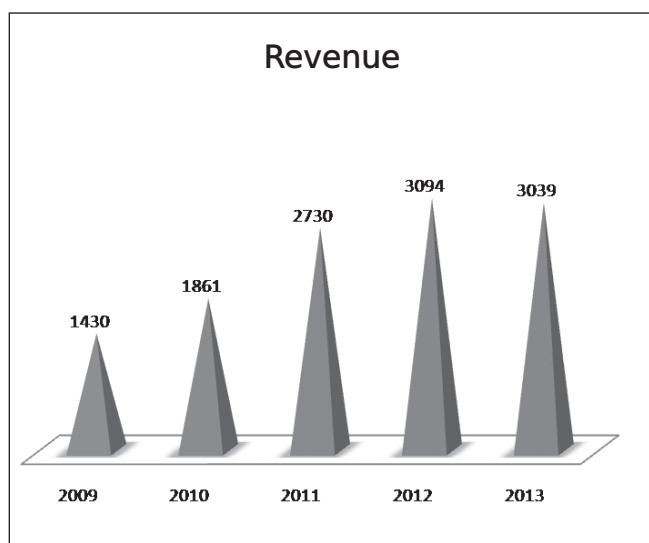
Standard Chartered Bank  
IndusInd Bank Limited

## Contents

Financial Highlights (Standalone & Consolidated Basis) .....	2	Cash Flow Statement .....	44
CSR Report .....	4	Notes to Financial Statements .....	46
Chairman's Message .....	6	Financial Information of Subsidiary Companies .....	72
Notice of 19 <sup>th</sup> Annual General Meeting .....	7	<b>Consolidated Financials</b>	
Directors' Report .....	12	Independent Auditors Report .....	73
Management Discussion and Analysis .....	17	Balance Sheet .....	74
Report on Corporate Governance .....	25	Statement of Profit and Loss .....	75
<b>Standalone Financials</b>		Cash Flow Statement .....	76
Independent Auditors Report .....	37	Notes to the Consolidated Financial Statements .....	78
Balance Sheet .....	42	Green Initiative form in Corporate Governance .....	109
Statement of Profit and Loss .....	43	Proxy Form and Attendance Slip .....	111

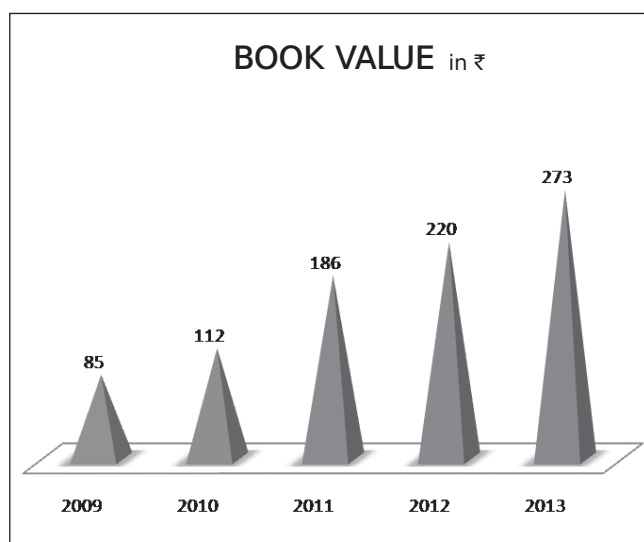
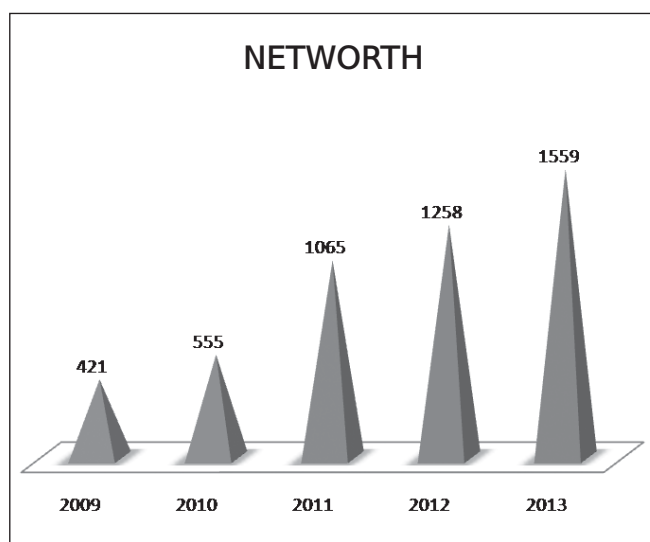
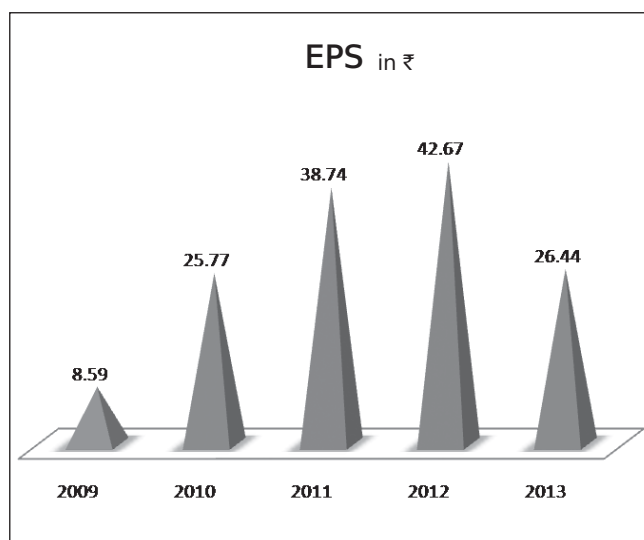
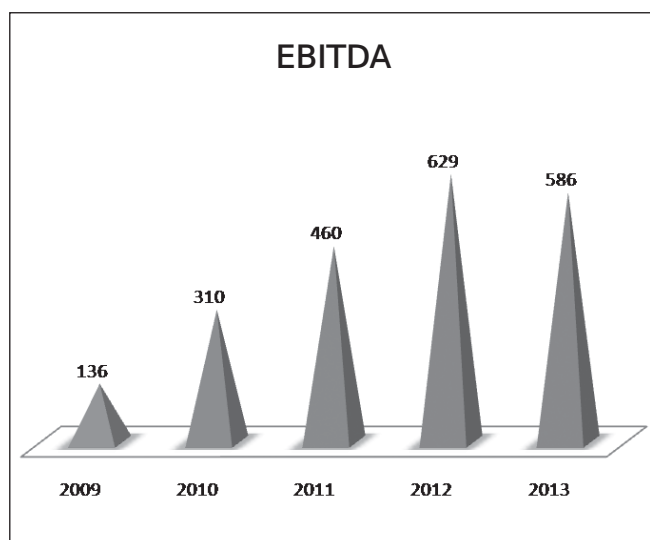
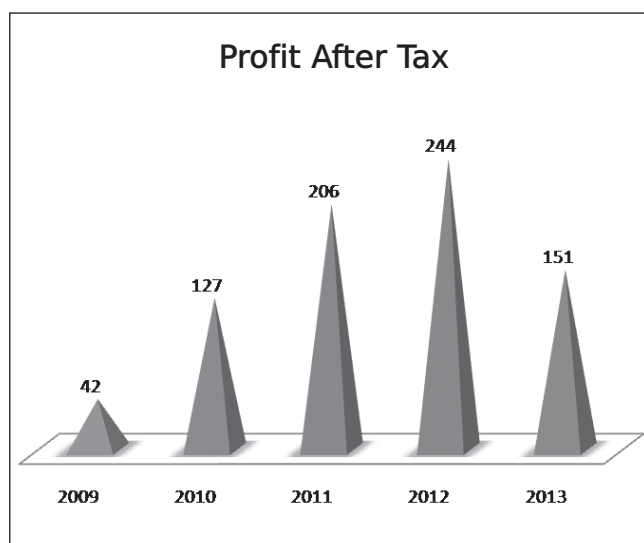
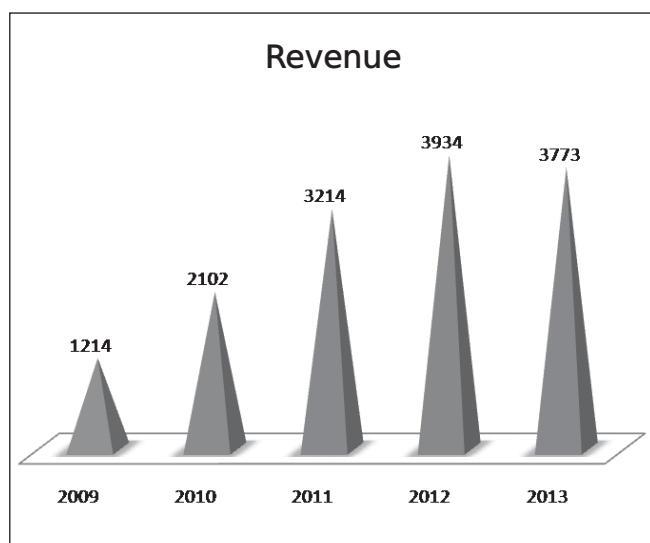
# Financial Highlights on Standalone Basis

(₹ in Crores)



# Financial Highlights on Consolidated Basis

(₹ in Crores)



# Ramky Foundation promoting sustainable Livelihoods

Ramky Infrastructure Ltd (Ramky Infra) strives to reinforce its commitment to the society and to the environment by taking up various social initiatives. Since 1994, Ramky Infra has maintained a strong tradition of returning wealth to society by contributing to various social causes. Ramky Infra is committed to the creation of state of art infrastructure through excellence and innovation, while balancing the interests and welfare of shareholders, employees, communities and civil society. The core values - integrity, customer satisfaction, employee sense of belonging, innovation and social commitment - inspire and motivate the company's leadership and culture. Thus Ramky Infra, over 18 years, is one of the growing Indian brands, as it signals its commitment to social innovation and corporate citizenship.

At Ramky Infra, we aim to improve the living and working conditions of the communities around various infrastructure sites across the country. We do this by providing necessary skills, technology, knowledge and other resources and creating safer working environment apart from taking up facilitation responsibilities by linking up with other development players to see the efforts are successful.

All projects are identified in a participatory manner, in consultation with the community. We recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayat, individual beneficiaries and other community leaders, projects are prioritized.

With the start of year 2012-13, Ramky Infra has entered its 7th

Year of age in contributing towards sustainable development through a proper channel. The year 2012-13 was another year to fulfill the dreams of Ramky Group to serve the People and Planet. During the year Ramky Infra has continued its activities in the area of Health, Environment and Education around various infrastructure sites across the country. All of our projects & programs are carried out under the aegis of Ramky Foundation (RF).

In **Education**, our endeavor is to spark the desire for learning and enable talent through Scholarships, adoption of government schools, providing material support, conducting seminars and workshops and strengthening the value based education are sum of our initiatives under the thrust area of Education. During the financial year 2012-13, we have supported 200 children through scholarship program and disbursed an amount of ₹ 2.4 millions.

With a vision to convert the government urban and rural schools to model school in span of 5 years, we have adapted 6 government schools in the year 2012-13. Out of all - 3 are located in Hyderabad, 2 in Karnataka and 1 in Tamilnadu. Under this school adaption program, RF supports salaries of Vidya Volunteers, Runs tuition center, establishes library and provide other required infrastructure that helps students to access high quality education.

Alongside, 2 schools & 1 hostel are in operation benefiting nearly 70 children. There are many children who are indirectly benefited through our support to schools such as infrastructure development, establishing libraries, organizing cultural programs, sports kits distribution etc.

## EDUCATION



Bags Distribution



Note Books Distribution



Infrastructure Support



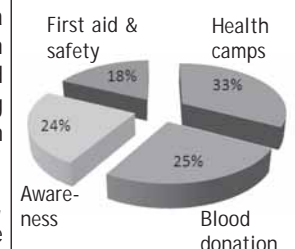
Play School

In **Health care** our goal is to render quality health care facilities to people living in the villages through conducting medical camps, health education, awareness on safety, health, hygiene and targeted interventions on HIV/AIDS. Ramky Foundation is a signatory of UN Global compact and takes up its activities/ Programs inline with the Millennium Development Goals.

In the year FY 2012-13, we specially focus on Targeted Interventions on HIV-AIDS along with regular check up camps to combat HIV/AIDS, Malaria and Other diseases. In collaboration with APSACS (Andhra Pradesh State AIDS Control Society) we have initiated the project in Hyderabad covering 12 wards in 2010. In the year 2012-13, our reach has spreaded to 3 states namely Chattisgarh, Uttar Pradesh and Delhi. Through these projects, Ramky Foundation is actively working with Female Sex Workers in generating awareness through Condom Promotion, Creating an enabling environment, Management of STIs, etc. in order to decrease HIV/AIDS and Sexually Transmitted Infection (STI) prevalence rate.

Alongside, we conduct regular medical check up camps , Awareness programs on Health, Hygiene, Nutrition, Safety, Environment & Sanitation in the communities around our sites across the country to ensure the proper health of the workers as well as communities associated with us.

### No. of Beneficiaries





## EDUCATION



Children Medical Camp



Blood Donation Camp



Rural Health Centre



Health Awareness

In **Natural Resource Management** our program aim at providing Environmental Awareness on waste management, water conservation activities, agriculture development interventions and conducting green rallies and save tree campaigns. Through Ramky Foundation, we have taken an initiative of plantation drive to plant 25000 saplings in and around various sites across the country. The main aim of this drive is to enhance the greenery in the sites and communities, there by making it a better place to breathe. It is estimated to absorb 446 tons of carbon dioxide when these saplings are fully grown. On eve of World Environment day - June 5th, Ramky Foundation has kick started the program of plantation drive at 35 places near Ramky sites across the country. Totally 28950 sapling has been planted to preserve increase and maintain the greenery that is currently prevailing. The aim of the campaign is not the planting the saplings but also to take care and nurture the plants until it is fully grown.

Alongside, Ramky Foundation has been engaged in collaborative partnerships with the Government, the district authorities, the village panchayat, NGOs and other like-minded stakeholders to leverage upon the collective expertise, wisdom and experience. These partnerships further helped us to widen the company's reach through long-term social development projects. The following are some of sustainable development projects which we are currently supporting:

- I Integrated Watershed Management Project is implemented in 12,000 hectares in Sagar and Vidisha districts of M.P. It provides sustainable livelihoods to the people residing in the watershed areas.
- I Wadi project in Andhra Pradesh and West Bengal, aims to enhance the socio-economic status of 2000 Scheduled Tribe (ST) families through our interventions in the areas like- Horticulture, Soil Conservation, Water Resource Development, Women Empowerment, Health Care and Training and Capacity Building of the beneficiaries.
- I Rural Mart in Narsaropeta, Guntur District to provide enabled environment to rural women to enhance their skills and knowledge for improved livelihoods and quality of life. At present rural mart is currently handling the work orders from various Government departments and the highest work order till date is ₹ 31.00 lakhs
- I Convergence of Agriculture in Maharashtra is a flagship project started in 2012. It envisages enabling rural poor to overcome poverty by developing sustaining means, so as to increase



Community Plantation

their socio economic status, household on farms and off farms livelihoods, allowing them to face production and market risk without falling back in poverty and distress.

- I Another notable intervention in FY 2012-13 is Palavelli program in Podili mandal of Prakasham district. It is an innovative and impact oriented livelihood intervention model for rural women on agriculture allied activities. Ramky Foundation has provided the soft loans to women for buying high yield cattle. The loan repayment is an innovative process in which beneficiaries repay the loan in the form of milk. Every day beneficiary gives 2 liters milk in collection center. The amount collected through selling of milk is used by the organization to provide loan to other women in the villages. As such nearly 60 women have been benefited from the program till now and expected to reach more in near future. Besides, Ramky Foundation provides institutional support and capacity building to the women.

Thus, Ramky Foundation has moved towards a challenging measure of corporate responsibility, where results are measured not just by input but by its outcomes: the difference we make to the world and the contribution to alleviate certain deep rooted social problems. The emphasis on Corporate Responsibility as a focused activity embedding in to core business functions has enabled us to constantly explore for tools and competencies that not only leap forward our operations but also helps to long-term sustainability of our businesses.

# Chairman's Message

*Dear Shareholder,*

Let me start by sharing my views on the challenges the infrastructure industry is facing today before penning various developments. The Indian macroeconomic environment has looked turbulent during the past year, consequent to a deceleration in global economic growth. India's GDP growth rate has slowed down to a decadal low, partly due to global factors, but more on account of slow reforms and delays in implementation of projects in the country.

Over the last quarter, the Government has taken various initiatives to boost development of infrastructure in the country. These include setting up of infrastructure targets for various sectors, putting in place an institutional mechanism to monitor and hasten the progress of PPP projects at the Central and state levels and facilitating land transfer between government agencies for PPP projects etc

However, the initiatives taken are not comprehensive and there are still multiple road blocks that adversely affect infrastructure development.

The year 2012-13 tested the toughness and the inherent potential of industry players, particularly in the construction and infrastructure space. Ramky Infra in its pioneering journey had to deal with an overall environment dominated by high interest rate, sluggish demand, liquidity issues and higher input costs. All these factors have exerted pressure on the operating margins.

Notwithstanding these headwinds, the company's order book position remained largely on track with closing order book of around ₹ 11,963 Crores. The company aims to position itself among the top five leading Engineering and Construction companies in India and will endeavour to achieve this objective by adopting global best practises in Corporate Governance and Project Management. The company will endeavour for superior engineering excellence, efficient procurement, timely delivery, risk management, resources optimization at all levels while creating a professionally managed environment and also by an inclusive approach of maximizing stake holder's satisfaction.

It has become important to gear up and upgrade the Company's internal capabilities suitable to the external competition across its human, technical and capital resource base to ensure that corporate goals are accomplished. Ramky Infra's vision is to constantly strive towards sustainable development while contributing to India's growth and ensuring maximum satisfaction to all the customers at the same time.

At Ramky Infra, we endeavoured on a journey of growth and change that helped in transforming ourselves into a world class organization. To facilitate this growth plan and to make every employee cherish, Ramky Infra as their destination for employment as well as career growth, we have embarked on a journey aptly titled 'Operation Future Bright'. Under the banner 'Operation Future Bright', we implemented two Business Applications.

1. Employee management application - Human Resource Management Information System (HRMIS)
2. Business Solution-ERP Application-SAP

Coming back to the annual consolidated results, the annual report of the Company gives an outline of the operations of the company in its sphere of activity. Here are some key figures on a consolidated basis:

- ┆ The operating income in FY2013 stands at ₹ 3,773.55 Cr
- ┆ EBITDA for FY2013 is ₹ 585.98 Cr
- ┆ Profit after tax (PAT) for FY2013 is at ₹ 151.26 Cr
- ┆ Basic earnings per share (EPS) for FY2013 is at ₹ 26.44

During the year, Ramky Infra was adjudged as the "Fastest Growing Construction Company" (Large Category) in the Construction World Annual 2012 study. In addition, various awards were from esteemed industry forums are a testimony to the excellence of the company:

- ┆ 5<sup>th</sup> CIDC Vishwakarma Awards 2013 in the categories of Best Professionally Managed Company and Best Construction Project for 87.5 MLD STP Koparkhairane, Mumbai.
- ┆ D&B Axis Bank Infra Awards 2012 for the Construction of Regulator Cum Bridge at Chamravottam, Kerala under the Best Construction Project, Irrigation category.
- ┆ 11<sup>th</sup> Greentech Safety Award 2012 "SILVER AWARD" in construction sector for in the Outstanding Achievement in Fire & Safety Management category.

Ramky Infra through its CSR arm, Ramky Foundation continues to play its role as a responsible corporate citizen by taking initiatives both, at the corporate level and across its various project sites to undertake and partner in projects relating to community welfare and development. The year 2012-13 was another year to fulfill the dreams of Ramky Infra to serve the people and planet. These efforts were recognized as the Company was presented with the 2<sup>nd</sup> Annual Greentech CSR Award 2012 in the silver category under service sector. Apart from these social initiatives, Ramky Foundation with an endeavour to revive and protect the Telugu Art Forms and Culture has organized the Second World Telugu Mahotsavam 2013 at Sydney, Australia.

At Ramky Infra, the Management Team is focused on strengthening its presence across the present operating verticals, venture into niche area of business, capitalize on new opportunities and invests in growth with prudence. I believe this strategic approach will pave way for continued performance in the years ahead.

Finally and importantly, we owe a word of special thanks and gratitude to our entire stakeholders constituting our investors, shareholders, customer groups and bankers. We will strive to meet each of our stakeholder's expectations and towards this, I seek your continuing support and goodwill.

*With warm regards*

**Alla Ayodhya Rami Reddy**  
**Executive Chairman**



# Notice of Nineteenth Annual General Meeting

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of M/s. Ramky Infrastructure Limited will be held on **Wednesday, the 14<sup>th</sup> day of August, 2013 at K.L.N. Prasad Auditorium, 3<sup>rd</sup> Floor, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004 at 03.00 p.m** to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss account for the year ended March 31, 2013 and the Balance Sheet as at that date together with the reports of the Board of Directors and auditors there on.
2. To appoint a director in place of Mr. Rajiv Maliwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in place of Mr. Kamlesh Shivji Vikamsey, who retires by rotation and being eligible offers himself for re-appointment.
4. *To appoint the Joint statutory auditors and for this purpose to consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:*

**"RESOLVED THAT** M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad (Registration No 005774S) be and are hereby appointed as Joint statutory auditors of the company to hold office until the conclusion of the next annual general meeting of the company at a remuneration and its manner of payment to be fixed by the Board of Directors/Committee thereof."

5. *To appoint Joint statutory auditors and for this purpose to consider and if thought fit to pass with or without modification, the following Resolution as an ordinary resolution:*

**"RESOLVED THAT** M/s B S R & Co., Chartered Accountants, Hyderabad (Registration No 101248W) be and are hereby appointed as Joint Statutory Auditors of the company to hold office until the conclusion of the next Annual General Meeting of the company at remuneration and its manner of payment to be fixed by the Board of Directors/Committee thereof."

## SPECIAL BUSINESS:

6. *To appoint Mr. Rajasekhara Reddy as Director of the company and for this purpose to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution:*

**"RESOLVED THAT** pursuant to the provisions of Section 257 of the Companies Act, 1956 and other applicable provisions if any, Mr. Rajasekhara Reddy be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation."

**"FURTHER RESOLVED THAT** Mr. Y R Nagaraja, Managing Director or any of the Directors be and is hereby authorised to do all such acts and deeds including the filing of forms with the Registrar of Companies to give effect to above resolution".

7. *To Re-appoint and renew the remuneration of Mr. A. Ayodhya Rami Reddy, Executive Chairman of the company and for this purpose to consider and, if thought fit to pass, with or without modifications the following resolution as an Ordinary Resolution:*

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the company be and is here by accorded for re- appointment of Mr. A. Ayodhya Rami Reddy as Executive Chairman of the company for further period of 3 years w.e.f 01/04/2013."

**"FURTHER RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, having considered the entire aspects and subject to the requisite approvals and pursuant to the approval of the Remuneration Committee, approval of the company be and is here by accorded for the payment of remuneration to Mr. A. Ayodhya Rami Reddy, Executive Chairman by way of Salary, dearness allowance, perquisites, commission and other allowance up to a maximum amount equivalent to 5% of the net profits of the Company for the period of his tenure i.e. up to March 31, 2016."

**"FURTHER RESOLVED THAT** Mr. A. Ayodhya Rami Reddy, Executive Chairman be paid within the overall limits of the above remuneration, subject to a maximum limit of ₹ 1.50 crores per annum towards salary, dearness allowances, other allowances, as fixed component and also up to 1% of Net Profit as Commission, for the Financial Year 2013-14, and for the remaining period of his tenure, payment of remuneration shall be reviewed, within the overall limits of 5% as per above, from time to time by the Remuneration Committee."

**"FURTHER RESOLVED THAT** in the event of absence or inadequacy of profits in any year during his tenure, Mr. A. Ayodhya Rami Reddy, Executive Chairman shall be paid a minimum remuneration for a period of 3 years as provided in Schedule XIII of the Companies Act, 1956, as in force in each year and such remuneration shall be paid monthly or quarterly or half yearly or otherwise as may be agreed to between the Executive Chairman and the Remuneration Committee of the company".

//By Order of the Board//  
for Ramky Infrastructure Limited

Hyderabad  
May 27, 2013

**Y.R. Nagaraja**  
Managing Director

## Notes:

1. An Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of items 6 to 7 of the Notice is attached. The statement of the particulars of Directors seeking Appointment/Re-appointment as required under clause 49 of the Listing Agreement is enclosed as **Annexure A**.
2. **A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** Proxies, in order to be valid and effective, must be deposited at the registered office of the company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from August 10, 2013 to August 14, 2013 (both days inclusive).
4. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of the AGM venue.
5. Members who hold shares in dematerialised form are requested to bring their depository account Number (Client Id and DPID No) for easier identification and recording of the attendance at the meeting.
6. Members/Proxies are requested to bring their copies of Annual Report to the meeting. As an austerity measure, copies of annual report will not be distributed at the meeting.
7. Members desirous of seeking any information on the accounts or operations of the Company are requested to write to the company at least 10 days prior to the meeting so that the required information can be made available at the meeting.
8. Members holding shares in physical form can avail of the nomination facility by filing the Form 2B (in duplicate) as prescribed under the Companies Act, 1956 with the Registrar & Share Transfer Agent and in case of shares held in demat form, the nomination has to be lodged with their respective Depository Participants (DPs).
9. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar & Share Transfer Agent, M/s Karvy Computershare Private Limited. Members holding shares in electronic form must send the advice about the change of address to their respective Depository Participants (DPs) and not to the Company. Non-resident Indian share holders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.
10. Members holding shares under multiple folios are requested to consolidate their holdings, if the shares are held in the same name or in the same order of names.
11. The equity shares of the Company have been notified for compulsory trading in demat form. The company has signed a tripartite agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and M/s. Karvy Computershare Private Limited to facilitate dematerialisation of shares. Members are requested to avail of this facility and have their shareholding converted into dematerialised form.
12. All Documents referred to in the accompanying notice and the Explanatory Statement is open for inspection at the registered office of the company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
13. The Register of director share holding shall be open for inspection during the period beginning 14 days before the Annual General Meeting and ending 3 days after its conclusion.
14. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialised holdings with their respective Depository Participants. Members who hold shares in physical form are requested to fill and send the required details in the Green Initiative form available in the Annual Report and Members can also download the form Company's website: [www.ramkyinfrastructure.com](http://www.ramkyinfrastructure.com) and forward to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited at Plot no. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh, India.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956:

### Item No. 6:

The Board of Directors have appointed Mr. Rajasekhara Reddy as an Additional Director of the Company w.e.f November 08, 2012. As per the provisions of Section 260 of the Companies Act, 1956 read with Article 36 of the Articles of Association of the company Mr. Rajasekhara Reddy holds office up to the date of this Annual General Meeting and is eligible for appointment as Director. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Rajasekhara Reddy as a director of the company along with a deposit of ₹ 500 which will be refunded to the member, if Mr. Rajasekhara Reddy is elected as a Director.

Mr. Rajasekhara Reddy has done his Masters in Agriculture, CA-IIB and has over 35 years experience in the Banking Sector with 28 years in frontline assignments. He has varied exposure in Rural and Small & Medium Enterprises lending, NRI Business, Foreign Exchange and Cross Country Products. He served as Chief Executive for Bank of India and as Executive Director for Union Bank of India. He was also the Chairman and Managing Director of Andhra Bank from August 2008 to August 2010. He has to the Credit of achieving Best Bank Awards under various Categories for Andhra Bank.

Keeping in view the experience and expertise of Mr. Rajasekhara Reddy, the Board considers it desirable to get benefitted from his valuable experience and advice. Accordingly commends the resolution for approval of the Members. None of the Directors of the Company is concerned or interested in the resolution.

In compliance of Clause 49 of the Listing Agreement, the particulars of Mr. Rajasekhara Reddy seeking appointment are provided at **Annexure A**.

### Item No. 7:

The Board of Directors of the Company at their meeting held on February 14, 2013 and subject to the approval of the members have re-appointed Mr. A. Ayodhya Rami Reddy as Executive Chairman for a period of 3 Years from April 01, 2013 to March 31, 2016 on the existing terms of remuneration.

Your company has achieved significant growth across all the sectors and an all-round development of the company under the leadership of Mr. A. Ayodhya Rami Reddy, Executive Chairman. It was felt appropriate to renew the current remuneration of Mr. A. Ayodhya Rami Reddy, Executive Chairman to commensurate with the operations of the Company. The remuneration Committee of the Board at its meeting held on February 14, 2013 has reviewed and

recommended an overall remuneration by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances up to a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e. up to March 31, 2016.

### It also recommended

- i. subject to a limit of ₹ 1.50 crore per annum towards Salary, Dearness Allowance, Perquisites, and other allowances and up to 1% net profit as commission for the Financial Year 2013-14 and the same shall be reviewed and revised by the Board of Directors or any committee of the Board subject to the overall limit of 5% of the Net Profits of the Company and shall continue until changed for remaining period of his tenure;
- ii. in the event of the absence or inadequacy of profits in any year during his tenure, Mr. A. Ayodhya Rami Reddy, Executive Chairman shall be paid a minimum remuneration for a period of 3 years as provided in Schedule XIII of the Companies Act, 1956 as in force in relevant year and such remuneration shall be paid monthly or quarterly or half yearly or otherwise as may be agreed to between Mr. A. Ayodhya Rami Reddy, Executive Chairman and the Board of Directors or any committee of the Board.

The Remuneration Committee has proposed the renewal of remuneration as mentioned above for the approval of the members in accordance with the provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.

This may be treated as an abstract of the terms and conditions of the Re-appointment, revision/renewal of remuneration to Mr. A. Ayodhya Rami Reddy, Executive Chairman in terms of Section 302 of the Companies Act, 1956.

In compliance of Clause 49 of the Listing Agreement, the particulars of Mr. A. Ayodhya Rami Reddy, Executive Chairman seeking re-appointment are provided at **Annexure A**. None of the directors is interested in the above Resolution except Mr. A. Ayodhya Rami Reddy. Your Directors commend the resolution for your approval.

//By Order of the Board//  
for Ramky Infrastructure Limited

Hyderabad  
May 27, 2013

**Y.R. Nagaraja**  
Managing Director

## Annexure A

Details of the Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. Rajiv Maliwal	Mr. Kamlesh Shivji Vikamsey	Mr. Rajasekhara Reddy	Mr. A. Ayodhya Rami Reddy
Date of Birth	26.11.1960	06.12.1960	15.08.1950	01.08.1963
Date of Appointment	22.12.2006	16.03.2007	08.11.2012	13.04.1994
Expertise in specific functional areas	29 years of experience in managing large businesses in the financial services industry. Prior to founding Sabre Partners, a private equity firm, in 2002, Mr.Maliwal was running businesses for Standard Chartered bank, JP Morgan, Goldman Sachs and Citibank in Asia and India. He is an accomplished banker and a private equity investor for the past 29 years. He has spearheaded some very innovative investments in recapitalisation and restructuring of trouble banks as also investing in infrastructure and healthcare industries.	He has served on various expert committees set up by the Finance Ministry, the Reserve Bank of India and the Securities and Exchange Board of India and has also served on the Steering Committee of the United Nations. Previously, he was the President of the Institute of Chartered Accountants of India, New Delhi, a part time member of the Insurance Regulatory and Development Authority of India and President of the Confederation of Asian and Pacific Accountants, Hong Kong. He has served as a member of various advisory and expert committees at national and international levels, including as a Member of the Steering Committee for Comprehensive Review of Governance and Oversight within the United Nations and as a Member of the Secondary Market Advisory Committee of the SEBI.	He has 35 years experience in the Banking Sector with over 28 years in frontline assignments. He has varied exposure in Rural, Small & Medium Enterprises lending, NRI Business, Foreign Exchange and Cross Country. Prior to joining Ramky he served as Chief Executive for Bank of India, Executive Director for Union Bank of India and was also the Chairman and Managing Director of Andhra Bank. He has to his credit of achieving Best Bank Awards under various Categories for Andhra Bank and is also associated with various committees of Reserve Bank of India and the Management Committees of Indian Banks Association.	He has 30 years of experience in Civil, Industrial and Environmental Infrastructure and waste management. He worked for various water, waste water and engineering projects, notably with Gannon Dunkerly & Co, Reliance Industries Limited from 1984 to 1988. He has worked for various projects on a Turnkey EPC basis until 1995.
Qualification	Degree in Mechanical Engineering (Honours) from Birla Institute of Technology and Science, Pilani and a Masters Degree in Business Administration from IIM, Bangalore.	Chartered Accountant	Post Graduate degree in Agricultural Sciences and has done his CA-IIB	Bachelor's Degree in Civil Engineering from Karnataka University and a Masters Degree in Civil Engineering from Osmania University.

(Contd.)

# Annexure A (Contd.)

Name of Director	Mr. Rajiv Maliwal	Mr. Kamlesh Shivji Vikamsey	Mr. Rajasekhara Reddy	Mr. A. Ayodhya Rami Reddy
List of other companies in which directorship is held as on March 31, 2013*	<ol style="list-style-type: none"> <li>1. ECI Engineering &amp; Construction Company Limited.</li> <li>2. Man Infraconstruction Limited.</li> <li>3. Praj Industries Limited</li> <li>4. Indian Institute of Management Bangalore</li> </ol>	<ol style="list-style-type: none"> <li>1. Navneet Publications (India) Ltd</li> <li>2. Aditya Birla Retail Limited</li> <li>3. Fabmall (India) Private Limited</li> <li>4. H.A.S Two holdings Private Limited</li> <li>5. Trinethra Superretail Private Ltd</li> <li>6. Terrafirma Agroprocessing (India) Private Ltd</li> <li>7. Neptune Developers Limited</li> <li>8. Man Infraconstruction Limited</li> <li>9. Thibhovandas Bhimzi Zaveri Limited</li> <li>10. Neptune Ventures and Developers Limited</li> <li>11. Electrotherm Renewables Private Limited</li> <li>12. Apcotex Industries Limited</li> <li>13. Deposit Insurance and Credit Guarantee Corporation</li> </ol>	<ol style="list-style-type: none"> <li>1. Transstroy (India) Limited</li> <li>2. Transstroy Road Projects Limited</li> <li>3. Lanco Kondapalli Power Limited</li> <li>4. IL &amp; FS Infra Asset Management Limited</li> <li>5. Centrum Capital Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Ramky Enviro Engineers Limited</li> </ol>
Chairman/member of the committees of the Board of the other companies in which he/she is a director as on March 31, 2013*	<p>Man Infraconstruction Limited - Remuneration Committee - Member</p> <p>Praj Industries - Remuneration Committee - Member</p>	<ol style="list-style-type: none"> <li>1. Navneet Publications (India) Ltd - Audit Committee - Chairman, Remuneration Committee-Member</li> <li>2. Aditya Birla Retail Limited - Audit Committee - Member, Remuneration Committee-Member, ESOP Compensation Committee- Member.</li> <li>3. Trinethra Superretail Private Ltd - Audit Committee - Member, Remuneration Committee-Member</li> <li>4. Neptune Developers Limited - Audit Committee - Chairman, Remuneration Committee- Chairman, Share holders Grievance Committee- Member</li> <li>5. Man Infraconstruction Limited - Audit Committee - Member</li> <li>6. Thibhovandas Bhimzi Zaveri Limited- Audit Committee - Chairman, Remuneration Committee-member.</li> <li>7. Deposit Insurance and Credit Guarantee Corporation - Audit Committee - Chairman</li> <li>8. Apcotex Industries Ltd- Audit Committee - Member</li> </ol>	<ol style="list-style-type: none"> <li>1. Lanco Kondapalli Power Ltd - Audit Committee - Member</li> <li>2. India Factoring &amp; Fin. Solutions Pvt. Ltd. - Audit Committee - Chairman</li> </ol>	<p>Ramky Enviro Engineers Limited - Board Committee - Member</p>
Equity shares held in the Company	Nil	Nil	3000	34556122
Relationship between Directors inter-se	Nil	Nil	Nil	Nil

\*(excludes private and foreign companies)



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 19<sup>th</sup> Annual Report on the business and operations of your Company for the financial year ended March 31, 2013.

## FINANCIAL RESULTS

The standalone financial performance of the Company for the financial year ended March 31, 2013 is summarized below:

(₹ in Crores)

Particulars	2012-13	2011-12
Gross Turnover	3038.62	3094.25
Other Income	32.19	37.50
Total Income	3070.81	3131.75
Total Expenditure	2980.18	2918.35
Profit before Interest, Depreciation, & Tax	302.24	360.20
Profit before taxes	90.64	213.40
Tax Expense	30.71	69.72
Profit after Tax	59.93	143.68
Balance brought forward from previous year	481.78	403.67
Profit available for appropriation	541.71	547.35
Provision for tax on earlier years and excess dividend tax written back	–	65.57
Balance carried to Balance Sheet	541.71	481.78

## REVIEW OF PERFORMANCE

During the year under review, the overall performance of the company was reasonable considering to the sector/market conditions.

During the year under review, Members will notice that the revenues have marginally declined by 1.80 % to ₹ 3038.62 crores from ₹ 3094.25 crores of the previous year 2011-12, while the Profit before Tax decreased by 57.53% to ₹ 90.64 crores from ₹ 213.40 crores achieved in the previous year 2011-12.

The profit after tax decreased by 58.28% to ₹ 59.93 crores from ₹ 143.68 crores reported in the previous year. The earnings per share was ₹ 10.48 as compared to ₹ 25.12 in the previous year 2011-12.

During the year under review, your Company was awarded projects totalling to ₹ 1,251 crores across all verticals, with the result the order book at year end stood at a healthy ₹ 11,963 Crores as compared to previous year end order book balance of ₹ 13,703 crores

## OUTLOOK

A much greater emphasis on infrastructure is expected in the Twelfth Plan. The construction industry needs to focus on enhancing its capacity on one hand, and improving project delivery on the other. The Planning commission pegs the gap in the delivery capacity of the construction industry at 45-50 per cent. Given an average investment of about ₹ 10 trillion in infrastructure per year in the Twelfth Plan, the investment in the construction industry is estimated at about ₹ 6.2 trillion annually (at a 62 per cent weighted average factor of construction activity in infrastructure). The Planning Commission estimates the current delivery capacity of the Indian construction industry at ₹ 4.15 trillion per annum. Thus, the total additional investment required by the construction industry per year is ₹ 2.1 trillion.

The negative effects of global recessionary conditions are being attenuated by various countries through huge investments in infrastructure and India is no exception in this regard. The key to global competitiveness of the Indian economy lies in building world class infrastructure with service delivery at economical rates.

As infrastructure investments are sluggish, construction industry is facing demand pressure. Order execution remains slow due to weak macroeconomic environment and delays in government clearances, shifting of utilities, etc. the financial profile of construction companies has also deteriorated in the last few years owing to poor profitability and increase in BOT exposure.

The strong order book position coupled with thrust given by the government for infrastructure sector augurs well for company, being one of the leading companies in infrastructure development. The company is recognised for its well organised and timely completion of projects with quality consciousness. Ramky Infra is exploring international business opportunities to scale up its business in the years to come.

A harmonised list of main sectors and sub-sectors of infrastructure approved by government to serve as a guide for all agencies responsible for supporting infrastructure is a welcome move.

## DIVIDEND

Although your Company has earned profits during the year, the Board of Directors have decided to plough back the profits into the Company. Therefore, your Directors have not recommended any dividend for the FY 2012-13.

## TRANSFER TO RESERVES

During the financial year under review, there were no transfers to Reserves.

## SHARE CAPITAL

During the period under review there is no change in the Authorised and paid up capital of the Company.

## IPO FUNDS

The company has raised an amount of ₹ 350 Crores through initial public offer during the year 2010-11. The following are the details of IPO proceeds pending utilisation:

(₹ in Crores)

Particulars	Note	For the year ended/As at	
		March 31, 2012	March 31, 2013
Opening unutilised	A	24.35	6.62
Utilisation of funds			
Investment in capital equipment		17.43	6.62
Working capital requirements		-	-
Repayment of term loans		-	-
General corporate purposes		0.20	-
IPO expenses		0.10	-
Total funds utilised	B	17.73	6.62
Unutilised IPO money	C=(A-B)	6.62	-

## DIRECTORS

The following person was appointed as Additional Director of the Company during the year under report:

Sl.No.	Name of the Director	Date of Appointment
1	Mr Rajasekhara Reddy	November 08, 2012

### Proposed Appointments:

The following appointments to the Board are proposed:

- Approval of the shareholders is being sought for the appointment of Mr. Rajiv Maliwal and Mr.Kamlesh Shivji Vikamsey, Directors of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment in accordance with the provisions of the Companies Act, 1956 and pursuant to Articles of Association of the Company.
- Mr.Rajasekhara Reddy was inducted as Additional Director on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the Annual General Meeting of the Company. Approval of the Shareholders is being sought for his appointment as Director liable to retire by rotation in the ensuing Annual General Meeting pursuant to the provisions of the Section 257 of the Companies Act, 1956.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of the Companies Act 1956, with respect to Directors' Responsibility

Statement, it is hereby confirmed that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures ;
- The Directors have selected such accounting policies and applied them consistently and made judgment 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 March 31, 2013 and of the profit of the Company for the financial year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts of the Company have been prepared on a "going concern" basis.

## CORPORATE GOVERNANCE

In pursuance of Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a separate Report on Corporate Governance along with a certificate from Mrs. Bindu Kilari, Practising Company Secretary regarding its compliance is annexed and forms part of this Report. Your company will continue to adhere in letter and spirit to good corporate governance policies.

## MANAGEMENT DISCUSSION & ANALYSIS

A report on Management Discussion & Analysis forms part of this Annual Report.

## CONSOLIDATION OF ACCOUNTS

The standalone accounts of your Company broadly represents the EPC business plus the investment that have gone into the 13 wholly owned subsidiaries, 7 Subsidiaries, 2 jointly controlled entities & 1 Associate and 3 Step down Subsidiaries of the Company, and the consolidated business represents the consolidation of the EPC business and the integrated infrastructure developer business.

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on Financial Reporting of Interests in Joint Ventures, your Directors have pleasure in attaching the Consolidated Financial Statements as part of the Annual Report.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Annual Report of the parent Company. Accordingly the Company has availed the exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary Companies.

A statement containing brief financial details of the subsidiaries for the financial year ended March 31, 2013 is annexed. The annual

accounts of these subsidiaries and the related detailed information will be made available to any member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any member of the Company/its subsidiaries at the registered office of the Company. The annual accounts of the subsidiaries will also be available for inspection, as above, at registered office of the respective subsidiary companies.

## AUDITORS

The Auditors M/s. Visweswara Rao & Associates, Chartered Accountants, Hyderabad, who retire at the ensuing Annual General Meeting of the company, are eligible for reappointment as Joint Statutory Auditors of the Company till the conclusion of next Annual General Meeting. The Company has received their offer in writing about their willingness for re-appointment as Joint Statutory auditors of your Company along with a Certificate under Section 224 (1B) of the Companies Act, 1956.

The Joint Auditors M/s B S R & Co., Chartered Accountants, Hyderabad who retire at the ensuing Annual General Meeting of the company, are eligible for reappointment as Joint Statutory Auditors of the Company till the conclusion of next Annual General Meeting. The Company has received their offer in writing about their willingness for reappointment as Joint statutory auditors of the Company along with a Certificate under Section 224 (1B) of the Companies Act, 1956.

The Board of Directors and the Committee thereof, recommend their respective re-appointments. Appropriate resolutions form part of the agenda at the ensuing Annual General Meeting.

## REPLIES TO AUDITORS REPORT

With reference to observations made in Auditor's Report, the notes of account is self-explanatory and therefore do not call for any further comments.

The results for the year ended March 31, 2013 have been subjected to an audit by the Statutory Auditors of the Company and an unqualified report has been issued by them thereon

Emphasis matter: Income Tax Department has carried out Search and Seizure operations under section 132 of the Income Tax Act, 1961 at the company's premises in Hyderabad and other locations on 7<sup>th</sup> February 2013 and has collected certain information and records. Later the company was served summons u/s 131 of the Act, which was received by Company on 28<sup>th</sup> May 2013 for furnishing of additional information, which was furnished to the Department. The Income Tax Department has not served any demand in connection with the search carried on the Company.

The management firmly believes that the business of the company is being carried out with accepted business practices and with prudence and it has complied with the requirements of the Act.

Pending completion of the proceedings, the final outcome of the search and seizure operation and the consequent tax liability, if any is currently not ascertainable.

With respect to the Provisional attachment order of the Enforcement Directorate on the assets/properties valued ₹ 133.74 Cr of Ramky Pharma City (India) Ltd (RPCIL) a 51% subsidiary, the Management

believes that the project of RPCIL is being carried out in accordance with the provisions of the Concession Agreement executed between RPCIL and Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) after obtaining the requisite approvals and following the due process of law. The Company is contesting the said order before the Adjudicating Authority, the financial impact of the said regulatory action will be known only when the matter is resolved.

Inventory: Currently the Company is maintaining the records of inventory manually and by way of posting entries in Tally. The Company now embarked the implementation of SAP where the data compared in the MM module, which further strengthen the process of inventory accounting. The implementation is taken in phased manner, so as to improve the systems and controls.

Internal Audit System: Currently the internal audit is handled by company's IMAT team and external auditors. Detailed calendar is worked out and major projects are covered twice in a year. The company is on continuous focus of improvement by supplementing additional coverage, as per the findings, if any, by the audit team to make the process robust.

Statutory compliance: Delay caused in remitting statutory dues with respect to Income tax TDS and work contract tax TDS to appropriate authorities was mainly due to short term liquidity issues and also in compiling information extracted from books of accounts in various project locations spread across various parts of the country.

During the year the Company has delayed in repayment of principal and interest to various banks aggregating to ₹ 305.45 Crores. The delays in repayments of principal and interest range from 1 to 15 to 88 days. An amount of ₹ 24.96 Crores towards working capital demand loan from HDFC Bank Limited due on 31st March-13 was repaid on 1<sup>st</sup> June 2013. The delay was caused mainly due to non receipt of receivables in time from various Govt and other parties and due to infusion of funds into project execution.

The company has borrowed unsecured loans from Ramky Enviro Engineers Ltd a related party to meet the operational requirements of the company and the outstanding balance at the end of the year is Nil.

## BUSINESS RESPONSIBILITY REPORT (BRR)

Securities Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/8/2012 dated August 13, 2012 has mandated the inclusion of BRR as part of the Annual Report for the top 100 listed entities based on their market capitalization on Bombay Stock Exchange and National Stock Exchange of India Ltd as at March 31, 2012. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

## COST AUDIT COMPLIANCE REPORT

As per the Companies (Cost Accounting Records) Rules, 2011, every Company which is engaged in production processing, manufacturing and mining activities and the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds ₹ 5 crores or aggregate value of Turnover during the immediately preceding financial year exceeds ₹ 25 crores or whose securities are listed or in the process of listing is required to submit a Compliance Report by a Cost Accountant to the Central Government.

The Company has obtained the said Compliance Report for FY 2012 - 13 from Mr. R Srinivasa Rao, Practicing Cost Accountant.

### **PUBLIC DEPOSITS**

Your Company has not accepted any deposits from the public. As such, there was no principal or interest outstanding on the date of the Balance Sheet.

### **STATUTORY INFORMATION**

A statement containing the Particulars of employees who were in receipt of remuneration of ₹ 60,00,000/- or more per annum or ₹ 5,00,000/- or more per month pursuant to provisions of Section 217(2A) of the companies act, 1956 are set out as Annexure to this Report. None of the Employees listed in the annexure is related to any director of the company.

### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Conservation of energy, which is an ongoing process in the Company's construction activities, is not furnished as the relative rule is not applicable to your company.

There is no information to be furnished regarding Technology absorption as your company has not undertaken any research and development activity in any manufacturing activity nor any specific technology is obtained from any external sources which needs to be absorbed or adapted.

Innovation is a culture in the Company to achieve cost efficiency in the construction activity so as to be more competitive in the prevailing environment.

Foreign Exchange Earnings: ₹ 57.83 crores

Foreign Exchange Outgo : ₹ 0.09 crores

### **CORPORATE SOCIAL RESPONSIBILITY:**

You will be glad to note that your company had established a charitable trust "Ramky Foundation" as part of its Corporate Social Responsibility. It focuses on 4 thrust areas viz, natural resource management, education, health and women empowerment. It seeks to bring corporate sector with an overall aim to create equitable, sustainable, and accessible developmental opportunities for the communities we serve. A report on CSR is provided elsewhere and forms part of this Annual Report.

### **AWARDS AND REWARDS**

The following are the awards conferred on the Company during the year:

- "Best Professionally Managed Company Award" - by 5th CIDC Vishwakarma Awards 2013.

- "Best Construction Project Award under Urban Infrastructure category" - 87.5 MLD STP, Koparkhairane, Mumbai by 5th CIDC Vishwakarma awards - 2013.
- "Outstanding Contribution Award - Residential Project" - Ramky Towers in the Real Estate Category by 3rd EPC World Awards 2012.
- 5th GIREM Leadership Awards 2012 for Outer Ring Road, Hyderabad under the category of Best Urban Development Project.
- "Fastest Growing Construction Company" (large category) as per the Construction World Annual 2012 Study.
- 13th Annual Greentech Environment Excellence Award - 2012 Silver Award for 87.5 MLD STP Koparkhairane, Mumbai project under Construction Sector.
- 10th Annual Construction World Global Awards 2012 for Fastest Growing Construction Company - 1st Rank (large category).
- 2nd Annual Greentech CSR Award - 2012 in the Silver Category for Ramky Foundation under Service Sector.
- D&B - Axis Bank Infra Awards - 2012 for the Best Project Construction of RCB at chamravottam, Kerala under the Irrigation Category.
- 11th Greentech Safety Award - 2012 in Construction Sector for Outstanding Achievements in Safety Management.

### **INDUSTRIAL RELATIONS**

The company enjoyed cordial relations with its employees during the year under review and the Board appreciates the employees across the cadres for their dedicated service to the Company, and looks forward to their continued support and higher level of productivity for achieving the targets set for the future.

### **ACKNOWLEDGEMENTS**

Your Directors wish to express their appreciation of the support and co-operation of the Central and the State Government, bankers, financial institutions, suppliers, associates and subcontractors and seeks their continued patronage in future as well.

for and on behalf of the Board of  
**Ramky Infrastructure Limited**

Hyderabad  
May 27, 2013

**Alla Ayodhya Rami Reddy**  
Executive Chairman

## Annexure

**Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors Report for the year ended March 31, 2013**

Employed throughout the Financial Year and in receipt of remuneration aggregating ₹ 60,00,000 or more

Name of the Employee	Designation	Remuneration in ₹	Qualification	Experience (Years)	Date of commencement of employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Mr. A.Ayodhya Rami Reddy	Executive Chairman	2,43,88,905	M.E (Civil)	30	April 13, 1994	50	Navega Engineers Pvt Ltd	60.42
Mr. Y.R.Nagaraja	Managing Director	1,48,53,808	B.E (Civil)	30	April 13, 1994	51	Navega Engineers Pvt Ltd	2.93
Ravi Prakash	Director (Projects)	75,00,000	BE(Civil)	24	April 16, 2012	49	Larsen & Toubro Ltd	Nil
Pradeep Kumar Jain	Sr Vice President (SCM)	62,00,000	BE(Mech)	34	January 02, 2012	57	DSC Limited	Nil

- There is no employee employed for part of the year who is in receipt of Remuneration aggregating ₹ 5,00,000 or more per month
- There are no employees in the service of the company within the category covered by 217 (2A) (a)(iii) of the Companies Act, 1956
- None of the employees is a relative of any Director of the company.

For and on behalf of the Board of  
**Ramky Infrastructure Limited**

Hyderabad  
May 27, 2013

**Alla Ayodhya Rami Reddy**  
Executive Chairman



# Management Discussion and Analysis

## INFRASTRUCTURE INDUSTRY - AN OVERVIEW

The construction industry is an integral part of the economy, contributing at about 8 per cent of GDP and is also the second largest employer after agriculture, employing about 41 million people.

The year 2012-13 has been one of lacklustre growth in the Indian construction industry. Much of the slowdown of the past 15 months can be attributed to a slowdown in the infrastructure sector, which accounts for 54 per cent of the construction industry's turnover. While the slowdown in the economy may not last too long, a number of issues on the policy and regulatory front have long impeded the progress of the infrastructure and construction sectors. These need to be resolved before infrastructure growth can rebound.

The infrastructure sector, requiring an investment of \$1 trillion in the twelfth five year plan, offers ample construction scope. However, in light of the various policy and regulatory hurdles facing the sector, construction industry players might be unable to tap to the fullest the scope offered by the different infrastructure sectors.

The pace of investments has varied across sectors. While investments have been buoyant in sectors such as telecommunications, oil & gas etc., in others including power, railways, irrigation and ports, investments have fallen short of targets.

In order to reduce its cash outflows and ensure faster execution of projects, the government has continuously encouraged private sector participation. The efforts to attract private investments through the PPP route have been reasonably successful as indicated by increase in the private sectors contribution to total investments to 36 per cent in the last 5 years from 24 per cent during the preceding 5 years.

### Opportunities

#### Roads:

Transport infrastructure plays a crucial role in freight movement and industrial growth. Research expects overall investments in roads and highways to grow a healthy pace over the next 5 years, led by the governments focus on the sector. Investments would largely be driven by expenditure on National Highways and state roads. Over the past 5 years (2007-08 to 2011-12), state roads have accounted for a major share in overall investments. During the next 5 years (2012-13 to 2016-17), research expects a significant increase in the share of National Highways in total investments.

#### Urban Infrastructure:

Urban infrastructure includes water supply and sanitation (WSS), mass rapid transit system (MRTS), bus rapid transit system (BRTS) and others, which includes development of related infrastructure

like bus stops, etc. Focus on improvement and development of infrastructure in urban areas has intensified due to the rapid increase in urbanisation.

Research expects construction opportunity worth ₹ 2,171 billion from the urban infrastructure segment during 2011-12 to 2015-16. Investments in urban infrastructure will be driven by the water supply and sanitation segment, as it is expected to account for close to 70 per cent of urban infrastructure investments during this period. Investments in water supply and sanitation would be driven by expenditure by state governments on WSS projects as well as centrally-sponsored programmes such as JNNURM, National Rural Drinking Water Programme (NRDWP). Progressive states in water supply and sanitation are Bihar, Gujarat, Haryana, Karnataka, Rajasthan, Tamil Nadu and Madhya Pradesh, which account for around 65 per cent of the aggregate expenditure by states.

### EPC Projects gain favour again:

With awarding currently at dismal levels, the Ministry of Road Transport & Highways along with NHAI has been taking steps to get awarding back on track. They have been holding discussions with bankers and developers to understand and address their concerns. With BOT projects losing favour amongst developers, NHAI plans to award more projects through the EPC route. With limited upfront capital requirement and lower risk compared to BOT projects, we believe that player interest will remain high in EPC Projects.

*(Source: Infrastructure Today Research, Planning Commission & CRISIL Research Reports)*

## COMPANY PERSPECTIVE

Ramky Infra operates through the following 3 principal business modes:

- i. Engineering, Procurement & Construction (EPC) Business which is operated by the Company,
- ii. Developer Business which is operated through 13 wholly owned subsidiaries, 7 Subsidiaries, 2 jointly controlled entities & 1 Associate and 3 Step down Subsidiaries. A majority of the development projects are Public Private Partnerships and are operated by separate special purpose vehicles (SPVs) promoted by the Company and other Companies/undertakings and
- iii. International Business which is operated through 100% wholly own subsidiary 'Ramky Engineering and Consulting Services', located in Sharjah, UAE.

## EPC BUSINESS

The Company operates the EPC business in the following sectors:

- i. **Water and Waste Water** projects such as water treatment plants, water transmission and distribution systems, elevated

and ground level service reservoirs, sewage treatment plants, common effluent treatment plants, tertiary treatment plants, underground drainage systems and lake restorations;

- ii. **Roads & Bridges** projects such as expressways, highways, bridges, flyovers, rural roads, terminals and dedicated service corridors;
- iii. **Building Construction**, which includes commercial, residential, public, institutional and corporate buildings, mass housing, High-Rise, Healthcare Infrastructure, Integrated Townships projects and related infrastructure facilities such as hospitals and shopping malls; and
- iv. **Irrigation** projects such as cross-drainage works, barrages, lift irrigation projects, canals, feeder channels;
- v. **Industrial** construction projects such as aluminium, textile, Pharmaceuticals, Power, Petroleum, Industrial Parks, SEZs and related works;
- vi. **Power Transmission and Distribution** projects such as electricity transmission networks, substation feeder lines and low tension distribution lines.

The flagship company of the Ramky Group, Ramky Infrastructure Ltd. is one of the fastest growing infrastructure companies in India with a wide sectorial presence. Determined continually to foray into fast-growing infrastructure segments across India, the Company has diverse and extensive execution experience across key sectors of growth. Over the years core competence has been further developed by the engineering, planning and project execution skills.

Ramky Infra has diversified its business portfolio which helps us in mitigate risk of slowdown in any one particular segment.

The Company is professionally managed with very well-qualified and experienced personnel in all following areas including but not limited to engineering, procurement, legal, secretarial, finance and administration combined with a full-fledged MIS system. As on 31st March, 2013, the Company has on its roll over 2369 employees, which includes 1092 experienced and skilled engineers.

#### Water and Waste Water Sector:

At Ramky, we realize the importance of water in the present times. Our design experts constantly innovate and focus on Water / Waste Water treatment & Distribution to offer reliable and complete water management solutions. A pioneer in the environ-friendly sector and has been a part of key projects till date.

Some of the significant projects currently under execution in the Water & Waste Water Sector are given below:

1. Design, Build, Operate and Construct of Kadana Dam based bulk pipe line scheme for Dahod City WSS Tal: Dahod, Dist.: Dahod, at a project cost of ₹ 99 Crores.
2. Construction of Cluster distribution network, IEC activities, pump houses, clear water reservoirs, overhead service

reservoirs, 33KV switchyards & village distribution network under Package - II of Nagaur Lift project and O & M of complete system for 10 years on Turnkey Basis, at a Project of ₹ 148 Crores.

3. Construction of 130 MLD Water Supply Scheme at left Bank of River Chambal near Sakatpura at Kota and other related associated/allied appurtenant works at Kota on Design, Build & Operate Basis, at a Project Cost of ₹ 150 Crores.

#### Roads & Bridges Sector:

At Ramky, we know the vitality of roads for the development of the nation. Our Engineers ideate constantly to come up with the possible means of connectivity to make sure that India is powered with state-of-the-art road infrastructure. With a host of prestigious projects underway, the company accelerates towards fast-track progress.

Some of the significant projects currently under execution in the Roads & Bridges Sector are given below:

1. Four Laning of Hospet - Chitradurga section of NH - 13 from km.299.000 to km.418.600 in the state of Karnataka under National Highways Development Project (NHDP) Phase III on Design, Build, Finance, Operate and Transfer (DBFOT/BOT) basis in BOT (Toll), at a project cost of ₹ 1,034 Crores.
2. Rehabilitation, Strengthening and Four Laying of Srinagar to Banihal Section of NH - 1A, from Km 187.00 to Km 189.350 (Banihal Bypass) & Km 220.70 to Km 286.11 on DBFOT(Annuity) Basis, in the state of Jammu & Kashmir (Pkg No: NHDP-Phase-II/BOT/I/J&K), at a Project Cost of ₹ 1,175 Crores.
3. Design, Construction, Finance, Operation & Maintenance of Four - Laning of Narketpalli - Addanki - Medarametla road (SH- 2) from Km 0.000 to Km 212.500 in the state of Andhra Pradesh under PPP on BOT Basis, at a project cost of ₹ 1,258 Crores.

#### Buildings Sector:

Our construction experts walk in step with the emerging global design trends and construction techniques to ensure progress is built brick by brick. With expertise in building projects across various categories, we are at the forefront of the construction space.

Some of the significant projects currently under execution in the Buildings Sector are given below:

1. Construction of Govt. Medical College Building at Raigarh, Chhattisgarh, at a project cost of ₹ 140 Crores.
2. Construction of Civil works for our Residential project PURVA WINDERMERE at Medavakkam/Pallikaranai Villages, Chennai, at a project cost of ₹ 207 Crores.
3. Construction of Low Cost Housing for Urban Poor/Slum Rehabilitation at Bawana - III (Pooth Khurd) Delhi comprising of 6480 EWS Houses in (G+4) Phase I, at a project cost of ₹ 253 Crores.

### **Irrigation Sector:**

Our water management experts invest efforts in channelizing the available water sources to ensure that prosperity reaches everyone. Over the years, we have been executing key irrigation projects with established expertise in design, planning, construction and maintenance of irrigation channels.

Some of the significant projects currently under execution in the Irrigation Sector are given below:

1. Reconstruction, Remodelling & Improvement of embankment in Surdarbans and adjoining areas in the districts of North & South 24-Parganas, West Bengal damaged by severe cyclone 'Aila', at a project cost of ₹ 153 Crores.
2. Construction of Sluices, Cross Masonry & Cross Drainage works lining for the reach from Km.0.500 to Km.15.00 (KARJALLI) of the proposed barrage A/c River Pranahitha near Tummid Hetti (V), Koutala (M), Adilabad District, at a project cost of ₹ 229 Crores.
3. Package No. 7 Dummugudem Nagarjuna Sagar Project Tail pond Link Canal - E.W.E & F.E. for Gravity Canal from 115 to Km. 182 i.e. from near Bayyaram (v) to near Tirumalagiri (v) on N.H. 9 to carry 20000 cusecs upto km. 169.80 and 19000 cusecs beyond Km. 169, at a project cost of ₹ 507 Crores.

### **Industrial Construction Sector:**

Our organizational experts constantly strive to improve and gain expertise procedures to deliver excellence to a cross-section of Industries. The company has specialized in delivering infrastructure and related services to empower industrial sector.

Some of the significant projects currently under execution in the Industrial Construction Sector are given below:

1. SG Area Balance Civil Works Package for Barh STPP Stage -1(3X660 MW), at a project cost of ₹ 109 Crores.
2. Construction of Concrete Weir, Spillway and Appurtenant work, River Diversion, HRT Intake, Head Race Tunnel, Open Channel, Fore Bay, Civil works of Penstock, Switchyard, Power House and Tailrace Chhattisgarh, at a project cost of ₹ 232 Crores.
3. Providing Infrastructure Facilities i.e. road network water supply waste water collection, storm water drainage electrification & street lighting and all other works contingent thereto on turnkey basis at Industrial Model Township (IMT) Faridabad (Haryana), at a Project Cost of ₹ 311 Crores.

### **Power Transmission and Distribution Sector:**

At Ramky, we understand the need to make power available and accessible to better the quality of lives. Our project experts constantly derive sources of power to make sure that every house-

hold experiences its share of light, the Company is focusing on strengthening the rural power supply system.

Some of the significant projects currently under execution in the Power Transmission and Distribution Sector are given below:

1. Supply of materials, survey installation, testing and commissioning of 11KV Feeder Separation program for separation of non-agricultural & agricultural consumers, replacement of bare LT line with AB cable and meterisation of unmetered consumers in rural areas of MPPKVVCL, Jabalpur (Lot-XI), at a Project Cost of ₹ 63 Crores.
2. Supply of materials, survey, installation, testing and commissioning of New 33/11 KV S/s, Augmentation of capacity of Power Transformer & providing Addl. Power Transformer in existing 33/11 KV S/s with extension of 33 KV & 11 KV Bay and Annual Maintenance (for five year) in Ujjain City, under Ujjain Region of MPPKVVCL, Indore on Turn-key basis - Erection Portion, at a Project Cost of ₹ 84 Crores.
3. Electrification works in Seoni and Barghat Blocks of Seoni District of Madhya Pradesh State (Package SNI - 01) under RGGVY Scheme, at a Project Cost of ₹ 137 Crores.

### **DEVELOPER BUSINESS**

The Company conducts its business through subsidiaries/special purpose vehicles/joint ventures/Associates formed for the development of PPP projects. A brief overview of the SPVs/ subsidiaries is given below:

#### **Ramky Pharma City (India) Limited (RPCIL)**

This SPV has been formed for developing the Jawaharlal Nehru Pharma City Industrial Park at Parawada, Visakhapatnam. This is an integrated industrial park aimed at bulk drug manufacturers, pharmaceuticals companies and fine chemical manufacturers.

This is a perpetual BOO project in a joint venture with Andhra Pradesh Industrial Infrastructure Corporation, which owns 11% of RPCIL while Ramky Infra holds 51% stake. The SPV has reported revenues of ₹ 9402.13 lakhs for the Financial Year 2012-13 as compared to ₹ 10879.09 lakhs in the previous year. Net profit for the year is ₹ 2318.52 lakhs, as compared to ₹ 2409.22 lakhs earned in the previous year.

#### **MDDA-Ramky IS Bus Terminal Limited.**

This SPV has been formed for developing inter-state bus terminal and commercial mall at Dehradun. This is a BOT project in which Ramky Infra holds 100% stake. The subsidiary has reported gross revenues of ₹ 815.86 lakhs for the Financial Year 2012-13 as compared to ₹ 589.89 lakhs in the Previous Year. Net Profit for the year is ₹ 28.51 lakhs, as compared to the Net Loss of ₹ 56.38 lakhs in the Previous Year.

### **Gwalior Bypass Project Limited**

This SPV has been formed for developing a 42 km road that will connect the NH-3 & NH-75 highways in Madhya Pradesh. The road is being built on a BOT basis, with semi - annuity payments. 51% of this SPV is held by Ramky Infra. The Company has received Provisional COD dated 15<sup>th</sup> November, 2011. The Company has reported gross revenues of ₹ 6967.96 lakhs for the Financial Year 2012-13. Net profit for the year is ₹ 535.89 lakhs, as compared to loss of ₹ 2.67 lakhs for the previous year.

### **Ramky Elsamex Hyderabad Ring Road Limited**

This SPV has been formed for design, construction, development, finance, operation and maintenance of eight lane access controlled expressway under Phase-IIA programme as an extension of Phase-I of ORR to Hyderabad City, in the state of Andhra Pradesh, for the package from Tukkuguda to Shamshabad from Km 121.00 to Km 133.63 on Build, Operate and Transfer (BOT) (Annuity) Basis. Ramky Infra holds 74% in this SPV. The construction work has been completed. The SPV has reported revenues of ₹ 6309.74 lakhs as annuity and other income for the Financial Year 2012-13 as compared to ₹ 6310.65 lakhs in the previous year. Net Loss for the year is ₹ 414.63 lakhs, as compared to loss of ₹ 89.07 lakhs in the previous year.

### **Ramky Towers Limited**

This SPV has been formed for developing an integrated residential and commercial project on 17.10 acres of land in Gachibowli, Hyderabad, Andhra Pradesh in line with the contract executed with Andhra Pradesh Housing Board. Ramky Infra holds 51% stake in this entity. This subsidiary has reported revenues of ₹ 10328.24 lakhs in the year under review as compared to ₹ 9448.89 lakhs in the previous year. The net profit for the year is of ₹ 2060.41 lakhs as against of ₹ 913.85 lakhs achieved in previous year.

### **Ramky Enclave Limited**

This SPV has been formed for developing an integrated housing project on 32.69 acres of land at Warangal, Andhra Pradesh in line with the contract executed with Andhra Pradesh Housing Board. Ramky Infra holds 89.01% stake in this entity. This subsidiary has reported revenues of ₹ 1110.20 for 2012-13 as against of ₹ 1252.57 lakhs in the previous year. The Net Loss for the year is ₹ 16.52 lakhs as against ₹ 97.56 lakhs in the previous year.

### **Ramky Food Park (Chattisgarh) Limited**

This SPV has been formed for developing, designing, marketing, operating and maintaining the food processing park in the district of Rajnandagaon, Chattisgarh on a BOT basis. Ramky Infra holds 100% stake in this SPV. An Authorization Agreement has been entered into with the Chattisgarh State Industrial Development Corporation. The business of the Company is yet to commence. The SPV has reported other revenue of ₹ 1.15 lakhs for the Financial Year 2012-13 as interest income as compared to ₹ 1.23 lakhs in

the previous year. The net profit for the year is ₹ 0.54 lakhs as compared to the profit of ₹ 0.64 lakhs for the previous year.

### **Ramky Herbal and Medicinal Park (Chattisgarh) Limited**

This SPV has been formed for developing, designing, marketing, operating and maintaining the herbal and medicinal park in the district of Dhamtari, Chattisgarh on a BOT basis. Ramky Infra holds 100% stake in this SPV. An Authorization Agreement was entered into with the Chattisgarh State Industrial Development Corporation. Possession of land is yet to be handed over to the company for the development and the business is yet to commence. The SPV has reported no revenues for the Financial Years 2012-13 and 2011-12. The net Loss for the year is same as compared to that of Previous Year at ₹ 0.24 lakhs.

### **Naya Raipur Gems and Jewellery SEZ Limited**

This SPV has been formed for developing, designing, marketing, operating and maintaining the gems and jewellery park in Raipur District, Chattisgarh on a BOT basis. Ramky Infra holds 100% stake in this SPV. An Authorization Agreement has been entered into with the Chattisgarh State Industrial Development Corporation. The business of the Company is yet to be started and this SPV has reported other revenue of ₹ 4.42 lakhs for the Financial Year 2012-13 compared to ₹ 3.34 Lakhs for the previous year. The net profit the year is ₹ 2.06 lakhs compared to ₹ 0.32 lakhs for the previous year.

### **Ramky MIDC Agro Processing Park Limited**

This SPV has been formed for developing, designing, marketing, operating and maintaining the Agro processing Park on a BOOT basis. Ramky Infra holds 100% stake in this SPV. An Authorization Agreement was entered into with the Maharashtra Industrial Development Corporation. The Company is yet to commence operations. The SPV has reported gross revenue of ₹ 0.12 lakhs for the financial year 2012-13 as compared to ₹ 0.14 lakhs for the previous year towards interest income and reported a Net Loss of ₹ 0.16 lakhs for the current year and loss of ₹ 0.10 lakhs for the previous year.

### **Ramky Food Park (Karnataka) Limited**

This SPV has been formed for developing Food Parks at Tumkur in Karnataka in accordance with the contract executed with Karnataka State Government. The company has reported a gross revenue of ₹ 0.38 lakhs for the financial year 2012-13 and nil for previous year. The Net Profit of ₹ 0.06 lakhs for this year as compared to net loss of ₹ 0.27 Lakhs for the previous year.

### **Ramky Multi Product Industrial Park Limited**

This SPV has been formed for maintaining 'Multiproduct Industrial Park' to meet the requirements of various industrial, manufacturing, service sectors. The Company is yet to start business and the SPV reported gross income of ₹ 11.45 lakhs for the financial year 2012-13 as compared to ₹ 3.54 lakhs for the previous year. The net profit for the current year is ₹ 5.53 lakhs and there was a net loss of ₹ 3.37 lakhs for the previous year.



### **Srinagar Banihal Expressway Limited**

This SPV has been formed to Design, Build, Construction, Develop, operate and Maintain so as to Rehabilitate, Strengthen and four laning of Srinagar Banihal section of NH-1A from KM 187.00 to KM 189.350 (Banihal Bypass) & KM 220.700 to KM 286.110 and improvement of KM 187.000 to KM 220.700 (Existing 2 lane Road) on DBFOT (Annuity ) basis in the state of Jammu and Kashmir. Ramky Infra holds 74% in this SPV which is yet to start commercial operations and the SPV reported other income of ₹ 19.17 lakhs for the financial year 2012-13 as compared to ₹ 80.54 lakhs for the previous year. The net loss for the current year is ₹ 9.13 lakhs, while net profit was ₹ 25.33 lakhs for the previous year.

### **Sehore Kosmi Tollways Limited**

This SPV has been formed for Designing, Engineering, Build, Procurement, Construction, Development, Operation and Maintenance and Transfer of the Two-laning Sehore-Icchawar-Kosmi road section from Km 00.00 (near Sehore) to Km 50.120 on state highway no.53 in the state of Madhya Pradesh on DBFOT on toll and Annuity basis. This SPV is 100% Subsidiary of the company. The Company is yet to start its commercial operations and reported gross revenue of ₹ 2.38 lakhs for the year 2012-13 as compared to ₹ 5.07 lakhs as interest income in the previous year. The net loss is ₹ 1.08 lakhs as compared to ₹ 6.10 lakhs in the previous year.

### **Hospet Chitradurga Tollways Limited**

This SPV has been formed to undertake and Carry on the Business of Four Laning of Hospet - Chitradurga Section of NH-13 from KM 299.000 to KM 418.600 in the State of Karnataka under National Highways Development Project Phase III on Design, Build, Finance, Operate and Transfer (DBFOT/BOT) basis in BOT (Toll). This SPV is wholly owned subsidiary of the company and is yet to start its business and reported a net loss of ₹ 22.48 lakhs for the year 2012 - 13 and ₹ 0.55 lakhs for the previous year.

### **Agra Etawah Tollways Limited**

This SPV has been formed to undertake and carry on Business of Six Laning of Agra - Etawah Bypass section of NH-2 from KM 199.660 to KM 323.525 under National Highways Development Project (NHDP) Phase V in the State of Uttar Pradesh to be executed on BOT (Toll) on DBFOT pattern. This SPV is 100% Subsidiary of the company and is yet to start its business and reported a net loss of ₹ 10.27 lakhs for the year 2012-13 and ₹ 0.53 lakhs for the previous year.

### **Frank Lloyd Tech Management Services Limited**

This SPV has been formed to undertake and provide the various management and information technology services. This Company was originally incorporated as a Private Limited Company and was converted into Public Limited Company on March 30, 2012. The company has acquired 76% Equity in this Company on January 2, 2012. The Company has not reported any revenue and reported a

net Loss of ₹ 22.59 lakhs for the year 2012-13 and ₹ 1.21 lakhs for the year 2011-12.

### **Jabalpur Patan Shahpura Tollways Ltd**

Jabalpur Patan Shahpura Tollways Limited was incorporated on April 03, 2012 to undertake and carry on Business of Two Laning of Jabalpur-Patan-Shahpura (SH-15 & SH-22-A) road on Design, Build, Operate and Transfer (DBFOT) on toll plus Annuity basis in the state of Madhya Pradesh. This SPV is 100% Subsidiary of the company and is yet to start its business. The Company has not reported any revenue and reported a net Loss of ₹ 0.59 lakhs for the year 2012-13.

### **Ramky Esco Ltd**

Ramky Esco Limited was incorporated on September 9, 2012 to undertake the business of Implementing Energy Efficient Street Lighting in Bathinda Cluster in the State of Punjab under public private Partnership mode and to undertake other energy conservation projects. This Company was originally incorporated as Ramky-M2Ms Esco Limited and later on the name was changed to Ramky M2M Shaili Esco Ltd. The project could not be commenced due to certain tender conditions and the company has acquired the entire stake from the JV partners, where by the SPV company has become a 100% subsidiary of the company. On May 04, 2013 the SPV company name was changed to Ramky Esco Ltd. The Company has not reported any revenue and reported a net Loss of ₹ 0.39 lakhs for the year 2012-13

### **JNPC Pharma Innovation Limited**

This SPV has been formed to carry on the business of and to set up Research & Development facilities for intermediaries. This company is a 100% subsidiary of RPCIL. This SPV is yet to start its business and reported gross revenue of ₹ 1.11 lakhs as Interest Income compared to ₹ 0.06 lakhs for the previous year and reported a net profit of ₹ 0.50 lakhs for the year 2012-13 and a net loss of ₹ 0.67 lakhs in 2011-12.

### **JOINTLY CONTROLLED ENTITIES**

#### **N.A.M. Expressway Limited**

This SPV has been formed to undertake the business of designing, constructing, operating and maintaining four lanes of the Narketpalli-Addanki-Medaramitla Road (SH-2) from Km 0.00 to Km 212.50 in the State of Andhra Pradesh on DBFOT (Toll) basis. Ramky Infra holds 50% stake in this entity. This company has reported gross revenue of ₹ 4.93 lakhs for the Financial Year 2012-13 compared to 125.14 lakhs for the previous year. The net loss for the year is ₹ 20.27 lakhs, while there was a net profit of ₹ 17.50 lakhs for the previous year.

#### **Jorabat Shillong Expressway Limited**

This SPV has been formed to undertake the business of developing four lanes of the Jorabat Shillong (Barapani) section of NH-40 from Km. 0.000 to Km 61.800 in Assam and Meghalaya on a "design,



build, finance, operate and transfer" basis under the Special Accelerated Road Development Programme in North East Regions on a BOT (Annuity) Basis. Ramky Infra holds 50% stake in this entity. The company has not reported any income and has reported a net loss of ₹ 10.92 lakhs against ₹ 30.43 lakhs in the previous year.

## ASSOCIATE

### Ramky Integrated Township Limited

This SPV has been formed for undertaking the business of developing an integrated township project called Discovery City on 374.60 acres of land in Srinagar village, Maheswaram mandal, Ranga Reddy District in Andhra Pradesh on a BOO basis. Ramky Infra holds 29% stake in this entity. The business of the Company is yet to be started and has reported gross revenue of ₹ 1.14 lakhs from interest income for the Financial Year 2012-13 compared to ₹ 0.79 lakhs for the previous year. The net loss for the year is ₹ 20.97 lakhs compared to ₹ 25.01 lakhs for the previous year.

## INTERNATIONAL BUSINESS:

### Ramky Engineering & Consulting Services (FZC), Sharjah, U.A.E

Ramky Infra holds 100% stake in this subsidiary which is engaged in providing business consultancy services in the field of engineering. This subsidiary has reported revenues of AED. 1398.29 lakhs for the year 2012-13 and AED 2021.48 lakhs for the financial year 2011-12. The net profit for the year is AED 176.88 lakhs and AED 609.50 lakhs for the previous year.

## STRENGTHS:

### Ramky Infra has the following principle competitive strengths:

- I Experience and end to end expertise in the construction and management of Water and Waste Water Infrastructure Projects
- I Construction business operates in diverse sectors and has a multinational presence
- I Strong and diverse Order Book
- I Strategically positioned to realize opportunities
- I Sustained investment in equipment and fixed assets
- I Professional Board and Management Team

This steady growth owes itself to the Company's unerring strategy of leveraging its core competencies and drawing heavily upon past experience. An effective combination of energy, excellence and endurance is evident everywhere. From the construction site to the administrative division. The result, a holistic growth pattern that has seen the company grows into a preferred choice for national and international projects.

## Discussion on Financial Performance - Standalone

### Revenues

The turnover of the company for 2012-13 of ₹ 3,038.62 crores which has marginally dropped by 1.80% over the year, compared

to ₹ 3,094.25 Crores in 2011-12. Roads sector recorded a growth of 41.31%, Industrial sector recorded a growth of 30.15%, while other sectors have clocked marginal decrease in Turnover.

## Expenditure

The expenses for 2012-13 of ₹ 2,980.17 crores has increased by 2.12% over the year, compared to ₹ 2,918.35 crores in 2011-12. The increase is due to increase in depreciation and finance costs.

## Finance Costs

The finance costs for 2012-13 of ₹ 169.66 crores has grown by 44.13% over the year, compared to ₹ 117.71 crores 2011-12. This is mainly due to increase in borrowings and increase in rate of interest.

## Personnel costs:

Personnel costs at ₹ 124.53 crores accounted for 4.09% of revenue. These expenses are constant over the Previous Year, largely due to stabilisation of business. In 2011-12 the personnel costs were ₹ 126.15 crores constituting 4.08% of the revenue.

## Profit Before Tax

The Profit Before Tax for 2012-13 of ₹ 90.64 crores has considerably dropped by 57.52% over the previous year, compared to ₹ 213.40 crores in 2011-12. As a percentage on Turnover the Profit Before Tax dropped to 2.98% in 2012-13 from 6.90% in Previous Year. The drop in PBT is mainly due to increase in depreciation and Finance costs.

## Profits after Tax

The Profit After Tax for 2012-13 of ₹ 59.93 crores has dropped by 58.29% compared to ₹ 143.68 crores in 2011-12. The drop in Profit after Tax is in line with the drop in PBT.

## EBIDTA

The Earnings before Interest, Depreciation, Taxes and Amortization (EBIDTA) for year under review is ₹ 302.24 crores compared to ₹ 360.20 crores in 2011-12 . EBIDTA has decreased to 9.95% from 11.64% in the previous year.

## Loan Funds

The total secured loans by way of working capital cash credit, project specific term loans and hire purchase loans for fixed assets at the end of the year under review was ₹ 1,096 crores compared to ₹ 957 crores as on March 31, 2012. The net increase is ₹ 139 crores.

As on March 31, 2013 the debt- equity ratio was 1.12 as compared to 0.99 a year before.

## Networth

The Networth of the company increased by ₹ 59.93 crores to ₹ 1,027.04 crores as on March 31, 2013 compared with ₹ 967.11 crores as on March 31, 2012.

## Fixed Assets

The gross fixed assets as on March 31, 2013 was ₹ 528.47 crores compared to ₹ 494.67 crores on March 31, 2012 an incremental asset acquisition of ₹ 33.80 crores.

## Earnings Per Share

The EPS for 2012-13 reduced to ₹ 10.48 from ₹ 25.12 in Previous Year.

## Discussion on Financial Performance - Consolidated

The consolidated financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, as amended, the provisions of Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India (ICAI) and guidelines issued by Securities and Exchange Board of India. The Current year results include the results of 26 Companies including 13 wholly owned subsidiaries, 7 Subsidiaries, 2 jointly controlled entities & 1 Associate and 3 Step down Subsidiaries<sup>3</sup>. These companies broadly operate in Roads, Bus Terminal, Industrial Parks and others sectors.

## Revenue

The consolidated turnover of the company for 2012-13 of ₹ 3,773.55 crores has decreased by 4.07% over the year, compared to ₹ 3,934.04 crores in 2011-12. EPC Turnover has shown a decrease of 1.80%, while the rest of the decrease is attributable to developer business.

## Profits after Tax

The consolidated Profit After Tax for 2012-13 of ₹ 151.26 crores has decreased by 38% over the year, compared to ₹ 244.07 crores 2011-12. This decrease is mostly attributable to lower PAT recorded in EPC business.

## Earnings per Share

The consolidated EPS for 2012-13 decreased to ₹ 26.44 from ₹ 42.67 in Previous Year.

## Net worth

The consolidated net worth of the company as on March 31, 2013 was ₹ 1558.77 crores compared to ₹ 1,258.18 crores as on March 31, 2012.

## RISKS AND CONCERNS:

The construction sector faces many risks. These can be divided into risks faced by contractor's on-field, also known as hard-hat risks, and those faced by them off-field or non-hard-hat risks.

Delays in land acquisition, shifting of utilities and obtaining the necessary environment and forest clearances have long impeded the execution of constructions works. Further, disputes between

project owners and contractors are a long drawn process; the current procedure of dispute resolution may take up to 10 years. It has been estimated that roughly ₹ 1.35 trillion is stuck in arbitration. There are other on-field construction risks such as the shortage of skilled and unskilled manpower. Industry experts believe that currently this is the most important reason for the slowdown in work.

The happening global downturn and slowdowns in India's Economic growth reflects a cause of concern for all business entities operating in India. Industry specifically, though the contracting and construction markets in our country are competitive enough and require substantial resources and capital investment in equipment, technology and skilled personnel. All this is likely to lead to significant challenges to our maintaining historical growth and acceptable profit and margins. Our contracts are awarded after a competitive bidding processes and satisfaction of other prescribed pre-qualification criteria.

Our exposure to BOT Projects, particularly in the area of Road and Transportation wherein revenues from toll-based projects are a function of actual traffic volume, has increasingly led to additional risks associated with such projects, including traffic volume risks, availability risks and financial closure risks. Adverse deviations between actual traffic volumes from projected volumes, delays in completion of related projects components or failure to achieve a financial closure could result in significant loss of revenue.

In the roads sector, national highways and state roads account for the most of the investments, and the rest goes towards rural roads. While state roads and rural roads are largely government funded, national highways have a significant private investment. Road Projects suffer from problem of delay in land acquisition and environmental and forest clearances, poor performance of contractors, shortage of qualified highway engineers and skilled/semi-skilled labour, delays in release of loan instalment to contractors by banks, and local law and order problems. Several initiatives have been taken for resolving these issues and it is expected that during the Twelfth Plan road construction work will pick up.

## INTERNAL CONTROL SYSTEMS

There is an Internal Monitoring and Assessment Team (IMAT) Headed by an experienced Chartered Accountant. It discharges the function of Internal Audit and ensures internal controls in place through checks and balances. It draws up a well balanced annual audit programme covering projects of all sectors. A well planned audit programme is drawn in consultation with the Management and shared with statutory auditors.

The internal controls are ensured through Standard Operating Procedures[SOPs] updated from time to time. In order to compliment IMAT audits, Internal Audit is also being carried out by an external agency M/s K.P. Rao & Associates, Chartered Accountants and it is ensured that there is no duplication between IMAT and M/s K.P. Rao & Associates, Chartered Accountants.

The Head IMAT forwards selected high risk items of recurring nature to the management for their review on quarterly basis. The risks are classified in accordance with the intensity and addressed well in advance so as to protect the interest of the Company.

The plans are on drawing board to transform the existing internal controls and audit systems to higher attitude viz Management Assurance and stake holders assurance.

The management including Audit Committee is investing considerable time, resources and efforts to review the audit systems, audit observations and upgrade the existing systems to meet the needs of business growth in the years ahead. Ramky Infra is an ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 certified company and it has become ERP enabled across all the offices and major projects to a large extent.

#### **HUMAN RESOURCES DEVELOPMENT:**

The Company's turnaround human resources management strategies enabled/aligned its business operations in a challenging environment towards sustainable growth. The strategic initiative "ACE" to Alignment, Capabilities and Engagement of workforce and to build a competency-driven organization has helped it retain its leadership position. The focus has been to create an environment where performance is recognized & rewarded and workforce gets opportunities to realize their potential.

As at March 31, 2013, the total employee strength was 2369. The workforce was attracted from all over India, spread across Eastern states, Northern Eastern states, Northern states, Western states and some parts of Southern states. Technical workforce with engineering background comprises 46% of the workforce while average age of employee was 31 years.

Key achievements during the year were (i) Achieving best-in-infra industry safety man hours; (ii) Maintaining uniformly high standards of welfare facilities across all projects; (iii) Successfully implemented ERP solutions and automated key HR functions which is linked to SAP and (iv) Achieving a best-in-infra industry retention rate.

The Company continues to invest in talent development through a well-established academic interface programme, providing internships, organizing faculty development programmes, in-house classroom-based training, external certifications, on-the-job-training and conducting student workshops to orient them to the infra industry.

During the year, a total of 731 workforces undergone induction and orientation program to bring comfort and quick adjustment to culture to maximize success rate.

Workforce well-being remained a priority and the Company continued its investments in various initiatives starting from comprehensive health insurance for its employees, providing regular health check-ups, enhancing employee awareness of typical health issues associated with the industry.

As a part of Organisation Development initiative, conducted Ramky Climate Survey which showed increase in employee engagement score. Continuous employee engagement through town halls, one-on-one meetings, regular communication and other modes helped the Company foster an open and transparent culture. All these employee engagement initiatives and HR interventions have helped improve talent retention. We remain the industry benchmark for talent retention. The Company's attrition rate has gone up to 34% in 2012-13, as compared 2011-12 to 18.6%.

HR continues to track the changes in employment and labour laws in the country for statutory compliance. HR compliance is approached from both reactive and proactive standpoints. Reactive compliance efforts focus on preventing, limiting or mitigating the risks and liabilities. Proactive compliance initiatives are considering measures such as changes in policies and procedures as well as changes in the legal environment for mitigating future risks, and enhancing the compliance awareness of our leaders.

#### **FORWARD LOOKING STATEMENTS**

This communication contains statements that constitute 'forward looking statements' including, without limitation, statements relating to the implementation of strategic initiatives and other statements relating to our future business developments and economic performance.

While these forward looking statements represent the management's judgements and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments and other key factors that could adversely affect our business and financial performance.

Ramky Infra undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY

Ramky Infrastructure Limited ('the Company') is committed to achieve transparency and accountability, the basic parameters of Corporate Governance norms, across the operations of the Company and in its interaction with all the stakeholders, to establish an enduring relationship with and maximize the wealth of stake holders. The Company believes that these practices will not only result in sustainable growth of the company but will also result in meeting every stake holder expectations.

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company currently consists of Nine Directors. The Company has an Executive Chairman. The Executive Chairman and the Managing Director manage the day-to-day affairs of the Company. The Managing Director has additional charge of finance and accounts function. The Board has an optimum combination of Executive and Non-Executive directors.

### a. Composition and Category of directors as on March 31, 2013

Category	No. of Directors
Promoter Directors	2
Non-Executive Directors	2
Non-Executive Independent Directors	5
<b>Total</b>	<b>9</b>

The composition of the Board is in conformity with clause 49 of the Listing Agreement entered with the Stock Exchanges.

### b. Attendance of each director at the Board meetings held during the year 2012-13 and at the last Annual General Meeting

Name of the Director	Category	Meetings held during the year	Meetings attended	Attendance at last AGM
Mr. A. Ayodhya Rami Reddy	Promoter, Executive Chairman	4	4	Present
Mr. Y. R. Nagaraja	Promoter, Managing Director	4	4	Present
Mr. Rajiv Maliwal	Non Executive Director	4	2	Absent
Dr. Archana Niranjana Hingorani	Non Executive Director	4	1	Absent
Mr. Kamlesh Shivji Vikamsey	Non-Executive Independent Director	4	4	Present
Mr. V. Harish Kumar	Non-Executive Independent Director	4	3	Absent
Mr. V. Murahari Reddy	Non-Executive Independent Director	4	3	Absent
Mr. A.G. Ravindranath Reddy	Non-Executive Independent Director	4	4	Present
Mr. Rajasekhara Reddy	Non-Executive Independent Director	4	1	NA

### c. No. of other Boards/Board Committees in which the Directors are either Member or Chairman as at March 31, 2013

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. A. Ayodhya Rami Reddy	1	-	-	-
Mr. Y. R. Nagaraja	-	11	1	8
Mr. Rajiv Maliwal	-	3	-	1
Dr. Archana Niranjana Hingorani*	-	8	-	1
Mr. Kamlesh Shivji Vikamsey*	-	12	5	9
Mr. V. Harish Kumar	-	1	2	-
Mr. V. Murahari Reddy	-	2	1	1
Dr. A.G. Ravindranath Reddy*	-	1	-	3
Mr. Rajasekhara Reddy*	-	5	-	1

\* excluding foreign companies and private companies

d. **No. of Board Meetings held and dates on which they were held during the year 2012-13**

Quarter	No. of Meetings	Dates on which held
April - June 2012	1	May 29, 2012
July - September 2012	1	August 14, 2012
October - December 2012	1	November 08, 2012
January - March 2013	1	February 14, 2013
<b>Total</b>	<b>4</b>	

**3. AUDIT COMMITTEE**

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 and as per the provisions of Clause 49 of the Listing Agreement. The Audit Committee consists of a combination of Non Executive Directors and Non Executive Independent Directors and assists the Board in fulfilling its overall responsibilities. The Company Secretary acts as the Secretary of the Committee.

**i. Brief description of terms of reference**

The terms of reference of the Audit Committee include the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Review, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
- e. Review, with the management, the quarterly financial statements before submission to the board for approval;

- f. Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- g. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- h. Discussion with internal auditors any significant findings and follow up there on;
- i. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- j. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- l. Review the functioning of the Whistle Blower mechanism, in case the same is existing;
- m. Carry out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation: The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

**ii. Composition, name of members and Chairperson**

**The Audit Committee comprises of the following directors**

Name of the Member	Status
Mr. Kamlesh Shivji Vikamsey	Chairman
Dr. Archana Niranjana Hingorani	Member
Mr. V. Harish Kumar	Member
Dr. A.G.Ravindranath Reddy	Member



iii. Meetings and attendance during the year 2012 - 13

Name of the Member	Meetings held during the year	Meetings attended
Mr. Kamlesh Shivji Vikamsey	5	5
Dr. Archana Niranjana Hingorani	5	1
Mr. V. Harish Kumar	5	3
Dr. A.G.Ravindranath Reddy	5	4

4. REMUNERATION COMMITTEE/COMPENSATION COMMITTEE

a. Brief description of terms of reference

As Remuneration Committee

The Committee shall determine the policy on specific remuneration packages for executive directors including pension rights and any compensation payment. In the absence of any such policy the Committee shall determine the remuneration package for executive directors on case to case basis, as and when required. Besides, it also determines Remuneration to the relatives of Directors, if any.

As Compensation Committee

Function as a Compensation Committee with the requisite powers and authority as envisaged under the Guidelines.

b. Composition, name of members and Chairperson

The Remuneration Committee comprises of the following directors

Name of the Member	Status
Mr. Kamlesh Shivji Vikamsey	Chairman
Mr. Rajiv Maliwal	Member
Dr. Archana Niranjana Hingorani	Member
Mr. V. Harish Kumar	Member
Mr. V. Murahari Reddy	Member
Dr.A.G.Ravindranath Reddy	Member

c. Meetings and Attendance during the year 2012-13:

Name of the Member	Meetings held during the year	Meetings attended
Mr. Kamlesh Shivji Vikamsey	2	2
Mr. Rajiv Maliwal	2	-
Dr. Archana Niranjana Hingorani	2	1
Mr. V. Harish Kumar	2	2
Mr. V. Murahari Reddy	2	2
Dr.A.G.Ravindranath Reddy	2	1

d. Remuneration Policy

There is no remuneration policy. Remuneration package is determined on case-to-case basis.

e. Details of remuneration to the directors

(₹ in crores)

Particulars	Executive Directors		Non-Executive Directors
	Mr. A. Ayodhya Rami Reddy	Mr. Y. R. Nagaraja	
Salary	1.50	1.41	-
Commission	0.94	-	0.11
PF Contribution	-	0.07	-
<b>Total</b>	<b>2.44</b>	<b>1.48</b>	<b>0.11</b>

Pursuant to the provisions of Section 198, 309 and 310 of the companies Act, 1956, Commission is being paid up to a maximum of ₹ 3,00,000 p.a. for Chairman of the Audit Committee and ₹ 2,00,000 p.a. for the other Non Executive Independent Directors proportionate to the participation in the meetings during the Financial year 2012-13.

Pursuant to provisions of Section 198,269,309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. A. Ayodhya Rami Reddy, Executive Chairman is being paid by way of Salary, Dearness Allowance, Perquisites, Commission and other allowance up to a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e upto 31/03/2013 subject to a limit of ₹ 1.50 crores per annum towards Salary, DA and other allowances and upto 1% of Net Profits as Commission for the financial year 2012-13 which shall be reviewed from time to time and shall remain same until changed. At the Board meeting held on February 14, 2013, Mr.A.Ayodhya Rami Reddy is being reappointed as Executive Chairman for further period of 3 Years w.e.f 01/04/2013 on the existing terms of Remuneration.

Pursuant to provisions of Section 198,269,309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Y. R. Nagaraja, Managing Director is being paid by way of Salary, Dearness Allowance, Perquisites, Commission and other allowance up to a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e. up to 31/03/2017, subject to a limit of ₹ 1.50 crore ( Rupees One Crore fifty lakhs only) per annum towards Salary, DA and other allowances for the Financial Year 2012-13 which shall be reviewed from time to time and shall remain same until changed.

## 5. INVESTORS' GRIEVANCE COMMITTEE

The Investors Grievance Committee was constituted pursuant to the provisions of Clause 49 of the Listing Agreement.

### a. Brief description of terms of reference

The Committee shall specifically look into the redressal of shareholder and investors complaints which, inter alia, include transfer of shares, non-receipt of annual report, refund orders and dividends.

- i. The Board has designated Mr. V.Phani Bhushan, Company Secretary as the Compliance Officer.
- ii. 23 Complaints/Grievances were received and replied to the satisfaction of shareholders during the year. There was no outstanding complaint as on March 31, 2013.
- iii. There are no share transfers pending at the end of the financial year.

### b. Constitution and Composition of the Investors Grievance Committee

Name of the Director	Status
Mr. V. Harish Kumar	Chairman
Mr. Y R Nagaraja	Member
Dr.A.G.Ravindranath Reddy	Member

### c. Meetings and Attendance during the year 2012-13:

Name of the Member	Meetings held during the year	Meeting attended
Mr. V. Harish Kumar	4	3
Mr. Y R Nagaraja	4	4
Dr.A.G.Ravindranath Reddy	4	3

## 6. GENERAL BODY MEETINGS

### i. The details of last three Annual General Meetings are as under

Annual General Meeting	Venue	Time & Date	Number of Special Resolutions passed	Details of Special Resolutions
2012	K.L.N. Prasad Auditorium, 3rd Floor, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004	03.00 p.m Tuesday, August 14, 2012	0	NA
2011	K.L.N. Prasad Auditorium, 3rd Floor, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004	03.00 p.m Friday, August 12, 2011	1	Resolution u/s 163 of the Act for keeping Register of Members etc at the office of Registrar and Share transfer Agent M/s Karvy Computer Share Private Limited.
2010	6-3-1089/G/10 & 11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad - 500082	10.00 a.m. Wednesday, September 15, 2010	2	1. To Re-appoint and Revise the Remuneration of Mr.A.Ayodhya Rami Reddy, Executive Chairman. 2. To Revise the Remuneration of Mr.Y.R.Nagaraja, Managing Director of the company.

ii. The details of last three Extra-ordinary General Meetings are as under.

Date & time of the Meeting	Venue	Number of Special Resolutions passed
July 23, 2010 at 2.00 p.m.	6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad - 500082	1
May 27, 2010 at 4.30 p.m	6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad - 500082	3
March 26, 2010 at 2.30 p.m	6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad - 500082	1

iii. Approval of Members through Postal Ballot

Procedure for Postal Ballot : After receiving the approval of the Board of Directors, Notice of Postal Ballot, text of the resolution and explanatory statement , relevant documents, postal ballot forms and self addressed postage pre - paid envelopes are sent to the share holders to enable them to consider and vote for or against the proposal with in a period of 30 days from the date of dispatch. After receipt of the Postal Ballots, the scrutiniser, after due verifications, submits the results to the chairman/Managing Director of the company. Thereafter the Chairman/Managing Director declares the result of the Postal Ballot. The same is informed to the Stock Exchange.

Mr. Manoj Kumar Koyalkar, PCS of M/s AGR Reddy & Co, Practicing Company Secretaries was appointed as Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The following resolutions were passed by Postal Ballot on April 28, 2012 :

Ordinary Resolution for Increase in borrowing limits of the company up to ₹ 7500.00 crores as per Section 293 (1) (d) of the Companies Act, 1956 was passed with Requisite majority. The Details of the voting pattern are as under

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	$(3)=[(2)/(1)]*100$	4	5	$(6)=[(4)/(2)]*100$	$(7)=[(5)/(2)]*100$
Promoter and Promoter Group	38216217	37773967	98.84	37773967	-	100	-
Public-Institutional holders	5303795	1063116	20.04	1063116	-	100	-
Public-Others	13677779	4340018	31.73	4337312	2290	99.94	0.05
<b>Total</b>	<b>57197791</b>	<b>43177101</b>	<b>75.49</b>	<b>43174395</b>	<b>2290</b>	<b>99.99</b>	<b>0.01</b>

- b. Ordinary Resolution for Creation of charge/security on the movable/immovable assets of the Company pursuant to section 293 (1) (a) of the Companies Act, 1956 was passed with Requisite majority. The Details of the voting pattern are as under

Promoter/ Public	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	1	2	$(3)=[(2)/(1)]*100$	4	5	$(6)=[(4)/(2)]*100$	$(7)=[(5)/(2)]*100$
Promoter and Promoter Group	38216217	37773967	98.84	37773967	-	100	-
Public - Institutional holders	5303795	1063116	20.04	1063116	-	100	-
Public-Others	13677779	4339976	31.73	4337200	2402	99.94	0.06
<b>Total</b>	<b>57197791</b>	<b>43177059</b>	<b>75.49</b>	<b>43174283</b>	<b>2402</b>	<b>99.99</b>	<b>0.01</b>

iv. No Special Resolution is proposed to be passed through a Postal ballot at the ensuing Annual General Meeting.

## 7. DISCLOSURES

- (i) There are no significant related party transactions with the Company's Promoters, Directors, the Management or relatives that may have potential conflict with the interest of the Company at large.

Related party transactions have been disclosed in Notes to the Annual Accounts (Refer Schedule 2.32).

- (ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years. The company was listed on the exchanges on October 08, 2010.
- (iii) The information on Directors seeking appointment/re-appointment is provided in the notes to the notice of the Annual General Meeting under the heading "Additional information on Directors seeking Appointment/Re-appointment at the ensuing Annual General Meeting".
- (iv) The Board has also constituted a committee named as "Board Committee" for undertaking the regular /day to day business activities. The following are the members of the Committee:

Mr. Y.R.Nagaraja	Chairman
Mr.A.Ayodhya Rami Reddy	Member

The minutes of the Committee meetings are placed before every Board Meeting for its approval/confirmation.

- (v) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- (vi) The Company has not adopted any of the non-mandatory requirements except the remuneration committee as mentioned in Annexure ID of Clause 49 of the Listing Agreement.
- (vii) The shareholding of the Non -Executive Directors in the Company as on March 31, 2013 is as under:

Dr.Archana Niranjana Hingorani	210 Equity Shares
Mr. Rajasekhara Reddy	3,000 Equity Shares

- (viii) As required under Clause 49 VII of the Listing Agreement, the practising company secretary certificate is given as an annexure to the Directors' Report.
- (ix) As required under Clause 49 I D ii of the Listing Agreement, the declaration issued by the Managing Director is provided in the Annual Report.

## 8. MEANS OF COMMUNICATION

- (i) The Company does not send the quarterly results to each household of shareholders. The quarterly, half yearly, and annual results are intimated to the stock exchanges and also are published in prominent daily newspapers such as 'Financial Express(English) & Andhra Prabha/Namaste telangana (Telugu).
- (ii) The Company posts all the vital information relating to the Company and its performance/results including the press releases on its web site [www.ramkyinfrastructure.com](http://www.ramkyinfrastructure.com) for the benefit of the shareholders and public at large.
- (iii) The presentations made to the investors are also uploaded on the website of the company.
- (iv) The Management Discussion and Analysis Report is attached and forms part of the Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

i. 19 <sup>th</sup> Annual General Meeting	Date : August 14, 2013 Time : 3.00 P.m Venue : K.L.N. Prasad Auditorium, 3rd Floor, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004
ii. Financial Year	April 1 to March 31
iii. Date of Book Closure	August 10, 2013 to August 14, 2013 (both days inclusive)
iv. Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai - 400 051 Bombay Stock Exchange Limited (BSE) P.J. Towers, Dalal Street, Mumbai - 400 001
v. Stock Code/Symbol	NSE : RAMKY EQ BSE : 533262/RAMKY EQ
vi. Annual Listing Fees to Stock Exchanges (NSE/BSE)	Listing Fees as applicable have been paid.

#### vii. Green Initiative for Paperless Communications:

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing no.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 issued by the Ministry of Corporate Affairs, Companies can now send various notices/ documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders. This is a golden opportunity for every shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

This move by the Ministry is a welcome move, since it will benefit the society at large through reduction in paper consumption and contribution towards a greener environment. Additionally, it will avoid loss in postal transit, save time, energy and costs.

Pursuant to the said circular, the company has forwarded e-mail communication on June 13, 2011 to all share holders whose email id were registered in the Depository records that the company intends to use the said e-mail id to send various Notices/ Correspondences etc.

By Understanding the underlying theme of the above circulars, to support this green initiative of the Government in full measure, the company hence forth proposes to send documents like notice convening general meetings, financial statements, directors reports, auditor's report etc to the email address registered with the depositories by the share holders holding shares in electronic form and for shareholders holding shares in physical form with the Registrar and Share transfer Agents of the Company.

In this regard, we request share holders who have not registered their email addresses, so far to register their email addresses, in respect of electronic holding with depository through their concerned depository participants Members who hold shares in physical form are requested to fill and send the required details in the Green Initiative form available in the Annual Report and Members can also download the form Company's website: [www.ramkyinfrastructure.com](http://www.ramkyinfrastructure.com) and forward to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited at Plot no. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081, Andhra Pradesh, India.

#### viii. Market Price Data

The monthly high/low prices of shares of the Company and number of shares traded during each month on NSE & BSE are given below:

Month & year	Price		Index		Total number of shares traded
	NSE		Nifty		
	High (₹ )	Low (₹ )	High	Low	
Apr-12	220.10	201.10	5358.50	5189.00	309392
May-12	203.20	95.70	5239.15	4835.65	2296526
Jun-12	103.70	89.65	5278.90	4841.60	3379819
Jul-12	115.70	99.20	5345.35	5043.00	2196821
Aug-12	106.65	88.40	5421.00	5215.70	1218635
Sep-12	105.45	92.50	5703.30	5225.70	1978945
Oct-13	116.05	99.25	5787.60	5597.90	2129479
Nov-12	108.90	96.85	5879.85	5571.40	1166821
Dec-12	100.45	95.25	5930.90	5847.70	1391434
Jan-13	127.85	97.45	6082.30	5950.85	9133261
Feb-13	98.65	69.65	5998.90	5693.05	1138754
Mar-13	69.00	52.30	5945.70	5633.85	1144102

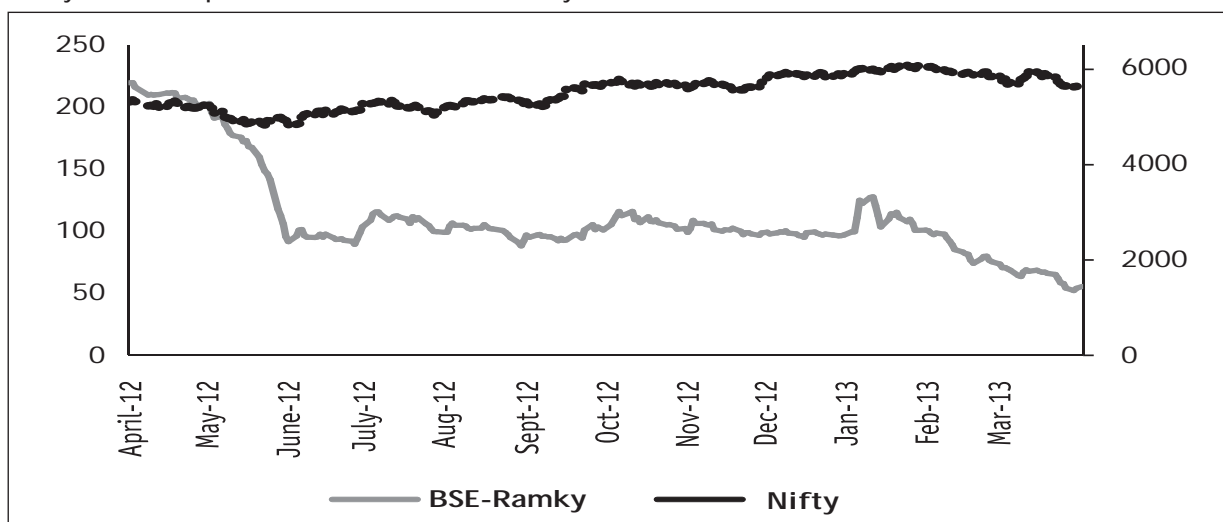
Source: [www.nseindia.com](http://www.nseindia.com)



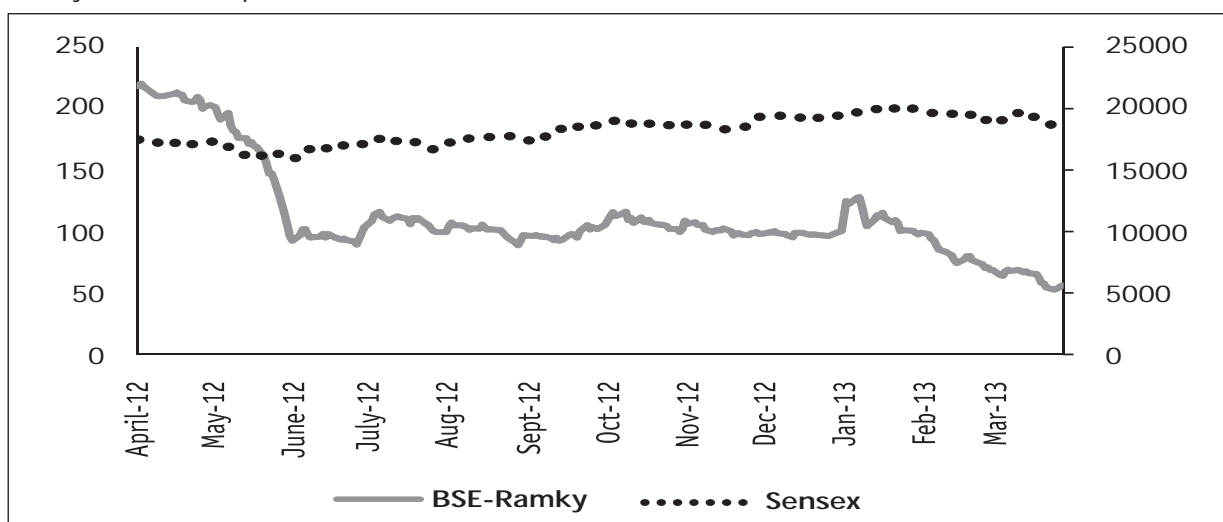
Month & year	Price		Index		Total number of shares traded
	BSE		Sensex		
	High (₹ )	Low (₹ )	High	Low	
Apr-12	220.30	199.90	17597.42	17094.51	126432
May-12	201.20	96.20	17301.91	15948.10	946276
Jun-12	103.35	89.35	17429.98	15965.16	1156838
Jul-12	116.10	99.45	17618.35	16639.82	662750
Aug-12	107.40	88.85	17885.26	17197.93	360302
Sep-12	105.25	92.50	18762.74	17313.34	432139
Oct-13	116.15	99.60	19058.15	18430.85	824044
Nov-12	108.85	96.70	19339.90	18309.37	403830
Dec-12	100.40	95.20	19486.80	19229.26	785408
Jan-13	128.00	97.70	20103.53	19580.81	3501649
Feb-13	99.10	68.80	19781.19	18861.54	496605
Mar-13	69.00	52.75	19683.23	18681.42	495357

Source: www.bseindia.com

**Ramky Infra share price movement vis-a-vis NSE Nifty**



**Ramky Infra share price movement vis-a-vis BSE Sensex**



**ix. Registrars and Share Transfer Agents**

The Company has engaged the services of M/s. Karvy Computershare Private Limited, Hyderabad, as the Registrars and Share Transfer Agents for both physical and electronic segment and can be contacted by the Investors at the following address:

M/s Karvy Computershare Private Limited  
Plot no. 17-24, Vithalrao Nagar,  
Madhapur, Hyderabad 500 081,  
Andhra Pradesh.  
Telephone: +91 40 44655000 Fax : +91 40 23420814  
Email: einward.ris@karvy.com

**x. Share Transfer System**

The Company's shares are traded in the Stock Exchanges compulsorily in demat form. The Share Transfer Committee approves the transfer of shares in the physical form and the share transfers are registered and returned within the stipulated time, if the documents are clear in all respects.

**xi. Capital Build up during the Financial Year**

During the year under review there is no change in the authorised and Paid up capital of the Company:

**xii. Distribution of Shareholding as on March 31, 2013:**

Category (Shares)	No. of Cases	% of Cases	Total Shares	Amount in ₹	% of Amount
1 - 5000	20183	94.17%	2130460	21304600	3.72%
5001 - 10000	622	2.90%	476942	4769420	0.83%
10001 - 20000	282	1.32%	412934	4129340	0.72%
20001 - 30000	103	0.48%	259135	2591350	0.45%
30001 - 40000	46	0.21%	162525	1625250	0.28%
40001 - 50000	36	0.17%	170998	1709980	0.30%
50001 - 100000	53	0.25%	375659	3756590	0.66%
100001 & Above	108	0.50%	53209138	532091380	93.03%
<b>Total</b>	<b>21433</b>	<b>100%</b>	<b>57197791</b>	<b>571977910</b>	<b>100%</b>

**xiii. Share holding pattern of the company as on March 31, 2013**

Category	No. of shares held	Percentage of shareholding
Promoters	38756152	67.76%
Resident Individuals	6455170	11.29%
Foreign Corporate Bodies	5986991	10.47%
Bodies Corporates	2531424	4.43%
Mutual Funds	1612445	2.82%
Indian Financial Institutions	532476	0.93%
Foreign Institutional Investors	348413	0.61%
Venture Capital	289356	0.51%
NRI/Clearing Members/Trusts/Huf/Others	685364	1.20%
<b>Total</b>	<b>57197791</b>	<b>100%</b>

**xiv. Dematerialisation of Shares and liquidity:**

As on March 31, 2013, 5,71,43,699 shares representing 99.90% were held in dematerialised form. The balance 54,092 equity shares representing 0.10% were in physical form.

The Company's shares are compulsorily traded in dematerialised form and are regularly traded on NSE and BSE. The ISIN Number allotted for the Equity shares is INE874I01013.

**xv. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

As on March 31, 2013, there were no outstanding GDRs/ADRs/Warrants or any Convertible Instruments of the Company.

**xvi. Unclaimed dividend**

In terms of section 205A and 205C of the Companies Act, 1956, the company is required to transfer the amount of dividend remaining unclaimed for a period of 7 years from the due date of payment to the Investor Education and Protection Fund (IEPF). Share holders are requested to ensure that they claim the dividends from the company before transfer to the IEPF.

For the financial year 2010-11, the company has declared dividend of ₹ 4.50 per equity share. The unpaid/unclaimed Dividend is lying in the unclaimed dividend account. The following table gives the information relating to the outstanding dividend accounts and the dates by which they can be claimed by the share holders.

Financial Year	Date of Declaration	Date of Payment	Last Date for claiming unpaid Dividend.
2010-11	August 12, 2011	September 05, 2011	August 11, 2018

**xvii. Regional offices**

The company operates from various work sites spread across the country and the operations are centralised at the Registered /Head office at 6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad - 500 082 and through various Zonal offices situated at

<b>SOUTH ZONE</b>	# 6-3-1239/4, Red Building, Opp. Necklace Road Railway Station, Rajbhavan Road, Somajiguda, Hyderabad- 500 082
<b>WEST ZONE</b>	# 213-216, Super Plaza, Near Sandesh Press Road, Vastrapur, Ahmedabad-380054.
<b>EAST ZONE</b>	# 21/1A/3, Jindal Towers, Block - A, 4th Floor, Darga Road, Kolkata-700017.
<b>NORTH ZONE</b>	#C-D-E, 6th Floor, 15 Hansalaya Building, Barakhamba Road, Connaught Palace, New Delhi - 110001
<b>CENTRAL ZONE - BHOPAL</b>	Hall No:1, North Block, GTB Complex, New Market , TT Nagar, Bhopal-462 003.
<b>OVERSEAS OFFICES</b>	<b>Sharjah</b> Ramky Engineering and Consulting Services FZC Executive Desk : Q1-07 - 121/C, PO Box No. 120437 Sharjah - United Arab Emirates  <b>Gabon, West Africa.</b> Ramky Engineering and Consulting Services Gabon SA Special Economic Zone of Nkok, Post Box 1023, Libreville, Gabon , West Africa  <b>Peru</b> Ramky Infrastructure Sociedad Anonima Cerradada Calle Andreas Vesalio 777, San Borja (Lima 41)

**xviii. Address for Correspondence: Investor correspondence may be addressed to:**

**a. for Physical/Demat mode**

M/s. Karvy Computershare Private Limited  
Plot no. 17-24, Vithalrao Nagar, Madhapur,  
Hyderabad - 500 081,  
Andhra Pradesh.  
Phone: +91 40 44655000  
Fax : +91 40 23420814  
Email: einward.ris@karvy.com

**b. for correspondence to the Company**

The Company Secretary,  
Ramky Infrastructure Limited,  
6-3-1089/G/10&11, 1<sup>st</sup> Floor, Gulmohar Avenue,  
Rajbhavan Road, Somajiguda,  
Hyderabad - 500 082  
Phone: +91 40 23310091  
Fax : +91 40 23302353  
Email: investors@ramky.com

#### **xix. Code of Conduct for Board of Directors and Senior Management**

The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A Declaration signed by the Managing Director is furnished here under.

A copy of the Code of Conduct applicable for the Board and Senior Management has been placed on the Web site of the company viz: [www.ramkyinfrastructure.com](http://www.ramkyinfrastructure.com).

#### **xx. Details of unclaimed shares**

SEBI vide its Circular No.CIR/CFD/DIL/10/2010 dated December 16, 2010 amended the listing agreement entered into with Stock Exchanges wherein under Clause 5A, the Company is required to open an unclaimed suspense account with a depository participant and transfer all the unclaimed share certificates of members after giving three reminders.

As on March 31, 2013 your Company has 5,71,43,699 equity shares in dematerialised form and 540,92 equity shares in physical mode. There are no shares pending credit to the members. Hence, the balance in the unclaimed suspense account is nil.

#### **xxi. Voluntary Guidelines on Corporate Governance :**

The Ministry of Corporate Affairs (MCA) recently announced a set of voluntary guidelines on corporate governance. The company, in line with its stated policy of being committed to the Principles and practices of good corporate governance, is in compliance with many of these guidelines, as reported in the earlier paragraphs. As regards the remaining guidelines, the company is in the process of evaluating the feasibility for implementation progressively.

---

### **Declaration**

As stipulated under Clause 49 I D (ii) of the Listing Agreement, the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2013.

Hyderabad  
May 27, 2013

**Y.R. Nagaraja**  
Managing Director

---

### **CEO/CFO Certificate**

We, Mr. A.Ayodhya Rami Reddy, Executive Chairman and Mr. Y.R.Nagaraja, Managing Director of Ramky Infrastructure Limited certify that:

- a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2013 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 violative 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
  - 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 a significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

Hyderabad  
May 27, 2013

**A.Ayodhya Rami Reddy**  
Executive Chairman

**Y.R.Nagaraja**  
Managing Director

# Certificate on Corporate Governance

To the Members of

**Ramky Infrastructure Limited**

6-3-1089/G/10 & 11, 1st Floor

Gulmohar Avenue, Rajbhavan Road

Somajiguda, Hyderabad 500082

I have examined the compliance of conditions of Corporate Governance by Ramky Infrastructure Limited ("the Company") for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges.

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

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

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

Sd/-

**Bindhu Kilari**

Company Secretary

CP.No: 10643

Hyderabad, May 27, 2013



# Independent Auditors' Report

To the Members of  
Ramky Infrastructure Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of Ramky Infrastructure Limited ('the Company'), which comprise the balance sheet as at 31 March 2013, 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's Responsibility for the Financial Statements

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.

## Auditor's Responsibility

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 auditors' 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.

## Opinion

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 31 March 2013;
- (b) in the case of the statement of profit and loss, of the profit 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.

## Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2.31 to the financial statements regarding the search and seizure operations carried out by the Income Tax Authorities on the Company. Pending completion of the proceedings, the final outcome of the search and seizure operation and the consequent tax liability, if any, is currently not ascertainable.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, 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;
  - d) in our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable; and
  - e) on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

for B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

Zubin Shekary  
Partner  
Membership No.: 048814  
Hyderabad  
27 May 2013

for Visweswara Rao & Associates  
Chartered Accountants  
Firm's Registration No.: 005774S

S V R Visweswara Rao  
Partner  
Membership No.: 029088

## Annexure to the Independent Auditors' Report

Annexure referred to in our independent report to the members of Ramky Infrastructure Limited ("the Company") for the year ended 31 March 2013. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were verified during the year. No material discrepancies were noticed on such verification.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory of materials has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) While the Company has maintained proper records of inventory, we are of the opinion that the same needs to be further strengthened keeping in view the scale of the operations. However, the Management has carried out physical verification of the inventories and the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ("the Act"). Accordingly clauses 4(iii)(a) to 4(iii)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, the Company had taken unsecured loan from a company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the year was ₹ 30 crores and the year-end balance of such loan was ₹ Nil. The Company has not taken any loans from firms or other parties covered in the registers maintained under Section 301 of the Act.
- (f) In our opinion, the rate of interest and other terms and conditions on which the loan had been taken from a company listed in the register maintained under Section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (g) The loan including interest taken from a company listed in the register maintained under Section 301 of the Act has been repaid during the year. Accordingly, clause 4(iii)(g) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of inventories, fixed assets and sale of services. The business of the Company does not involve sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) (a) In our opinion, and according to the information and explanations given to us, 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.
- (b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 lakh with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for work performed in respect of civil, turnkey contracts and related contract consultancy services which are for the specialised requirements of buyer for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided to us, the same appears reasonable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) The Company has an internal audit system commensurate with the size and nature of its business. However, the same needs further strengthening.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there have been slight delays in few cases. *However, undisputed dues in respect of Income Tax deducted at source and Works Contract Tax deducted at source have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.* As explained to us, the Company did not have any dues on account of Excise Duty.
- According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and other material statutory dues that were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of Excise Duty.
- (b) According to the information and explanations given to us, there are no dues of Customs Duty and Wealth Tax which have not been deposited with the appropriate authorities on account of any dispute. However, the Company disputes the dues in respect of Sales Tax, Service Tax and Income Tax as set out in Appendix I.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, *except for the dues stated in*
- Appendix II* the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
- (xii) 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 and according to the information and explanations given to us, the Company is not a chit fund/nidhi/mutual benefit fund/society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interests of the Company.
- (xvi) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) During the year the Company has not raised any money by public issue. We have verified the end use of funds raised by public issue during the earlier year as disclosed in note 2.37 to the financial statements.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

**Zubin Shekary**  
Partner  
Membership No.: 048814

Hyderabad  
27 May 2013

for Visweswara Rao & Associates  
Chartered Accountants  
Firm's Registration No.: 005774S

**S V R Visweswara Rao**  
Partner  
Membership No.: 029088

## Appendix I as referred to in para ix (b) of Annexure to the Independent Auditors' Report:

Name of the Statute	Nature of the Dues	Amount (₹ )	Period to which the amount relates	Forum where dispute is pending
<b>General sales Tax/Value Added Tax</b>				
Andhra Pradesh General sales Tax Act, 1957	Tax	1,740,746 (906,633)*	2001-02	High Court of Andhra Pradesh.
Andhra Pradesh General sales Tax Act, 1957	Tax	9,065,397 (4,532,699)*	2002-03	The Deputy Commissioner, Hyderabad.
Andhra Pradesh VAT Act, 2005	Tax	10,464,231 (15,295,157)*	2005-07	Sales Tax Appellate Tribunal, Hyderabad.
Andhra Pradesh VAT Act, 2005	Tax	13,870,315 (8,060,901)*	2007-09	Commercial Tax Officer, Hyderabad.
Andhra Pradesh VAT Act, 2005	Interest and penalty	30,574,839 (1,945,483)*	2005-09	Commercial Tax Officer, Hyderabad.
Andhra Pradesh VAT Act, 2005	Tax and interest	87,546,525 (85,080,660)*	2005-08	Commercial Tax Officer, Hyderabad.
Andhra Pradesh VAT Act, 2005	Tax and penalty	11,894,979 (4,344,845)*	2007-09	Sales Tax Appellate Tribunal, Hyderabad.
Andhra Pradesh VAT Act, 2005	Tax and penalty	43,211,510 (19,877,658)*	2009-10	The Addl Deputy Commissioner (Appeals), Hyderabad
Karnataka Value Added Tax, 2003	Tax	8,759,830 (8,759,830)*	2004-06	Joint Commissioner (Appeals), Bangalore
The Punjab Value Added Tax, 2005	Tax	1,020,061 (255,250)*	2006-07	Deputy Excise and Taxation Commissioner (Appeals), Punjab
West Bengal Value Added Tax, 2003	Tax	8,255,424	2005-06	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax, 2003	Tax	25,078,273	2006-07	The Addl Commissioner of Commercial Taxes, Kolkata
<b>Service Tax</b>				
Finance Act, 1994	Tax	61,287,432	2007-09	High Court of Andhra Pradesh
Finance Act, 1994	Tax	9,845,722	2007-09	Central Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore
Finance Act, 1994	Tax and penalty	442,346,138 (29,056,523)*	2004-08	CESTAT, Bangalore
Finance Act, 1994	Tax	30,502,660	2004-05 & 2006-07	CESTAT, Bangalore
Finance Act, 1994	Tax	150,588,235 (2,000,000)*	2004-08	CESTAT, Kolkata
Finance Act, 1994	Tax	48,576,436	2009-12	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad.
Finance Act, 1994	Tax and penalty	532,194,205 (68,518,821)*	2004-12	CCCE&S of various States
Finance Act, 1994	Tax	1,987,370 (110,588)*	2005-08	Asst. Commissioner (Audit), Service Tax Cell, Visakhapatnam
Finance Act, 1994	Tax	1,850,657	2010-11	Addl CCCE&S, Hyderabad.
Finance Act, 1994	Tax	377,246	2007-08	CCCE&S (Appeals), Chennai.

## Appendix 1 as referred to in para ix (b) of Annexure to the Auditors' Report (Continued)

Name of the Statute	Nature of the Dues	Amount (₹ )	Period to which the amount relates	Forum where dispute is pending
<b>Income Tax</b>				
Income Tax Act, 1961	Deductions disallowed	12,619,040**	2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Deductions disallowed	10,537,804**	2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Deductions disallowed	16,064,740**	2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Deductions disallowed	50,777,088**	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Deductions disallowed	44,426,473**	2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Deductions disallowed	64,780,599**	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Deductions disallowed	124,270,337**	2008-09	Commissioner of Income Tax (Appeals)

\* The amounts in parenthesis represent the payment made under protest.

\*\*These amounts have been deducted against refund receivable.

## Appendix II as referred to in para xi of Annexure to the Independent Auditors' Report:

### A. Details of delays in repayment of principal for term loans obtained from banks, which were outstanding as at 31 March 2013:

Name of the bank	Amount due (In ₹ crores)	Due date	Paid by	Delays (in days)
HDFC Bank Limited	5.00	2 March 2013	12 April 2013	41
	2.00	2 March 2013	7 May 2013	66
	5.00	2 March 2013	24 May 2013	83
	12.96	2 March 2013	-	Not yet paid

### B. Details of delays in repayment of principal and interest against the borrowing facilities availed from banks and fallen due during the year ended 31 March 2013, but repaid before 31 March 2013 are as follows:

Name of the bank	Principal (In ₹ crores)	Delay (in days)	Interest (In ₹ crores)	Delays (in days)
IDBI Bank Limited	74.68	1 - 88	0.53	01- 15
State Bank of India	200.00	1 - 5	4.15	02- 13
ING Vysya Bank Limited	-	-	0.61	01- 06
IndusInd Bank Limited	-	-	0.52	02- 04



# Balance Sheet

(₹ in Crores)

	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	57.20	57.20
Reserves and surplus	2.2	969.84	909.91
		<b>1,027.04</b>	<b>967.11</b>
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	189.41	154.84
Deferred tax liabilities (net)	2.4	2.90	5.68
Other long-term liabilities	2.5	34.22	36.23
Long-term provisions	2.6	68.38	69.19
		<b>294.91</b>	<b>265.94</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	861.83	701.10
Trade payables	2.8	1,088.83	1,009.96
Other current liabilities	2.9	911.07	940.86
Short-term provisions	2.10	12.98	17.56
		<b>2,874.71</b>	<b>2,669.48</b>
		<b>4,196.66</b>	<b>3,902.53</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets:			
(a) Tangible assets	2.11	403.59	410.19
(b) Intangible assets	2.11	1.70	1.88
		<b>405.29</b>	<b>412.07</b>
Non-current investments	2.12	406.03	358.55
Long-term loans and advances	2.13	221.99	130.43
Other non-current assets	2.14	25.00	20.47
		<b>1,058.31</b>	<b>921.52</b>
<b>Current assets</b>			
Inventories	2.15	955.69	697.63
Trade receivables	2.16	1,488.61	1,704.70
Cash and bank balances	2.17	70.29	72.94
Short-term loans and advances	2.18	607.60	501.43
Other current assets	2.19	16.16	4.31
		<b>3,138.35</b>	<b>2,981.01</b>
		<b>4,196.66</b>	<b>3,902.53</b>
<b>Significant accounting policies and Notes to accounts</b>	1 & 2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm's Registration No.: 101248W

for **Visweswara Rao & Associates**

Chartered Accountants

Firm's Registration No.: 005774S

for and on behalf of the Board of Directors of

**Ramky Infrastructure Limited**

**Zubin Shekary**

Partner

Membership No.: 048814

**S V R Visweswara Rao**

Partner

Membership No.: 029088

**A Ayodhya Rami Reddy**

Executive Chairman

**Y R Nagaraja**

Managing Director

Hyderabad

27 May 2013

**V Phani Bhushan**

Company Secretary

# Statement of Profit and Loss

(₹ in Crores)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Income:</b>			
Revenue from construction activities and services		3,038.62	3,094.25
Other income	2.20	32.19	37.50
		<b>3,070.81</b>	<b>3,131.75</b>
<b>Expenses:</b>			
Change in contract work-in-progress		(152.75)	(283.35)
Contract expenses	2.21	2,692.43	2,819.61
Employee benefits expense	2.22	124.53	126.15
Finance costs	2.23	169.66	117.71
Depreciation and amortization expense	2.11	41.94	29.09
Other expenses	2.24	104.36	109.14
<b>Total expenses</b>		<b>2,980.17</b>	<b>2,918.35</b>
<b>Profit before tax</b>		<b>90.64</b>	<b>213.40</b>
<b>Tax expense</b>			
- Current tax		33.49	67.19
- Deferred tax	2.4	(2.78)	2.53
		<b>30.71</b>	<b>69.72</b>
<b>Profit after tax</b>		<b>59.93</b>	<b>143.68</b>
<b>Earnings per equity share - par value of ₹ 10 per share</b>	2.28		
- Basic and diluted		10.48	25.12
<b>Significant accounting policies and Notes to accounts</b>	1 & 2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm's Registration No.: 101248W

for **Visweswara Rao & Associates**

Chartered Accountants

Firm's Registration No.: 005774S

for and on behalf of the Board of Directors of

**Ramky Infrastructure Limited**

**Zubin Shekary**

Partner

Membership No.: 048814

**S V R Visweswara Rao**

Partner

Membership No.: 029088

**A Ayodhya Rami Reddy**

Executive Chairman

**Y R Nagaraja**

Managing Director

Hyderabad

27 May 2013

**V Phani Bhushan**

Company Secretary

# Cash Flow Statement

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Cash flows from operating activities:</b>		
Profit before tax	90.64	213.40
Adjustments:		
Depreciation and amortization expense	41.94	29.09
Fixed assets written off	0.62	–
Interest expenses	151.43	95.11
Provision for doubtful trade receivables	14.99	14.49
Provision for foreseeable loss	1.13	8.50
Provision for doubtful loans and advances	8.28	6.92
(Profit)/Loss on sale of fixed assets, net	(0.69)	0.52
Profit on sale of non-current investments	(0.57)	–
Interest income	(16.86)	(11.08)
Liabilities no longer required written back	–	(9.61)
Dividend income	(0.01)	(6.13)
(Gain)/Loss on foreign currency translation	(1.71)	2.22
<b>Operating profit before working capital changes</b>	<b>289.19</b>	<b>343.43</b>
Increase in inventories	(258.06)	(336.24)
(Increase)/Decrease in trade receivables	197.29	(215.21)
Increase in loans and advances	(192.40)	(143.71)
Increase in liabilities and provisions	45.06	380.69
<b>Cash generated from operations</b>	<b>81.08</b>	<b>28.96</b>
Income taxes paid, net	(50.69)	(40.62)
<b>Net cash generated from/(used in) operating activities</b>	<b>30.39</b>	<b>(11.66)</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(37.03)	(106.29)
(Increase)/Decrease in capital advances	(2.43)	3.91
Increase/(Decrease) in capital creditors	(0.44)	2.33
Proceeds from sale of fixed assets	1.93	2.29
Purchase of non-current investments	(47.57)	(93.55)
Proceeds from sale of non-current investments	0.66	–
Bank balances to the extent not considered in cash and bank balances	1.51	(1.83)
Interest received	4.97	12.85
Dividend income	0.01	6.13
<b>Net cash used in investing activities</b>	<b>(78.39)</b>	<b>(174.16)</b>

(Contd.)

**Cash Flow Statement (Continued)**

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Cash flows from financing activities:</b>		
Share issue expenses	–	(0.10)
Proceeds from term loans	75.00	135.00
Repayment of term loans	(45.00)	(75.00)
Net proceeds from short-term borrowings	160.02	245.64
Proceeds from/(repayment of) unsecured loan	25.20	(25.00)
Hypothecation loans taken	31.88	43.01
Hypothecation loans repaid	(54.45)	(45.01)
Interest paid	(147.30)	(90.72)
Dividend and dividend distribution tax paid	-	(28.92)
<b>Net cash provided by financing activities</b>	<b>45.35</b>	<b>158.90</b>
Net decrease in cash and bank balances	(2.65)	(26.92)
Cash and bank balances at the beginning of the year (refer note)	72.94	99.86
<b>Cash and bank balances at the end of the year (refer note)</b>	<b>70.29</b>	<b>72.94</b>
<b>Note:</b>		
Cash and bank balances comprise:		
<b>Cash and cash equivalents</b>		
Cash on hand	0.46	0.36
Cheques on hand	-	0.01
Balances with banks:		
- in current accounts	38.95	19.12
- in deposit accounts	-	6.62
<b>Other bank balances</b>		
Deposits with maturity more than 3 months but less than 12 months*	30.87	46.82
Balances with bank for unclaimed dividend	0.01	0.01
	<b>70.29</b>	<b>72.94</b>

\* Includes amount of ₹ 26.70 crores (previous year: ₹ 46.10 crores) held as margin money or security deposit against bank guarantees and other commitments.

As per our report of even date attached

 for **B S R & Co.**

Chartered Accountants

Firm's Registration No.: 101248W

 for **Visweswara Rao & Associates**

Chartered Accountants

Firm's Registration No.: 005774S

for and on behalf of the Board of Directors of

**Ramky Infrastructure Limited**
**Zubin Shekary**

Partner

Membership No.: 048814

**S V R Visweswara Rao**

Partner

Membership No.: 029088

**A Ayodhya Rami Reddy**

Executive Chairman

**Y R Nagaraja**

Managing Director

Hyderabad

27 May 2013

**V Phani Bhushan**

Company Secretary

# Notes to financial statements

## Company overview

Ramky Infrastructure Limited (RIL) is an integrated construction, infrastructure development and management company headquartered in Hyderabad, India. The Company diversified in a range of construction and infrastructure projects in various sectors such as water and waste water, transportation, irrigation, industrial construction and parks (including SEZs), power transmission and distribution, and residential, commercial and retail property. A majority of the development projects of the Company are based on Public-Private partnerships (PPP) and are operated by separate Special Purpose Vehicles (SPV) promoted by RIL, joint venture partners and respective Governments.

## Note 1: Significant accounting policies

### 1.1 Basis of preparation of financial statements

The financial statements of Ramky Infrastructure Limited ("RIL" or "the Company") have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) prescribed by Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI), guidelines issued by Securities and Exchange Board of India and the relevant provisions of the Companies Act, 1956, (the 'Act') to the extent applicable. The financial statements are presented in Indian rupees (₹) crores, unless otherwise stated.

### 1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### 1.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

#### Assets:

- i. An asset is classified as current when it satisfies any of the following criteria:
  - a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
  - b) it is held primarily for the purpose of being traded;
  - c) it is expected to be realised within 12 months after the reporting date; or
  - d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- ii. Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### Liabilities:

- i. A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

- ii. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### Operating cycle:

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

### 1.4 Inventories

- (i) Inventories are carried at the lower of cost and net realisable value.
- (ii) Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The method of determination of cost is as follows:
  - (a) **Materials and supplies:** on a weighted average method.
  - (b) **Contract work-in-progress:** Work-in-progress for projects under execution as at balance sheet date are valued at cost less provision, if any, for estimated losses. The costs of projects in respect of which revenue is recognised under the Company's revenue recognition policies but have not been billed are adjusted for the proportionate profit recognised. The cost comprises of expenditure incurred in relation to execution of the project. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on current estimates.

### 1.5 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

### 1.6 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 1.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.



Revenue from long term construction contracts is recognised on the percentage of completion method as mentioned in Accounting Standard (AS) 7 "Construction contracts" notified by the Companies Accounting Standards Rules, 2006. Percentage of completion is determined on the basis of physical proportion of work completed and measured at the balance sheet date as compared to the overall work to be performed on the projects as in the opinion of the management, this method measures the work performed reliably. However, profit is not recognised unless there is reasonable progress on the contract. Where the probable total cost of a contract is expected to exceed the corresponding contract revenue, such expected loss is provided for.

The Company builds infrastructure facilities (roads) under public-to-private Service Concession Arrangements (SCAs) which it operates and maintains for periods specified in the SCAs. These projects that are in the nature of 'Build Operate and Transfer' (BOT) meet the characteristics of a public-to-private service concession arrangement. The Company recognises and measures revenue in accordance with Accounting Standard (AS) 7 'Construction Contracts' and Accounting Standard (AS) 9 'Revenue Recognition' for the construction or upgrade and operating and maintenance services it performs under the contract or arrangement as prescribed in the Exposure Draft Guidance note on Accounting for Service Concession Arrangements.

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor. The Company recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor for the construction and operation and maintenance services. Such financial assets are classified as "Receivables under Service Concession Arrangements". Interest incomes arising on account of the Receivables under Service Concession Arrangements are recognised in the statement of profit and loss using the effective interest rate method.

The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the recoverable amount. The Company recognises intangible asset to the extent that it has an unconditional contractual right to receive toll charges from the users of the facilities developed by the Company. Such intangible assets are classified as "Concession intangible assets" and shown under the head fixed assets.

Dividend income is recognised when the unconditional right to receive the payment is established. Interest income is recognised on the time proportionate method taking into account the amount outstanding and the rate applicable.

## 1.8 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes purchase price, non-refundable taxes, duties, freight and other incidental expenses related to the acquisition or installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the

Companies Act, 1956, except for construction accessories included in plant and equipment are depreciated at rates given below based on useful life determined by the Management. In the opinion of the Management, the rates specified in Schedule XIV reflect the economic useful lives of all the other assets. Intangible assets are amortised on straight-line basis over their estimated useful lives not exceeding ten years from the date when the assets are available for use.

Name of the asset	Estimated useful life
Shuttering materials	5 years
Pump sets	5 years
Vibrators and needles	5 years

Depreciation is calculated on a pro-rata basis from/up to the date the assets are purchased/sold. Individual assets costing less than ₹ 5,000 are depreciated in full in the year of acquisition.

## 1.9 Foreign exchange transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year-end rates. The resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

## 1.10 Derivative instruments and hedge accounting

The Company uses foreign exchange forward contracts to mitigate its risk of changes in foreign currency exchange rates and does not use them for trading or speculative purposes.

The premium or discount on foreign exchange forward contracts is amortized as income or expense over the life of the contract. The exchange difference is calculated and recorded in accordance with AS-11 (revised). The exchange difference on such a forward exchange contract is calculated as the difference of the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

## 1.11 Government grants

Government grants are recognised only when it is reasonably certain that the related entity will comply with the attached conditions and the ultimate collection is not in doubt.

Where the government grants are of the nature of promoter's contribution and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

Where the government grants relates to specific fixed assets are treated as deferred government grants, which is recognised in the statement of profit and loss in proportion to the depreciation charge over the useful life of the related asset.

### 1.12 Investments

Long-term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

### 1.13 Employee benefits

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss on accrual basis.

Contributions to superannuation fund, which is a defined contribution scheme, are made at pre-determined rates to the Life Insurance Corporation of India on a monthly basis.

Employee gratuity and long term compensated absences, which are defined benefit schemes, are accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary and are charged to statement of profit and loss. All actuarial gains and losses arising during the year are recognised in the statement of profit and loss.

### 1.14 Borrowing costs

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.15 Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### 1.16 Earnings per share

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

### 1.17 Taxation

Income tax expense comprises current tax, deferred tax and Minimum Alternative Tax.

#### *Current tax*

The current charge for Income Tax is calculated in accordance with the relevant tax regulations applicable to the Company.

#### *Deferred tax*

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future; however, where

there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

#### *Minimum Alternate Tax (MAT) credit entitlement*

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### 1.18 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of amortized historical cost.

### 1.19 Accounting for interest in joint ventures

In respect of work sharing joint venture arrangements revenues, expenses, assets, liabilities and contingent liabilities are accounted for in the Company's books to the extent work is executed by the Company.

In respect of jointly controlled entities, the share of profits or losses is accounted as and when dividend/share of profit or loss is declared by the entities.

### 1.20 Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.1 Share capital</b>		
<b>Authorised capital</b>		
70,000,000 (previous year : 70,000,000) equity shares of ₹ 10 each	70.00	70.00
	<u>70.00</u>	<u>70.00</u>
<b>Issued, Subscribed and Paid-up</b>		
57,197,791 (previous year : 57,197,791) equity shares of ₹ 10 each, fully paid-up	57.20	57.20
	<u>57.20</u>	<u>57.20</u>

i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Equity Shares:</b>		
(a) <b>Number of shares:</b>		
Shares outstanding at the beginning of the year	57,197,791	57,197,791
Add: Issued and allotted during the year	-	-
Shares outstanding at the end of the year	<u>57,197,791</u>	<u>57,197,791</u>
(b) <b>Share capital: (₹ in crores)</b>		
Share capital outstanding at the beginning of the year	57.20	57.20
Add: Share capital issued and allotted during the year	-	-
Share capital outstanding at the end of the year	<u>57.20</u>	<u>57.20</u>

ii) Rights, preferences and restrictions attached to the equity shares:

- The Company has only one class of equity shares having par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.
- 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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.

iii) The details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Alla Ayodhya Rami Reddy:</b>		
Number of equity shares	34,556,122	34,295,425
% of holding	60.42%	59.96%
<b>SA1 Holding Infrastructure Company Private Limited:</b>		
Number of equity shares	4,165,884	4,165,884
% of holding	7.28%	7.28%

- The Company had issued 41,183,345 equity shares of ₹ 10 each during the financial year 2007-08, as fully paid bonus shares by way of capitalisation of securities premium amount.

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.2 Reserves and surplus</b>		
<b>Securities premium account:</b>		
Balance at the beginning of the year	408.13	408.13
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>408.13</b>	<b>408.13</b>
<b>General reserves:</b>		
Balance at the beginning of the year	20.00	20.00
Add: Transferred from surplus	-	-
<b>Balance at the end of the year</b>	<b>20.00</b>	<b>20.00</b>
<b>Surplus in statement of profit and loss account:</b>		
Balance at the beginning of the year	481.78	403.67
Add: Net profit after tax transferred from statement of profit and loss	59.93	143.68
Add: Excess dividend distribution tax written back	-	0.99
Less: Provision for tax of earlier years (refer to note 2.36)	-	(66.56)
<b>Balance at the end of the year</b>	<b>541.71</b>	<b>481.78</b>
	<b>969.84</b>	<b>909.91</b>
<b>2.3 Long-term borrowings</b>		
<b>Secured loans</b>		
(refer to note 2.29)		
<b>From banks:</b>		
- Term loans	125.00	75.00
- Equipment and vehicle loans	16.70	23.08
<b>From others:</b>		
- Equipment and vehicle loans	47.71	56.76
	<b>189.41</b>	<b>154.84</b>
<b>2.4 Deferred tax liabilities (net)</b>		
Major components of deferred tax liability, net comprises the following:		
<b>Deferred tax assets:</b>		
Accrued employee benefits	1.76	1.84
Provision for doubtful receivables and advances	16.32	8.04
Other timing differences		
(Primarily on disallowances under Section 43B of the Income Tax Act, 1961)	7.71	7.08
<b>Deferred tax liabilities:</b>		
Excess of depreciation allowable under Income Tax law over depreciation provided in accounts	28.69	22.64
	<b>2.90</b>	<b>5.68</b>

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.5 Other long-term liabilities</b>		
Trade payables (refer note below)	10.11	11.73
Mobilisation and other advances	3.99	4.90
Other payables	20.12	19.60
	<u>34.22</u>	<u>36.23</u>
<b>Note:</b> Trade payables includes retention money payable of ₹ 1.10 crores (previous year: ₹ 2.78 crores).		
<b>2.6 Long-term provisions</b>		
Provision for earlier years income tax (refer to note 2.36)	66.56	66.56
Provision for employee benefits:		
- Gratuity (refer to note 2.34)	1.10	1.68
- Compensated absences	0.72	0.95
	<u>68.38</u>	<u>69.19</u>
<b>2.7 Short-term borrowings</b>		
(refer to note 2.29)		
<b>Secured</b>		
<b>From banks:</b>		
<b>(a) Loans repayable on demand:</b>		
- Cash credit	582.49	242.22
<b>(b) Other than loans repayable on demand:</b>		
- Buyers credit	24.14	24.63
- Working capital loans	230.00	434.25
	<u>836.63</u>	<u>701.10</u>
<b>Unsecured</b>		
<b>Loans repayable on demand:</b>		
- From others (corporate)	25.20	-
	<u>861.83</u>	<u>701.10</u>
<b>2.8 Trade payables</b>		
<b>Trade payables:</b>		
- due to micro, small and medium enterprises (refer to note 2.35)	-	-
- due to other than micro, small and medium enterprises	1,088.83	1,009.96
	<u>1,088.83</u>	<u>1,009.96</u>
<b>Note:</b> Trade payables include retention money payable of ₹ 368.56 crores (previous year: ₹ 330.29 crores).		



(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.9 Other current liabilities</b>		
Current maturities of long-term debts: (refer to note 2.29)		
<i>From banks:</i>		
- Term loans	25.00	45.00
- Equipment and vehicle loans	11.59	13.67
<i>From others:</i>		
- Equipment and vehicle loans	33.52	38.59
	<b>70.11</b>	<b>97.26</b>
Mobilisation and other advances	720.02	780.22
Security deposits received	25.07	13.37
Dues to statutory/government authorities	18.23	16.28
Loan outstanding for repayment [refer to note 2.29(f)]	24.96	–
Capital creditors	2.70	3.14
Interest accrued and due on borrowings	5.58	3.79
Interest accrued but not due	6.75	4.40
Unclaimed dividend	0.01	0.01
Accrued salaries, wages and benefits	13.47	9.30
Provision for expenses	16.06	9.80
Other payables	8.11	3.29
	<b>911.07</b>	<b>940.86</b>
<b>2.10 Short-term provisions</b>		
Provision for taxation (net of advance tax)	–	6.02
Provision for foreseeable loss	9.63	8.50
Provision for employee benefits:		
- Gratuity (refer to note 2.34)	0.40	0.19
- Compensated absences	2.95	2.85
	<b>12.98</b>	<b>17.56</b>

2.11 Fixed assets

(₹ in Crores)

Description	Gross block				Accumulated depreciation and amortization				Net block	
	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	As at 1 April 2012	Charge for the year	Deletions	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
<b>Tangible assets:</b>										
<i>(Owned)</i>										
Freehold land	2.48	–	0.55	1.93	–	–	–	–	1.93	2.48
Buildings	2.81	–	–	2.81	0.19	0.07	–	0.26	2.55	2.62
Plant and equipments	380.65	30.10	0.46	410.29	50.80	30.37	0.08	81.09	329.20	329.85
Furniture and fixtures	5.36	0.55	0.41	5.50	2.54	0.54	0.24	2.84	2.66	2.82
<b>Vehicles:</b>										
– Construction vehicles	63.62	3.46	–	67.08	16.28	6.91	–	23.19	43.89	47.34
– Other vehicles	15.76	0.36	0.69	15.43	3.87	1.43	0.38	4.92	10.51	11.89
Office equipment	10.84	1.77	0.03	12.58	2.29	0.85	0.02	3.12	9.46	8.55
Computer equipment	10.57	0.52	1.09	10.00	5.93	1.32	0.64	6.61	3.39	4.64
<b>Total tangible assets</b>	<b>492.09</b>	<b>36.76</b>	<b>3.23</b>	<b>525.62</b>	<b>81.90</b>	<b>41.49</b>	<b>1.36</b>	<b>122.03</b>	<b>403.59</b>	<b>410.19</b>
Previous year	386.36	108.88	3.15	492.09	53.50	28.74	0.34	81.90	410.19	
<b>Intangible assets:</b>										
<i>(Owned)</i>										
Computer software	2.58	0.27	–	2.85	0.70	0.45	–	1.15	1.70	1.88
<b>Total intangible assets</b>	<b>2.58</b>	<b>0.27</b>	<b>–</b>	<b>2.85</b>	<b>0.70</b>	<b>0.45</b>	<b>–</b>	<b>1.15</b>	<b>1.70</b>	<b>1.88</b>
Previous year	1.91	0.67	–	2.58	0.35	0.35	–	0.70	1.88	

	As at 31 March 2013	As at 31 March 2012
--	------------------------	------------------------

2.12 Non-current investments

Long-term investments at cost, unless otherwise specified

I. Unquoted investments: Trade

i) Investments in equity instruments of subsidiaries:

MDDA-Ramky IS Bus Terminal Limited (refer to note a below)	14.26	14.26
10,651,817 (previous year: 10,651,817) equity shares of ₹ 10 each, fully paid		
Ramky Elsamex Hyderabad Ring Road Limited (refer to note b below)	14.80	14.80
14,800,000 (previous year: 14,800,000) equity shares of ₹ 10 each, fully paid		
Ramky Engineering and Consulting Services (FZC)	11.21	11.21
87,926 (previous year: 87,926) equity shares of AED 100 each, fully paid		
Ramky Pharma City (India) Limited (refer to note c below)	9.18	9.18
9,180,000 (previous year: 9,180,000) equity shares of ₹ 10 each, fully paid		
Ramky-MIDC Agro Processing Park Limited	6.59	6.59
2,228,686 (previous year: 2,228,686) equity shares of ₹ 10 each, fully paid		
Ramky Multi Product Industrial Park Limited	5.00	5.00
5,000,000 (previous year: 5,000,000) equity shares of ₹ 10 each, fully paid		
Naya Raipur Gems and Jewellery SEZ Limited	2.42	2.42
840,684 (previous year: 840,684) equity shares of ₹ 10 each, fully paid		
Ramky Herbal and Medicinal Park (Chhattisgarh) Limited	1.44	1.44
513,897 (previous year: 513,897) equity shares of ₹ 10 each, fully paid		
Ramky Food Park (Chhattisgarh) Limited	1.21	1.21
436,397 (previous year: 436,397) equity shares of ₹ 10 each, fully paid		
Ramky Towers Limited	0.18	0.18
26,458 (previous year: 26,458) equity shares of ₹ 10 each, fully paid		

	As at 31 March 2013	As at 31 March 2012
<b>Non-current investments (Continued)</b>		
Ramky Food Park (Karnataka) Limited	0.05	0.05
54,665 (previous year: 54,665) equity shares of ₹ 10 each, fully paid		
Ramky Enclave Limited	0.04	0.04
44,505 (previous year: 44,505) equity shares of ₹ 10 each, fully paid		
Srinagar Banihal Expressway Limited (refer to note d below)	0.04	0.04
38,891 (previous year: 38,891) equity shares of ₹ 10 each, fully paid		
Gwalior Bypass Project Limited (refer to note e below)	0.02	0.02
25,500 (previous year: 25,500) equity shares of ₹ 10 each, fully paid		
Sehore Kosmi Tollways Limited (refer to note f and j below)	12.02	1.00
12,020,000 (previous year : 1,000,000) equity shares of ₹ 10 each, fully paid		
Frank Lloyd Tech Management Services Limited	0.08	0.08
76,000 (previous year : 75,994) equity share of ₹ 10 each, fully paid		
Agra Etawah Tollways Limited (refer to note g below)	0.05	0.05
50,000 (previous year: 50,000) equity shares of ₹ 10 each, fully paid		
Hospet Chitradurga Tollways Limited (refer to note h below)	17.02	0.05
17,022,000 (previous year: 50,000) equity shares of ₹ 10 each, fully paid		
Jabalpur Patan Shahpura Tollways Limited	0.05	-
50,000 (previous year: Nil) equity shares of ₹ 10 each, fully paid		
Ramky Esco Limited	0.05	-
50,000 (previous year: Nil) equity shares of ₹ 10 each, fully paid		
<b>ii) Investments in equity instruments of associates:</b>		
Ramky Integrated Township Limited	0.02	0.02
18,241 (previous year: 18,241) equity shares of ₹ 10 each, fully paid		
JNPC Pharma Innovation Limited (refer to note i below)	-	0.05
Nil (previous year: 50,000) equity shares of ₹ 10 each, fully paid		
<b>iii) Investments in equity instruments of jointly controlled entities:</b>		
N.A.M. Expressway Limited	116.76	116.76
116,755,000 (previous year: 116,755,000 ) equity shares of ₹ 10 each, fully paid		
Jorabat Shillong Expressway Limited	26.00	21.00
26,000,000 (previous year: 21,000,000) equity shares of ₹ 10 each, fully paid		
<b>iv) Investments in equity instruments of others:</b>		
Delhi MSW Solutions Limited	0.01	0.01
5,000 (previous year: 5,000) equity shares of ₹ 10 each, fully paid		
<b>v) Investments in preference instruments of subsidiaries:</b>		
Ramky Elsamex Hyderabad Ring Road Limited (refer to note b below)	25.00	25.00
25,000,000 (previous year: 25,000,000) 10%, cumulative redeemable optional convertible preference shares of ₹ 10 each, fully paid		
Gwalior Bypass Project Limited	0.09	0.09
2,240 (previous year: 2,240) 0.01%, cumulative redeemable preference shares of ₹ 100 each, fully paid		
Ramky Enclave Limited	19.50	19.50
78,000 (previous year: 78,000) 10%, cumulative convertible redeemable preference shares of ₹ 10 each, fully paid		
Ramky Multi Product Industrial Park Limited	15.00	15.00
1,500,000 (previous year : 1,500,000) 0.001%, cumulative convertible redeemable preference shares of ₹ 10 each, fully paid		
Ramky Multi Product Industrial Park Limited	40.00	40.00
4,000,000 (previous year : 4,000,000) 0.001%, cumulative non-convertible redeemable preference shares of ₹ 10 each, fully paid		

Notes to financial statements  
2. Notes to accounts (Continued)

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>Non-current investments (Continued)</b>		
Naya Raipur Gems and Jewellery SEZ Limited	0.89	0.89
295,133 (previous year: 295,133) 0.001%, cumulative convertible redeemable preference shares of ₹ 10 each, fully paid		
Srinagar Banihal Expressway Limited	61.55	41.55
61,547,445 (previous year: 41,547,445) 0.001%, non-cumulative non-convertible redeemable preference shares ₹ 10 each, fully paid		
Sehore Kosmi Tollways Limited (refer to note j below)	-	11.02
Nil (previous year: 11,020,000 ) 0.001%, cumulative non-convertible redeemable preference shares ₹ 10 each, fully paid		
Frank Lloyd Tech Management Services Limited	5.50	-
5,499,140 (previous year: Nil), 0.001%, non-cumulative non-convertible redeemable preference shares of ₹ 10 each, fully paid		
<b>Total of unquoted investments (i+ii+iii+iv+v)</b>	<b>406.03</b>	<b>358.51</b>
<b>II. Quoted investments - Other than trade; at cost</b>		
<b>Investment in equity instruments of others</b>		
Canara Bank Limited (refer to note k below)	-	0.04
Nil (previous year: 11,600) equity shares of ₹ 10 each, fully paid	-	0.04
<b>Total non-current investments (I+II)</b>	<b>406.03</b>	<b>358.55</b>
The aggregate book value and market value of quoted non-current investments and book value of unquoted non-current investments are as follows:		
Quoted investments:		
- Aggregate book value	-	0.04
- Aggregate market value	-	0.55
Aggregate book value of unquoted non-current investments	406.03	358.51

**Notes :**

- 9,660,009 (previous year: 9,750,000) equity shares have been pledged in favour of Infrastructure Development Finance Company Limited for the loan availed by MDDA-Ramky IS Bus Terminal Limited.
- 14,800,000 (previous year: 14,800,000) equity shares and 2,950,000 (previous year : 2,950,000) preference shares have been pledged in favour of IDBI Trusteeship Services Limited for loan availed by Ramky Elsamex Hyderabad Ring Road Limited.
- 9,129,000 (previous year: 9,129,000) equity shares have been pledged in favour of Infrastructure Development Finance Company Limited for loan availed by Ramky Pharma City (India) Limited.
- 15,766 (previous year: 15,766) equity shares of Srinagar Banihal Expressway Limited pledged in favour of ICICI Bank Limited for the loan availed by Srinagar Banihal Expressway Limited.
- 13,005 (previous year: 13,005) equity shares have been pledged in favour of Punjab National Bank for loan availed by Gwalior Bypass Project Limited.
- 6,130,200 (previous year: Nil) equity shares have been pledged in favour of IDBI Trusteeship Services Limited for the loan availed by Sehore Kosmi Tollways Limited.
- 25,500 (previous year: Nil) equity shares have been pledged in favour of Oriental Bank of Commerce for the loan availed by Agra Etawah Tollways Limited.
- 8,681,220 (previous year: Nil) equity shares have been pledged in favour of Axis Bank Limited for the loan availed by Hospet Chitradurga Tollways Limited.
- The investment in associate have been sold during the year.
- Cumulative non-convertible redeemable preference shares in Sehore Kosmi Tollways Limited have been converted into convertible preference shares during the year and after that converted into equity shares during the year.
- Investment in equity shares of Canara Bank Limited have been sold during the year.

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.13 Long-term loans and advances</b>		
<i>Unsecured, considered good:</i>		
Capital advances	26.16	23.73
Share application money pending allotment	-	10.00
Loans and advances to related parties*	92.92	
Advances recoverable in cash or in kind or for value to be received	10.86	10.08
Security deposits	8.67	5.45
Other loans and advances:		
- Earnest money deposit	1.63	1.67
- Receivables from statutory/government authorities	44.68	36.82
- Receivables from income tax authority	32.35	32.35
- Prepaid expenses	4.72	5.88
- minimum alternate tax credit entitlement	-	4.45
	<b>221.99</b>	<b>130.43</b>
<i>Unsecured, considered doubtful:</i>		
Earnest money deposit	0.74	0.34
Advances recoverable in cash or in kind or for value to be received	14.46	6.58
	<b>15.20</b>	<b>6.92</b>
<i>Provision for doubtful advances:</i>		
Earnest money deposit	(0.74)	(0.34)
Advances recoverable in cash or in kind or for value to be received	(14.46)	(6.58)
	<b>(15.20)</b>	<b>(6.92)</b>
	<b>221.99</b>	<b>130.43</b>
*Loans and advances in nature of loan to a subsidiary (refer to note 2.33).		
<b>2.14 Other non-current assets</b>		
<b>Trade receivables:</b>		
(refer note a below)		
- Unsecured, considered good	24.64	18.64
- Unsecured, considered doubtful	24.18	17.84
	<b>48.82</b>	<b>36.48</b>
Less: Provision for doubtful trade receivables	(24.18)	(17.84)
	<b>24.64</b>	<b>18.64</b>
Long-term bank deposits (refer note b below)	0.32	1.83
Interest accrued but not due	0.04	-
	<b>25.00</b>	<b>20.47</b>
<b>Notes:</b>		
a. Trade receivables includes retention money receivable of ₹ 16.52 crores (previous year: ₹ 11.48 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 8.08 crores (previous year: ₹ 5.87 crores).		
b. Long-term bank deposits representing margin money against bank guarantees and other commitments.		
<b>2.15 Inventories</b>		
(Valued at the lower of cost and net realisable value)		
Raw materials and components	316.11	210.80
Contract work-in-progress	639.58	486.83
	<b>955.69</b>	<b>697.63</b>

	As at 31 March 2013	As at 31 March 2012
<b>2.16 Trade receivables</b>		
Outstanding for period exceeding six months		
- Unsecured, considered good	468.26	627.00
- Unsecured, considered doubtful	8.65	-
	<u>476.91</u>	<u>627.00</u>
Less: Provision for doubtful trade receivables	(8.65)	-
	<u>468.26</u>	<u>627.00</u>
Other debts (unsecured)	1,020.35	1,077.70
	<u>1,488.61</u>	<u>1,704.70</u>
<b>Notes:</b>		
1. Trade receivables includes retention money receivable of ₹ 556.40 crores (previous year ₹ 553.93 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 3.59 crores (previous year: Nil).		
2. Trade receivables includes retention money ₹ 484.51 crores (previous year: ₹ 539.76 crores) not due for payment as per related terms of contract.		
<b>2.17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.46	0.36
Cheques on hand	-	0.01
Balances with banks:		
- in current accounts	38.95	19.12
- in deposit accounts	-	6.62
<b>Other bank balances</b>		
Deposits with maturity more than 3 months but less than 12 months*	30.87	46.82
Balances with bank for unclaimed dividend	0.01	0.01
	<u>70.29</u>	<u>72.94</u>
* Includes amount of ₹ 26.70 crores (previous year: ₹ 46.10 crores) held as margin money or security deposit against bank guarantees and other commitments.		
<b>2.18 Short-term loans and advances</b> (Unsecured, considered good)		
Loans and advances to related parties*	62.46	67.38
Mobilisation and material advances	183.77	162.94
Advances recoverable in cash or in kind or for value to be received	213.49	145.91
Security deposits	3.34	7.30
Other loans and advances:		
- Earnest money deposit	8.74	19.13
- Advance tax (net of provision)	43.14	27.51
- Balances with statutory/government authorities	62.75	29.61
- Prepaid expenses	21.46	32.08
- Loans and advances to employees	2.85	2.43
- Other advances	5.60	7.14
	<u>607.60</u>	<u>501.43</u>
* Loans and advances in nature of loans to subsidiaries, associates and jointly controlled entities amounting to ₹ 59.38 crores (previous year: ₹ 63.35 crores) (refer to note 2.33). Balance of ₹ 10.97 crores (previous year: ₹ 4.03 crores) represents other advance to other related parties.		
<b>2.19 Other current assets</b>		
Interest accrued but not due	16.16	4.31
	<u>16.16</u>	<u>4.31</u>



(₹ in Crores)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>2.20 Other income</b>		
Interest income	16.86	11.08
Dividend income*	0.01	6.13
Other non-operating income:		
- Equipment rent	0.04	0.75
- Liabilities no longer required written back	-	9.61
- Profit on sale of assets	0.69	-
- Profit on sale of non-current investments	0.57	-
- Foreign exchange gain	2.18	-
- Excess provision for gratuity written back (refer to note 2.34)	0.35	-
- Miscellaneous income	11.49	9.93
	<b>32.19</b>	<b>37.50</b>
* Includes dividend received from a subsidiary company amounting to ₹ Nil (previous year: ₹ 6.12 crores).		
<b>2.21 Contract expenses</b>		
Contract materials and supplies consumed	977.94	1,046.04
Sub-contractor expenses	999.82	1,209.99
Labour contract charges	308.63	240.45
Rates and taxes	121.58	106.88
Contract consultancy charges	5.79	9.64
Hire charges	58.93	44.88
Power and fuel	89.95	65.77
Contract recoveries	32.60	24.55
Transport expenses	31.12	22.17
Royalty	15.78	13.73
Site installation charges	18.45	12.93
Repairs and maintenance - plant and machinery	12.69	8.89
Consumables and other site expenses	19.15	13.69
	<b>2,692.43</b>	<b>2,819.61</b>
<b>2.22 Employee benefits expense</b>		
Salaries, wages and bonus	107.70	104.80
Contribution to provident fund and other funds	6.27	5.94
Managerial remuneration	3.85	4.62
Workmen and staff welfare expenses	6.52	8.72
Compensated absences	0.19	1.05
Gratuity (refer to note 2.34)	-	1.02
	<b>124.53</b>	<b>126.15</b>

Notes to financial statements  
2. Notes to accounts (Continued)

(₹ in Crores)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>2.23 Finance costs</b>		
Interest expenses	151.43	95.11
Other borrowing costs	17.76	20.38
Loss on foreign currency transactions and translation	0.47	2.22
	<u>169.66</u>	<u>117.71</u>
<b>2.24 Other expenses</b>		
Legal and professional charges	21.69	15.52
Rent (refer to note 2.27)	10.36	9.84
Security charges	11.83	10.02
Traveling and conveyance	5.34	8.02
Insurance	6.19	5.69
Electricity charges	5.56	4.40
Rates and taxes	4.62	3.51
Tender forms and registration charges	0.98	2.54
Communication expenses	3.98	2.98
Printing and stationery	2.05	2.53
Repairs and maintenance		
- Buildings	3.42	4.61
- Others	0.31	2.44
Donations	0.62	2.20
Advertisement	0.75	1.16
Business promotion expenses	0.63	1.06
Loss on sale of fixed assets, net	—	0.52
Fixed assets written off	0.62	—
Provision for doubtful trade receivables	14.99	14.49
Provision for foreseeable loss	1.13	8.50
Provision for doubtful loans and advances	8.28	6.92
Miscellaneous expenses	1.01	2.19
	<u>104.36</u>	<u>109.14</u>

2.25 Commitments and contingent liabilities:

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
i) Commitments:		
(a) Equity commitments towards subsidiaries and jointly controlled entities	825.92	882.85
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	20.10	6.49
ii) Contingent liabilities:		
(a) Performance Guarantees issued by banks: On behalf of the subsidiaries associate and other	205.44	111.19
(b) Corporate guarantees to banks and financial institutions against credit facilities extended to: Subsidiaries, step-down subsidiary and jointly controlled entity	280.44	303.73
iii) Claims against the Company not acknowledged as debts in respect of:		
(a) Indirect tax and other matters	213.01	140.76
(b) Disputed claims from customers and vendors	32.58	1.77

2.26 Legal and professional charges includes the statutory auditor's remuneration as given below (excluding service tax):

	For the year ended 31 March 2013	For the year ended 31 March 2012
Audit fees	0.30	0.30
Other services	0.32	0.30
Out of pocket expenses	0.02	0.01
<b>Total</b>	<b>0.64</b>	<b>0.61</b>

2.27 Leases

The Company is obligated under cancellable operating lease agreements. Total rental expense for the period under cancellable leases was ₹ 10.36 crores (previous year: ₹ 9.84 crores) has been disclosed as 'Rent' in the statement of profit and loss.

2.28 Earnings per share (EPS):

The computation of earnings per share is set out below:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit for the year attributable to equity shareholders (₹ in crores)	59.93	143.68
<b>Shares</b>		
Number of equity shares at the beginning of the year	57,197,791	57,197,791
Add: Equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	57,197,791	57,197,791
Weighted average number of equity shares outstanding during the year		
- Basic and diluted	57,197,791	57,197,791
Earnings per equity share - par value of ₹ 10 per share		
Basic and diluted	10.48	25.12

**2.29 Nature, terms of repayment and delays in repayment of borrowings are as follows:**

**Secured borrowings:**

- a. Term loan from bank amounting to ₹ 150 crores (previous year ₹ 75 crores) are secured by way of residual charge over moveable fixed and current assets (both present and future) ranking subsequent to prior charge created in favour of other lenders and first and exclusive ranking charge over all the receivables both present and future arising out of debt infused in the infrastructure project companies and by way of first and exclusive ranking charge over Debt Service Reserve Account (DSRA). This loan is repayable in 24 equal quarterly instalments starting at the end of 15 months from the first draw down date (i.e. 8 February 2012) along with interest of 10% p.a plus spread payable on monthly basis.
- b. Term loan from bank amounting to ₹ Nil (previous year ₹ 45 crores) was secured by pari-passu charge on the entire project specific current assets. Loan amount was repaid by the Company during the current year. Interest rate was applicable at 11.75% p.a to 12.00% p.a. paid on monthly basis.
- c. Equipment and vehicle loans from banks amounting to ₹ 28.29 crores (previous year: ₹ 36.75 crores) and from others amounting to ₹ 81.23 crores (previous year: ₹ 95.35 crores) are secured by way of hypothecation of the respective equipment/ vehicles. These loans are repayable in monthly payment of equated monthly instalments beginning along the month subsequent to the loan along with interest in the range of 7.05% p.a. to 12.00% p.a. and 6.55% p.a. to 13.50% p.a. against loans taken from banks and others respectively.
- d. Buyers credit from banks amounting to ₹ 24.14 crores (previous year: ₹ 24.63 crores) are secured by way of first pari-passu charge on the current assets of the Company namely raw materials, contract work-in-progress, bills receivable and book debts and all other movables both present and future of the Company and exclusive charge on the capital equipment imported with loan proceeds. Buyers credit are obtained on short-term basis and repayable within 360 days from the date of drawdown along with the interest in the range of 1.94% p.a. to 3.30% p.a.
- e. Cash credits from banks amounting to ₹ 582.49 crores (previous year: ₹ 242.22 crores) and working capital loans from banks amounting to ₹ 230.00 crores (previous year ₹ 409.25 crores) are secured by way of:
  - (i) first pari-passu charge on the current assets of the Company namely raw materials, contract work-in-progress, bills receivable and book debts and all other movables both present and future of the Company along with other working capital lenders; and
  - (ii) first charge on the entire unencumbered fixed assets of the company ranking pari-passu basis to all the working capital lenders.Cash credits are repayable on demand along with interest in the range of 10.20% p.a. to 14.50% p.a. (previous year: 12.50% p.a. to 14.45% p.a.) payable on monthly basis. Working capital loans are repayable within 90 to 180 days from the date of drawdown along with the interest in the range of 11.50% p.a. to 13.50% p.a. (previous year: 11.75% p.a. to 12.50% p.a.) payable on monthly basis.
- f. Loan outstanding for repayment represent working capital loan from a bank amounting to ₹ 24.96 crores were secured by way of post-dated cheques submitted by the Company. The Company has defaulted in the repayment of the working capital loan which was due on 2 March 2013. The default is continuing at the balance sheet date. The said loan carries interest rate in the range of 12.50 % p.a. to 12.60% p.a. payable on monthly basis.

**Unsecured borrowings:**

Unsecured loans from corporate are repayable on demand and along with the interest rate applicable at 12.50% p.a.

**2.30 Segment information**

**a) Business Segment:**

The services rendered by the Company primarily consist of execution of civil contracts on turnkey basis. The Company is managed organizationally as a unified entity and not along product lines and accordingly, there is only one business segment.

**b) Geographical Segment:**

During the year under report, the Company has engaged in its business primarily within India. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

**2.31** During the year a search and seizure operation under Section 132 of the Income Tax Act, 1961 was carried out by the Income Tax Authorities on the Company's premises. The Management has agreed to cooperate and provide clarifications on the information collected and further information as and when sought for by the Income Tax Authorities. The Company has till date not been served with a show cause notice/demand arising from the search operations and consequently there is an uncertainty on the final outcome. The Company believes that it has complied with all applicable rules and regulations.

2.32 Related party disclosures

Enterprise where control exists (Subsidiaries and step-down subsidiary)	<ul style="list-style-type: none"> <li>  Ramky Pharma City (India) Limited</li> <li>  MDDA-Ramky IS Bus Terminal Limited</li> <li>  Ramky Food Park (Chattisgarh) Limited</li> <li>  Naya Raipur Gems and Jewellery SEZ Limited</li> <li>  Ramky Herbal and Medicinal Park (Chattisgarh) Limited</li> <li>  Ramky - MIDC Agro Processing Park Limited</li> <li>  Ramky Engineering and Consulting Services (FZC)</li> <li>  Gwalior Bypass Project Limited</li> <li>  Ramky Elsamex Hyderabad Ring Road Limited</li> <li>  Ramky Towers Limited</li> <li>  Ramky Enclave Limited</li> <li>  Srinagar Banihal Expressway Limited</li> <li>  Ramky Multi Product Industrial Park Limited</li> <li>  Ramky Food Park (Karnataka) Limited</li> <li>  Sehore Kosmi Tollways Limited</li> <li>  Agra Etawah Tollways Limited</li> <li>  Hospet Chitradurga Tollways Limited</li> <li>  Frank Lloyd Tech Management Services Limited</li> <li>  Ramky Infrastructure Sociedad Anonima Cerradda</li> <li>  Jabalpur Patan Shahpura Tollways Limited</li> <li>  Ramky Esco Limited</li> <li>  JNPC Pharma Innovation Limited</li> <li>  Ramky Engineering and Consulting Services Gabon SA</li> </ul>
Enterprises where joint control exists (Jointly controlled entities)	<ul style="list-style-type: none"> <li>  N.A.M.Expressway Limited</li> <li>  Jorabat Shillong Expressway Limited</li> </ul>
Enterprises where significant influence exists (Associates)	<ul style="list-style-type: none"> <li>  Ramky Integrated Township Limited</li> <li>  JNPC Pharma Innovation Limited (upto 22 November 2012)</li> </ul>
Enterprises where Key Management Personnel have significant influence (Significant interest entities) (SIE)	<ul style="list-style-type: none"> <li>  Ramky Enviro Engineers Limited</li> <li>  Ramky Estates and Farms Limited</li> <li>  Mumbai Waste Management Limited</li> <li>  Ramky Finance &amp; Investment Private Limited</li> <li>  SembRamky Environmental Management Private Limited</li> <li>  Ramky Global Solutions Private Limited</li> <li>  Tamil Nadu Waste Management Limited</li> <li>  West Bengal Waste Management Limited</li> <li>  Ramky Energy &amp; Environment Limited</li> <li>  RVAC Facilities Management (India) Limited</li> <li>  Ramky Villas Limited</li> <li>  Ramky Advisory Services Limited</li> <li>  Delhi MSW Solutions Limited</li> <li>  Smilax Laboratories Limited</li> <li>  Tridax Laboratories Limited</li> <li>  Ramky Foundation</li> <li>  Ramky Academy of Culture &amp; Education</li> <li>  Dakshayani Academy</li> <li>  Hyderabad Integrated MSW Limited</li> <li>  Chhattisgarh Energy Consortium (India) Private Limited</li> <li>  Ramky Wavoo Developers Private Limited</li> </ul>
Key Management Personnel (KMP)	<ul style="list-style-type: none"> <li>  A Ayodhya Rami Reddy</li> <li>  Y R Nagaraja</li> </ul>

Notes to financial statements  
2. Notes to accounts (Continued)

(₹ in Crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	As at 31 March 2013		As at 31 March 2012	
				Transactions during the year	Amount receivable/(payable)	Transactions during the year	Amount receivable/(payable)
1	Ramky Pharma City (India) Limited	Subsidiary	Contract revenue	10.57	6.73	-	-
			Retention money receivable/(realised)	-	-	23.45	5.97
				(5.97)	-	(66.85)	
			Sale of investments	0.05	-	-	-
			Investment in equity shares	-	9.18	-	9.18
2	MDDA-Ramky IS Bus Terminal Limited	Subsidiary	Dividend received	-	-	6.12	-
			Contract revenue	-	21.93	1.44	21.98
			Retention money receivable	-	2.94	-	2.94
			Investments in equity shares	-	14.26	0.02	14.26
			Corporate guarantee given by the Company	-	9.75	-	9.75
3	Ramky Elsamex Hyderabad Ring Road Limited	Subsidiary	Contract revenue	-	3.07	-	20.23
			Retention money receivable/(realised)	(41.32)	5.19	5.73	46.51
			Loan given/(recovered)	(6.63)	-	-	6.63
			Interest income	0.23	-	0.64	-
			Investment in equity shares	-	14.80	-	14.80
			Investment in preference shares	-	25.00	-	25.00
			Corporate guarantee given by the Company	-	259.50	-	259.50
4	Ramky Towers Limited	Subsidiary	Contract revenue	24.93	108.00	80.12	117.75
			Mobilisation advance received/(repaid against bills)	(0.06)	(0.51)	0.57	(0.57)
			Retention money receivable	1.05	36.84	3.93	35.79
			Investment in equity shares	-	0.18	-	0.18
			Corporate guarantee given by the Company	-	-	-	50.00
5	Ramky Enclave Limited	Subsidiary	Contract revenue	-	5.51	-	5.51
			Retention money receivable	-	13.79	-	13.79
			Investment in equity shares	-	0.04	-	0.04
			Investment in preference shares	-	19.50	19.50	19.50
			Corporate guarantee given by the Company	-	50.00	50.00	50.00
6	Ramky Engineering and Consultancy Services (FZC)	Subsidiary	Contract revenue	44.72	39.73	-	-
			Sale of assets	0.95	-	-	-
			Investment in equity shares	-	11.21	10.29	11.21
			Corporate guarantee given by the Company	-	69.31	51.15	69.31
7	Gwalior Bypass Project Limited	Subsidiary	Investment in equity shares	-	0.02	-	0.02
			Investment in preference shares	-	0.09	-	0.09
8	Ramky Food Park (Chattisgarh) Limited	Subsidiary	Investment in equity shares	-	1.21	-	1.21
9	Naya Raipur Gems and Jewellery SEZ Limited	Subsidiary	Investment in equity shares	-	2.42	-	2.42
			Investment in preference shares	-	0.89	0.89	0.89
10	Ramky Herbal and Medicinal Park (Chattisgarh) Limited	Subsidiary	Investment in equity shares	-	1.44	-	1.44
11	Ramky - MIDC Agro Processing Park Limited	Subsidiary	Investment in equity shares	-	6.59	-	6.59
12	Srinagar Banihal Expressway Limited	Subsidiary	Contract revenue	99.71	14.52	75.08	54.14
			Retention money receivable	4.65	8.40	3.75	3.75
			Mobilisation advance received	-	(117.50)	117.50	(117.50)
			Investment in equity shares	-	0.04	-	0.04
			Investment in preference shares	20.00	61.55	41.55	41.55

(Contd.)



Notes to financial statements  
2. Notes to accounts (Continued)

(₹ in Crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	As at 31 March 2013		As at 31 March 2012	
				Transactions during the year	Amount receivable/ (payable)	Transactions during the year	Amount receivable/ (payable)
13	Ramky Multi Product Industrial Park Limited	Subsidiary	Loan given	3.80	13.10	8.00	8.22
			Interest income	1.20		0.24	
			Investment in equity shares	-	5.00	4.95	5.00
			Investment in preference shares	-	55.00	55.00	55.00
14	Ramky Food Park (Karnataka) Limited	Subsidiary	Investment in equity shares	-	0.05	-	0.05
15	Sehore Kosmi Tollways Limited	Subsidiary	Contract given	43.16	3.66	3.43	3.29
			Mobilisation advance received/ (repaid against bills)	(3.32)	(4.68)	8.00	(8.00)
			Retention money receivable	0.08	0.10	0.02	0.02
			Investment in equity shares	11.02	12.02	1.00	1.00
			Investment in preference shares	-	-	11.02	11.02
			Conversion of preference shares into equity shares	11.02	-	-	-
16	Agra Etawah Tollways Limited	Subsidiary	Contract revenue	12.50	11.25	-	-
			Loan given	8.84	8.84	-	-
			Investment in equity shares	-	0.05	0.05	0.05
			Corporate guarantee given by the Company	577.50	577.50	-	-
17	Hospet Chitradurga Tollways Limited	Subsidiary	Contract revenue	7.00	6.30	-	-
			Loan given	93.14	93.14	-	-
			Mobilisation advance received	103.08	(103.08)	-	-
			Investment in equity shares	16.97	17.02	0.05	0.05
			Corporate guarantee given by the Company	69.16	69.16	-	-
18	Frank Lloyd Tech Management Services Limited	Subsidiary	Loan given	-	0.50	5.09	5.20
			Interest income	0.45		0.12	
			Loan converted into preference shares	5.50	-	-	-
			Investment in equity shares	-	0.08	0.08	0.08
			Investment in preference shares	5.50	5.50	-	-
19	Jabalpur Patan Shahpura Tollways Limited	Subsidiary	Investment in equity shares	0.05	0.05	-	-
20	Ramky Esco Limited	Subsidiary	Investment in equity shares	0.05	0.05	-	-
21	Ramky Engineering and Consulting Services Gabon SA	Step-down subsidiary	Corporate guarantee given by the Company	50.00	50.00	-	-
22	N.A.M.Expressway Limited	JCE	Contract revenue	289.21	29.99	77.64	26.66
			Mobilisation advance received/ (repaid against bills)	(39.14)	(22.02)	(3.84)	(61.16)
			Loan given	51.00		43.00	
			Loan received back	(65.48)	37.22	-	43.30
			Interest income	9.33		0.33	
			Retention money receivable/ (realised)	(5.30)	5.38	10.68	10.68
			Investment in equity shares	-	116.76	-	116.76
23	Jorabat Shillong Expressway Limited	JCE	Mobilisation advance received	0.68	(0.68)	-	-
			Investment in equity shares	5.00	26.00	-	21.00
24	Ramky Integrated Township Limited	Associate	Capital advance paid	-	22.00	22.00	22.00
			Share application money	-	-	-	10.00
			Share application money converted into loan	10.00	10.00	-	-
			Interest income	1.20	1.40	0.36	0.32
			Investment in equity shares	-	0.02	-	0.02
25	JNPC Pharma Innovation Limited	Associate	Investment in equity shares	-	-	0.05	0.05

Notes to financial statements  
2. Notes to accounts (Continued)

(₹ in Crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	As at 31 March 2013		As at 31 March 2012	
				Transactions during the year	Amount receivable/(payable)	Transactions during the year	Amount receivable/(payable)
26	Ramky Estates and Farms Limited	SIE	Contract revenue	10.88	19.23	31.58	24.90
			Retention money receivable/(realised)	(0.45)	2.47	1.86	2.92
			Rent paid	1.10	-	0.99	-
			Rent deposit	-	0.31	-	0.35
			Mobilisation advance received	0.99	(0.99)	-	-
			Capital advance paid/(refund received)	-	-	(22.00)	-
27	Ramky Enviro Engineers Limited	SIE	Contract revenue	45.34	11.64	76.80	65.50
			Sub-contract expenses	1.85	(0.18)	8.67	(2.45)
			Mobilisation advance paid/(recovered against bills)	(0.08)	1.34	(1.92)	1.42
			Retention money payable	(1.04)	(8.69)	(0.71)	(7.65)
			Retention money receivable	1.15	1.63	0.48	0.48
			Unsecured loan received and repaid	44.00	-	-	-
			Interest paid	1.33	-	-	-
28	Mumbai Waste Management Limited	SIE	Contract revenue	-	0.36	2.93	0.36
29	Hyderabad Integrated MSW Limited	SIE	Contract revenue	2.27	0.06	3.55	1.28
			Retention money receivable/(realised)	(0.12)	-	0.12	0.12
			Unsecured loan received and repaid	8.00	-	-	-
			Interest paid	0.71	(0.16)	-	-
30	SembRamky Environmental Management Private Limited	SIE	Rent received	-	-	0.02	0.10
31	RVAC Facilities Management (India) Limited	SIE	Housekeeping charges paid	-	-	0.12	-
32	West Bengal Waste Management Limited	SIE	Unsecured loan received	10.00	(10.00)	-	-
			Interest paid	0.81	(0.73)	-	-
33	Ramky Advisory Services Limited	SIE	Consultancy charges paid	1.17	-	5.33	-
			Advance paid/(recovered)	(0.86)	0.60	1.46	1.46
34	Delhi MSW Solutions Limited	SIE	Contract revenue	0.79	1.18	5.01	1.29
			Retention money receivable	0.06	0.65	0.29	0.59
			Mobilisation advance repaid	-	-	(0.14)	-
			Unsecured loan received and repaid	17.00	-	-	-
			Interest paid	0.81	-	-	-
			Investment in equity shares	-	0.01	-	0.01
35	Chhattisgarh Energy Consortium (India) Private Limited	SIE	Unsecured loan taken	22.20	-	-	-
			Unsecured loan repaid	(7.00)	(17.07)	-	-
			Interest paid	2.08	-	-	-
36	Smilax Laboratories Limited	SIE	Contract revenue	-	10.61	14.21	10.94
			Interest income on trade receivables	1.17	1.07	-	-
			Retention money receivable	-	3.00	-	3.00
37	Ramky Foundation	SIE	Donation	0.51	-	2.05	-
38	Ramky Academy of Culture & Education	SIE	Employees training expenses paid	-	-	0.02	-
39	Dakshayani Academy	SIE	Other advances	-	1.15	0.25	1.15
40	Ramky Wavoo Developers Private Limited	SIE	Contract revenue	3.37	4.89	-	6.12
			Mobilisation advance received	2.08	(2.08)	-	-
41	A Ayodhya Rami Reddy	KMP	Remuneration	2.44	(0.08)	3.69	(3.00)
42	Y R Nagaraja	KMP	Remuneration	1.41	(0.04)	0.93	-

### 2.33 Loans and advances in the nature of loans to subsidiaries, associates and jointly controlled entities(JCE)

Loans where there is no repayment schedule:

Name of the entity	Relationship	Balance as on		Maximum amount outstanding during	
		31 March 2013	31 March 2012	2012-13	2011-12
Ramky Elsamex Hyderabad Ring Road Limited	Subsidiary	-	6.63	6.63	6.63
Ramky Multi Product Industrial Park Limited	Subsidiary	11.80	8.22	11.80	64.00
Frank Lloyd Tech Management Services Limited	Subsidiary	-	5.20	5.20	5.20
Hospet Chitradurga Tollways Limited	Subsidiary	93.14	-	93.14	-
Agra Etawah Tollways Limited	Subsidiary	8.84	-	8.84	-
Ramky Integrated Township Limited	Associate	10.00	-	10.00	-
N.A.M.Expressway Limited	JCE	28.52	43.30	94.00	43.30

### 2.34 Employee benefit plans

- Liability for retiring gratuity benefit obligation as on 31 March 2013 is ₹ 1.89 crores (previous year: ₹ 2.43 crores) of which ₹ 0.39 crores (previous year: ₹ 0.56 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 1.50 crores (previous year: ₹ 1.87 crores) is included in provision for gratuity. The expected contribution is based on the same assumptions used to measure the Company's gratuity obligations as of 31 March 2013.
- Liability for cost of compensated absence as on 31 March 2013 is ₹ 3.67 crores (previous year: ₹ 3.80 crores). Cost of compensated liability is a non funded liability.
- Contribution towards employee provident fund for the year ended 31 March 2013 is ₹ 6.23 crores (previous year: ₹ 5.87 crores).
- The liability for gratuity and cost of compensated absences has been actuarially determined and provided for in the books.
- Employee benefit plans**

The following tables set out the status of the gratuity plan as required under AS 15

#### Reconciliation of opening and closing balances of the present value of the defined benefit obligation (₹ in Crores)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Opening defined benefit obligation</b>	<b>2.43</b>	<b>1.46</b>
Current service cost	0.46	0.62
Interest cost	0.19	0.11
Actuarial loss	(0.95)	0.33
Past service cost	-	-
Benefits paid	(0.24)	(0.09)
<b>Closing defined benefit obligation</b>	<b>1.89</b>	<b>2.43</b>

#### Change in the fair value of plan assets

(₹ in Crores)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Fair value of plan assets at the beginning of the year</b>	<b>0.56</b>	<b>0.45</b>
Expected return on plan assets	0.05	0.04
Employer contributions	0.02	0.16
Benefits paid	(0.24)	(0.09)
<b>Fair value of plan assets at the end of the year</b>	<b>0.39</b>	<b>0.56</b>

**Amount recognised in balance sheet**

Particulars	As at 31 March 2013	As at 31 March 2012
Present value of funded obligations	1.89	2.43
Fair value of plan assets	(0.39)	(0.56)
<b>Net Liability</b>	<b>1.50</b>	<b>1.87</b>
<b>Amounts in the balance sheet</b>		
Short-term provision	0.40	0.19
Long-term provision	1.10	1.68

**Note:** The Company is expecting to contribute ₹ 0.40 crores to gratuity fund for the year ended 31 March 2013.

**Expense recognised in statement of profit and loss**

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Current service cost	0.46	0.62
Interest cost on benefit obligation	0.19	0.11
Expected return on plan assets	(0.05)	(0.04)
Past service cost	-	-
Net actuarial loss	(0.95)	0.33
<b>Net benefit expense/(provision written back)</b>	<b>(0.35)</b>	<b>1.02</b>

**Summary of actuarial assumptions**

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Discount rate	8.60%	7.80%
Expected rate of return	8.50%	8.15%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Expected rate of return on plan assets:** This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

**Salary escalation rate:** The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

**Experience adjustment table for last five years:**

(₹ in Crores)

Particulars	Year ended 31 March 2013	Year ended 31 March 2012	Year ended 31 March 2011	Year ended 31 March 2010	Year ended 31 March 2009
Defined benefit obligation	1.89	2.43	1.46	0.45	0.34
Plan assets	0.39	0.56	0.45	0.39	-
Surplus/(Deficit)	(1.50)	(1.87)	(1.01)	(0.06)	(0.34)
Experience adjustment on plan liabilities	(0.95)	0.33	0.71	(0.01)	0.18
Experience adjustment on plan assets	-	-	-	-	-

Notes to financial statements  
2. Notes to accounts (Continued)

- 2.35** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2013 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period/year;	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period/year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/year) but without adding the interest specified under this Act;	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the period/year;	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

**Note:** This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 2.36** The Company has claimed deduction under Section 80-IA (4) of the Income Tax Act, 1961 in its returns of income relating to assessment years 2003-04 to 2011-12. However, the Department contested the same on the grounds that the Company was not "developing" the infrastructure facility and disallowed the deduction for assessment years 2003-04 to 2009-10. The Company filed appeal against these orders with CIT (Appeals), of which the appeals with respect to assessment years 2003-04 to 2008-09 were dismissed. The Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) for these assessment years, which is currently pending.

The Company is contending its case before the appropriate appellate authorities, however the Company not, withstanding the fact that its position in the matter is strong on merits has based on an internal assessment and various factors such as industry practice, legal counsel advice etc. decided to make a provision for the total deductions under the said Sections and for the assessment years 2003-04 to 2011-12 amounting to ₹ 66.56 crores. As this provision related to taxes for earlier years the same had been directly debited to the surplus in statement of profit and loss account balance under "Reserves and Surplus" for the year ended 31 March 2012.

**2.37 IPO proceeds utilization:**

During the year 2010-11, the Company had issued 7,777,777 equity shares having a face value of ₹ 10 per share at a price of ₹ 450 per share (including a premium of ₹ 440 per share) through IPO. The amount raised ₹ 350 crores has been utilised in the following manner:

Particulars	Note	For the year ended/As at 31 March		
		2011	2012	2013
<b>Funds received through IPO/opening unutilised</b>	<b>A</b>	<b>350.00</b>	<b>24.35</b>	<b>6.62</b>
<i>Utilisation of funds</i>				
Investment in capital equipment		56.40	17.43	6.62
Working capital requirements		175.00	-	-
Repayment of term loans		25.00	-	-
General corporate purposes		54.84	0.20	-
IPO expenses		14.41	0.10	-
<b>Total funds utilised</b>	<b>B</b>	<b>325.65</b>	<b>17.73</b>	<b>6.62</b>
<b>Unutilised IPO money</b>	<b>C=(A-B)</b>	<b>24.35</b>	<b>6.62</b>	<b>-</b>

## 2.38 Disclosures pursuant to Accounting Standard (AS) 7 - Construction Contracts:

In terms of the disclosures required to be made under the Accounting Standard 7 for 'Construction Contracts' as notified in the Companies (Accounting Standards) Rules, 2006, the amounts considered in the financial statements up to the Balance Sheet date are as follows:

(₹ in Crores)

Particulars	2012-13	2011-12
(i) Contract revenue recognised	3,038.62	3,094.25
<b>In case of contracts in progress as at the reporting date:</b>		
(ii) Aggregate amount of contract cost incurred and recognised profits (less recognised losses) up to the reporting date	10,040.79	8,765.21
(iii) Advances received, net of recoveries from progressive bills	712.05	778.08
(iv) Gross amount due from customers for contract works	826.49	1,053.21
(v) Retention money	470.72	476.63

**2.39** Trade receivables as at 31 March 2013 include ₹ 42.08 crores relating to receivables long outstanding from Government and private parties, ₹ 0.90 crores relating to retention money outstanding beyond the defect liability period, ₹ 13.81 crores relating to amounts withheld by the client outstanding for more than 3 years. Management has evaluated recoverability keeping in view the long term nature of the contracts, terms and conditions implicit in the contract and the ongoing discussions based on which steps to recover are currently in process. Management believes that though these amounts are long outstanding, these are good and recoverable as they pertain to delays attributable to the customers for work carried out on customer work orders, claims for amounts pertaining to changes in scope/work order variations, claims for amounts withheld on beyond the normal credit terms. Management also believes that the delay in collections is a temporary phenomenon on account of the overall macroeconomic environment and the consequent slowdown in the infrastructure sector. Further, based on the ongoing discussions with the customers it is confident of fully recovering its debts as these are contractually tenable and accordingly, no further provision is required.

Advances recoverable in cash or in kind or for value to be received as at 31 March 2013 include amount aggregating to ₹ 24.96 crores relating to advances to suppliers and sub-contractors which are long pending due to factors attributable to the overall environment and its customers. The Management is of the view that these advances are fully recoverable in cash or in kind for value to be received in due course as it is in constant engagement with suppliers and sub-contractors.

Inventories as at 31 March 2013 include amount aggregating to ₹ 45.75 crores relating contract work-in-progress which has not been billed for more than one year. The Management is of the view that this contract work-in-progress is entirely billable. The Company is in constant engagement with the clients to get the works certified and bill the same.



#### 2.40 Interest in joint ventures:

The Company has formed the following joint ventures in India as given below which are in the nature of work sharing joint venture arrangements. The descriptions of interest in these joint venture arrangements are as below:

Joint Venture	Company's share of interest
Ramky - Elsamex JV	
31-Mar-13	90%
31-Mar-12	90%
Ramky - VSM JV	
31-Mar-13	75%
31-Mar-12	75%
Srishti - Ramky JV	
31-Mar-13	70%
31-Mar-12	70%
Ramky WPIL JV	
31-Mar-13	Based on work allocation
31-Mar-12	Based on work allocation
Somdatt Builders - Ramky JV	
31-Mar-13	26%
31-Mar-12	26%
ZVS Ramky Progressive JV	
31-Mar-13	20%
31-Mar-12	20%
Ramky ECAIPL JV	
31-Mar-13	76%
31-Mar-12	76%

The Company's interest in jointly controlled entities, its proportionate share in the assets, liabilities, income and expenses are given below: (₹ in Crores)

Jointly controlled entity	Company's share	Assets	Liabilities	Income	Expenses	Contingent liabilities
N.A.M.Expressway Limited						
31-Mar-13	50%	761.58	454.96	282.17	256.62	168.60
31-Mar-12	50%	466.07	325.15	256.36	232.33	389.28
Jorabat Shillong Expressway Limited						
31-Mar-13	50%	362.88	309.12	153.51	136.10	174.59
31-Mar-12	50%	214.59	183.24	103.61	96.34	273.99

#### 2.41 Earnings/(Expenditure) in foreign currency: (On accrual basis)

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Contract revenues	57.83	30.79
Consultancy charges	-	(0.21)
Traveling	(0.09)	(0.27)

#### 2.42 Dividend remittances in foreign currency:

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Year to which the dividend relates	-	2010-11
Amount remitted during the year (₹ in crores)	-	0.82
Number of non-resident shareholders	-	255
Number of shares on which dividend was due	-	1,821,107

Notes to financial statements  
2. Notes to accounts (Continued)

2.43 Value of imports on C.I.F. basis (on accrual basis) made:

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Plant and equipment	2.98	20.31
Raw materials	-	2.62

2.44 Imported and indigenous material consumed:

Materials	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Value (₹ in crores)	% of total consumption	Value (₹ in crores)	% of total consumption
Imported	-	-	2.62	0.25%
Indigenous	977.94	100.00%	1,043.42	99.75%
<b>Total</b>	<b>977.94</b>	<b>100.00%</b>	<b>1,046.04</b>	<b>100.00%</b>

2.45 The Company has the following un-hedged exposure in foreign currency:

Particulars	Foreign currency	Foreign Currency as at		INR as at	
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
Trade receivables	USD	0.36	0.21	19.65	10.94
Buyers credit and interest payable	USD	0.21	0.10	11.62	5.01
	EURO	0.17	-	11.68	-

2.46 The Company has the following hedged exposure in foreign currency:

The Company uses forward exchange contracts to hedge its exposure to movements in foreign exchange rates.

As at 31 March 2013:

Category	Currency	Cross Currency	Amounts	Buy/Sell	Purpose
Forward contract	EURO	INR	EURO 182,827	Buy	Hedging

As at 31 March 2012:

Category	Currency	Cross Currency	Amounts	Buy/Sell	Purpose
Forward contract	USD	INR	USD 1,601,095	Buy	Hedging
Forward contract	EURO	INR	EURO 1,851,107	Buy	Hedging

2.47 Comparative figures:

Previous year's figures have been regrouped/reclassified, where necessary, to conform to current year's classification.

As per our report of even date attached

for B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

for Visweswara Rao & Associates  
Chartered Accountants  
Firm's Registration No.: 005774S

for and on behalf of the Board of Directors of  
Ramky Infrastructure Limited

Zubin Shekary  
Partner  
Membership No.: 048814

S V R Visweswara Rao  
Partner  
Membership No.: 029088

A Ayodhya Rami Reddy  
Executive Chairman

Y R Nagaraja  
Managing Director

Hyderabad  
27 May 2013

V Phani Bhushan  
Company Secretary

**Statement pursuant to general exemption received under section 212(8) of the Companies Act, 1956 relating to subsidiary companies**

(₹ in Crores)

Sl. No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in Subsidiary*	Turnover**	Profit before Tax	Provision for Taxation	Profit after taxation	Proposed Dividend	Country
1	MDDA-Ramky IS Bus Terminal Limited	INR	1	10.65	0.62	46.40	46.40	-	8.08	0.42	0.13	0.29	-	India
2	Ramky Pharma City (India) Limited	INR	1	18.00	123.34	304.86	304.86	3.20	91.06	24.85	1.66	23.19	-	India
3	Gwalior Bypass Project Limited	INR	1	23.07	74.65	446.29	446.29	-	69.68	5.36	-	5.36	-	India
4	Ramky Engineering and Consulting Services (FZC)	AED	14.79	0.88	9.71	14.87	14.87	0.87	13.98	1.76	-	1.76	-	Sharjah
5	Ramky Eisamex Hyderabad Ring Road Limited	INR	1	45.00	(3.50)	339.77	339.77	-	63.00	(4.15)	-	(4.15)	-	India
6	Ramky Towers Limited	INR	1	0.05	41.66	250.32	250.32	-	93.62	30.58	9.98	20.60	-	India
7	Ramky Endave Limited	INR	1	0.13	19.28	64.98	64.98	-	10.43	(0.24)	(0.07)	(0.17)	-	India
8	Ramky Food Park (Chattisgarh) Limited	INR	1	0.44	0.78	1.22	1.22	-	-	0.01	0.00	0.01	-	India
9	Ramky Herbal & Medicinal Park (Chattisgarh) Limited	INR	1	0.51	0.91	1.43	1.43	-	-	-	-	-	-	India
10	Naya Raipur Gems and Jewellery SEZ Limited	INR	1	1.14	2.09	3.26	3.26	-	-	0.03	0.01	0.02	-	India
11	Ramky-MIDC Agro Processing Park Limited	INR	1	2.23	4.33	6.56	6.56	-	-	-	-	-	-	India
12	Srinagar Banihal Expressway Limited	INR	1	61.60	0.14	348.62	348.62	-	-	(0.03)	0.06	(0.09)	-	India
13	Ramky Multi Product Industrial Park Limited	INR	1	10.50	49.51	73.19	73.19	-	-	0.09	0.03	0.06	-	India
14	Ramky Food Park (Karnataka) Limited	INR	1	0.05	(0.01)	0.05	0.05	-	-	-	-	-	-	India
15	Sehore Kosmi Tollways Limited	INR	1	12.02	(0.07)	53.52	53.52	-	-	(0.00)	0.01	(0.01)	-	India
16	Hospet Chitradurga Tollways Limited	INR	1	17.02	(0.23)	116.97	116.97	-	-	(0.22)	-	(0.22)	-	India
17	Agra Etawah Tollways Limited	INR	1	0.05	(0.11)	20.04	20.04	-	-	(0.10)	-	(0.10)	-	India
18	Frank Lloyd Tech Management Services Limited	INR	1	10.47	(0.24)	19.13	19.13	-	-	(0.25)	(0.02)	(0.23)	-	India
19	Jabalpur Patan Shahpura Tollways Ltd	INR	1	0.05	(0.01)	0.05	0.05	-	-	(0.01)	-	(0.01)	-	India
20	Ramky Esco Ltd	INR	1	0.05	-	0.05	0.05	-	-	-	-	-	-	India
21	JNPC Pharma Innovation Limited***	INR	1	0.15	-	0.15	0.15	-	-	0.01	0.01	0.00	-	India
22	Ramky Infrastructure Sociedad Anonima Cerradada ***	PEN	20.56	1.92	(1.80)	0.67	0.67	-	-	(0.39)	-	(0.39)	-	Peru
23	Ramky Engineering and Consulting Services Gabon SA***	FCFA	0.11	0.11	(9.53)	251.8	251.89	-	39.60	(9.53)	-	(9.53)	-	Gabon, West Africa

\* Investment in subsidiary excluded from Investments

\*\* Income from other sources not included in Turnover

\*\*\* Step down Subsidiaries

# Independent Auditor's Report

## Independent Auditor's Report to the Board of Directors of Ramky Infrastructure Limited on the Consolidated Financial Statements of Ramky Infrastructure Limited

We have audited the accompanying consolidated financial statements of Ramky Infrastructure Limited ('the Company'), its subsidiaries, jointly controlled entities and an associate (collectively referred to as the "Group"), which comprise the consolidated balance sheet as at 31 March 2013, the consolidated statement of profit and loss and the consolidated cash flow statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and an associate referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31 March 2013;
- (b) in the case of the consolidated statement of profit and loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

for B S R & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W

**Zubin Shekary**  
Partner  
Membership No.: 048814  
Hyderabad,  
27 May 2013

Ramky Infrastructure Limited

### Emphasis of Matter

- (a) Without qualifying our opinion, we draw attention to note 2.34 to the consolidated financial statements for the year ended 31 March 2013 in connection with the provisional attachment order of the Enforcement Directorate in respect of certain assets of, M/s Ramky Pharma City (India) Limited ("RPCIL") a subsidiary. RPCIL is contesting the said order. Further, the Management believes that it has complied with the provisions of the concession agreement. Accordingly, any consequential financial impact of the said regulatory action will be known only when the matter is resolved.
- (b) Without qualifying our opinion, we draw attention to note 2.35 to the consolidated financial statements for the year ended 31 March 2013 regarding the search and seizure operations carried out by the Income Tax Authorities on the Company. Pending completion of the proceedings, the final outcome of the search and seizure operation and the consequent tax liability, if any, is currently not ascertainable.

### Other Matters

- (a) The financial statements of certain subsidiaries and an associate for the year ended 31 March 2013 have been audited by one of the joint auditors, M/s. Visweswara Rao & Associates, whose reports have been furnished to us and accordingly relied upon by us. The accompanying consolidated financial statements include revenue of ₹ 279.85 crores (including other income and before adjustments on consolidation), net cash outflow of ₹ 17.78 crores for the year ended 31 March 2013 and total assets of ₹ 1,131.46 crores (before adjustments on consolidation) as at 31 March 2013 from aforementioned subsidiaries. The accompanying consolidated financial statements also include the Group's share of loss of ₹ 0.06 crores from the aforementioned associate for the year ended 31 March 2013.
- (b) The financial statements of certain subsidiaries and jointly controlled entities for the year ended 31 March 2013 have been audited by other auditors, whose reports have been furnished to us and accordingly relied upon by us. The accompanying consolidated financial statements include revenue of ₹ 397.09 crores (including other income and before adjustments on consolidation), net cash outflow of ₹ 5.16 crores for the year ended 31 March 2013 and total assets of ₹ 767.43 crores (before adjustments on consolidation) as at 31 March 2013 from aforementioned subsidiaries. Further, the accompanying consolidated financial statements include the Group's share of revenue of ₹ 435.68 crores (including other income and before adjustments on consolidation), net cash inflow amounting to ₹ 18.47 crores and total assets ₹ 1,124.44 crores (before adjustments on consolidation) as at 31 March 2013 from aforementioned jointly controlled entities.
- (c) The financial statements of a subsidiary have not been subjected to audit either by us or by other auditors and therefore, the unaudited financial statements for the year ended 31 March 2013 of this subsidiary have been furnished by the Management. The accompanying consolidated financial statements include revenue of ₹ 69.68 crores (including other income and before adjustments on consolidation), net cash outflow of ₹ 0.47 crores for the year ended 31 March 2013 and total assets of ₹ 446.29 crores (before adjustments on consolidation) as at 31 March 2013 from aforementioned subsidiary.

for Visweswara Rao & Associates  
Chartered Accountants  
Firm's Registration No.: 005774S

**S V R Visweswara Rao**  
Partner  
Membership No.: 029088

# Consolidated Balance Sheet

(₹ in Crores)

	Note	As at 31 March 2013	As at 31 March 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	57.20	57.20
Reserves and surplus	2.2	1,501.57	1,200.98
		<b>1,558.77</b>	<b>1,258.18</b>
Minority interest		214.73	187.49
<b>Non-current liabilities</b>			
Long-term borrowings	2.3	1,542.31	1,051.11
Deferred tax liabilities (net)	2.4	67.51	56.40
Other long-term liabilities	2.5	34.84	36.66
Long-term provisions	2.6	68.63	69.47
		<b>1,713.29</b>	<b>1,213.64</b>
<b>Current liabilities</b>			
Short-term borrowings	2.7	1,026.44	885.54
Trade payables	2.8	1,286.67	1,212.30
Other current liabilities	2.9	908.77	1,013.22
Short-term provisions	2.10	19.94	19.89
		<b>3,241.82</b>	<b>3,130.95</b>
		<b>6,728.61</b>	<b>5,790.26</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	2.11	559.82	577.34
- Intangible assets	2.11	1.71	1.89
- Capital work-in-progress		2.64	0.07
- Intangible assets under development	2.11	804.60	416.69
		<b>1,368.77</b>	<b>995.99</b>
Non-current investments	2.12	107.26	90.72
Deferred tax assets (net)	2.4	1.93	5.12
Long-term loans and advances	2.13	154.78	143.17
Other non-current assets	2.14	1,214.92	960.92
Goodwill on consolidation		2.13	2.13
		<b>2,849.79</b>	<b>2,198.05</b>
<b>Current assets</b>			
Inventories	2.15	1,300.46	1,023.93
Trade receivables	2.16	1,535.88	1,591.76
Cash and bank balances	2.17	112.21	119.79
Short-term loans and advances	2.18	765.16	694.70
Other current assets	2.19	165.11	162.03
		<b>3,878.82</b>	<b>3,592.21</b>
		<b>6,728.61</b>	<b>5,790.26</b>
<b>Significant accounting policies and Notes to accounts</b>			
	1 & 2		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for B S R & Co.

Chartered Accountants

Firm's Registration No.: 101248W

Zubin Shekary

Partner

Membership No.: 048814

Hyderabad

27 May 2013

for Visweswara Rao & Associates

Chartered Accountants

Firm's Registration No.: 005774S

S V R Visweswara Rao

Partner

Membership No.: 029088

for and on behalf of the Board of Directors of

Ramky Infrastructure Limited

A Ayodhya Rami Reddy

Executive Chairman

Y R Nagaraja

Managing Director

V Phani Bhushan

Company Secretary

# Consolidated Statement of Profit and Loss

(₹ in Crores)

	Note	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Income:</b>			
Revenue from operations	2.20	3,655.13	3,847.68
Other operating income	2.21	118.42	86.36
Other income	2.22	47.89	36.83
<b>Total income</b>		<b>3,821.44</b>	<b>3,970.87</b>
<b>Expenses:</b>			
Change in contract work-in-progress		(211.30)	(294.76)
Cost of traded materials consumed	2.23	0.10	31.52
Construction and development expenses	2.24	3,168.39	3,337.29
Employee benefits expense	2.25	141.97	140.00
Finance costs	2.26	294.19	238.47
Depreciation and amortisation expense	2.11	59.85	43.17
Other expenses	2.27	136.30	127.74
<b>Total expenses</b>		<b>3,589.50</b>	<b>3,623.43</b>
<b>Profit before tax</b>		<b>231.94</b>	<b>347.44</b>
<b>Tax expense:</b>			
- Current tax		48.65	77.66
- Deferred tax		14.30	14.60
- Minimum alternate tax credit		(4.70)	(4.86)
		<b>58.25</b>	<b>87.40</b>
<b>Profit for the year before minority interest and share of loss from associate companies</b>		<b>173.69</b>	<b>260.04</b>
Minority interest		22.37	15.89
Share of loss from associate companies		0.06	0.08
<b>Profit for the year</b>		<b>151.26</b>	<b>244.07</b>
<b>Earnings per equity share - par value of ₹ 10 per share</b>			
- Basic and diluted	2.32	26.44	42.67
<b>Significant accounting policies and Notes to accounts</b>	1 & 2		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Co.**

Chartered Accountants

Firm's Registration No.: 101248W

**Zubin Shekary**

Partner

Membership No.: 048814

Hyderabad

27 May 2013

for **Visweswara Rao & Associates**

Chartered Accountants

Firm's Registration No.: 005774S

**S V R Visweswara Rao**

Partner

Membership No.: 029088

for and on behalf of the Board of Directors of

**Ramky Infrastructure Limited**

**A Ayodhya Rami Reddy**

Executive Chairman

**Y R Nagaraja**

Managing Director

**V Phani Bhushan**

Company Secretary



# Consolidated Cash Flow Statement

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Cash flows from operating activities:</b>		
Profit before tax	231.94	347.44
Adjustments:		
Depreciation and amortisation expense	59.85	43.17
Fixed assets written off	0.62	-
Interest expenses	268.63	213.69
Provision for doubtful trade receivables	14.99	14.49
Provision for foreseeable loss	1.13	8.50
Provision for doubtful loans and advances	21.65	6.92
(Profit)/Loss on sale of fixed assets, net	(0.01)	0.53
Profit on sale of non-current investments	(0.57)	-
Interest income	(23.81)	(17.47)
Liabilities no longer required written back	-	(9.61)
Dividend income	(0.01)	(0.01)
(Gain)/Loss on foreign currency translation	(1.71)	2.22
<b>Operating profit before working capital changes</b>	<b>572.70</b>	<b>609.87</b>
Increase in inventories	(276.53)	(421.61)
(Increase)/Decrease in trade receivables	37.08	(238.30)
Increase in loans and advances	(81.63)	(186.43)
Increase/(Decrease) in liabilities and provisions	(64.40)	224.48
<b>Cash generated from/(used in) operations</b>	<b>187.22</b>	<b>(11.99)</b>
Increase in receivables under service concession arrangements	(240.82)	(216.91)
Income taxes paid	(65.02)	(51.60)
<b>Net cash used in operating activities</b>	<b>(118.62)</b>	<b>(280.50)</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(434.64)	(408.37)
(Increase)/Decrease in capital advances	(2.43)	3.91
Increase in capital creditors	5.04	2.68
Proceeds from sale of fixed assets	1.33	2.31
Purchase of non-current investments	(12.93)	(3.25)
Proceeds from sale of non-current investments	0.66	-
Bank balances to the extent not considered in cash and bank balances	1.51	(1.83)
Interest received	12.03	19.46
Dividend income	0.01	0.01
<b>Net cash used in investing activities</b>	<b>(429.42)</b>	<b>(385.08)</b>

(Contd.)

**Consolidated Cash Flow Statement (Continued)**

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Cash flows from financing activities:</b>		
Share issue expenses	-	(0.10)
Proceeds from government grants	140.15	-
Proceeds from minority	4.87	0.05
Proceeds from long-term borrowings	778.53	644.51
Repayment of long-term borrowings	(301.25)	(214.71)
Net proceeds from short-term borrowings	167.97	369.56
Interest paid	(249.98)	(206.67)
Dividend and dividend distribution tax paid	-	(36.75)
<b>Net cash provided by financing activities</b>	<b>540.29</b>	<b>555.89</b>
Net decrease in cash and bank balances	(7.75)	(109.69)
Cash and bank balances at the beginning of the year (refer note)	119.79	229.26
Effect of exchange gain on cash and bank balances	0.17	0.22
<b>Cash and bank balances at the end of the year (refer note)</b>	<b>112.21</b>	<b>119.79</b>
<b>Note:</b>		
Cash and bank balances comprise:		
<b>Cash and cash equivalents:</b>		
Cash on hand	1.03	0.71
Cheques on hand	-	0.01
Balances with banks:		
- in current accounts	63.23	34.41
- in deposit accounts	8.96	34.15
<b>Other bank balances:</b>		
Restricted bank balances*	4.35	-
Deposits with maturity more than 3 months but less than 12 months**	34.63	50.50
Balances with bank for unclaimed dividend	0.01	0.01
	<b>112.21</b>	<b>119.79</b>

\* Restricted bank balances are earmarked capital grant.

\*\* Includes amount of ₹ 30.12 crores (previous year: ₹ 49.39 crores) held as margin money or security deposit against bank guarantees and other commitments.

As per our report of even date attached

for **B S R & Co.**  
Chartered Accountants  
Firm's Registration No.: 101248W

for **Visweswara Rao & Associates**  
Chartered Accountants  
Firm's Registration No.: 005774S

**Zubin Shekary**  
Partner  
Membership No.: 048814

**S V R Visweswara Rao**  
Partner  
Membership No.: 029088

Hyderabad  
27 May 2013

for and on behalf of the Board of Directors of

**Ramky Infrastructure Limited**

**A Ayodhya Rami Reddy**  
Executive Chairman

**Y R Nagaraja**  
Managing Director

**V Phani Bhushan**  
Company Secretary

# Notes to the consolidated financial statements

## Note 1: Significant Accounting Policies

### 1.1 Basis of preparation of financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) prescribed by Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI), guidelines issued by the Securities and Exchange Board of India (SEBI) and the relevant provisions of the Companies Act, 1956, (the 'Act') to the extent applicable. The consolidated financial statements are presented in Indian rupees (₹) crores, unless otherwise stated.

### 1.2 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the consolidated financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

### 1.3 Current and non-current classification

All assets and liabilities are classified into current and non-current.

#### **Assets:**

- i. An asset is classified as current when it satisfies any of the following criteria:
  - a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
  - b) it is held primarily for the purpose of being traded;
  - c) it is expected to be realised within 12 months after the reporting date; or
  - d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- ii. Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

#### **Liabilities:**

- i. A liability is classified as current when it satisfies any of the following criteria:
  - a) it is expected to be settled in the Company's normal operating cycle;
  - b) it is held primarily for the purpose of being traded;
  - c) it is due to be settled within 12 months after the reporting date; or
  - d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- ii. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

#### **Operating cycle:**

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

### 1.4 Principles of consolidation

The consolidated financial statements relate to Ramky Infrastructure Limited ("the Company") and its subsidiary companies, associates and jointly controlled entities (the "Group"). The Consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated in full as per AS-21 "Consolidated Financial Statements" issued under Companies (Accounting Standards) Rules, 2006. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- ii. The consolidated foreign subsidiary has been identified as non integral operations in accordance with the

**Notes to the consolidated financial statements**  
**Note 1: Significant Accounting Policies** *(Continued)*

requirements of AS -11 "The Effect of Changes in Foreign Exchange rates" which is effective for the accounting periods commencing on or after 1 April 2004. In accordance with AS-11, the financial statements of such non-integral foreign operations are translated into Indian rupees as follows:

- 3 All assets and liabilities, both monetary and non-monetary, are translated using the closing rate.
  - 3 Revenue items are translated at the respective monthly average rates.
  - 3 The resulting net exchange difference is credited or debited to a foreign currency translation reserve.
  - 3 Contingent liabilities are translated at the closing rate.
- 1 Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence.
- 1 The Group accounts for investments by the equity method of accounting in accordance with AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements" issued under Companies (Accounting Standards) Rules, 2006 where it is able to exercise significant influence over the operating and financial policies of the investee. Inter company profits and losses have been proportionately eliminated until realised by the investor or investee.
- 1 Interest in jointly controlled entities have been consolidated by using the 'proportionate consolidation' method as per Accounting Standard (AS) 27 - 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006.
- 1 The excess/deficit of cost to the parent company of its investment in the subsidiaries, associates and jointly controlled entities over its portion of equity at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill/capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant transactions, up to the date of investment.

- 1 The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31 March 2013.
- 1 The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate financial statements.
- 1 The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

## 1.5 Inventories

- (i) Inventories are carried at the lower of cost and net realisable value.
- (ii) Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The method of determination of cost is as follows:
  - (a) **Materials and supplies:** on a weighted average method.
  - (b) **Uncertified contract work-in-progress:** at cost
  - (c) **Inventories:** In case of the real estate activity, the inventories comprise of lands, development of lands, plots, houses and flats. It is valued at direct development cost including related incidental expenditure attributable to the said property to bring it to the marketable stage.

## 1.6 Consolidated cash flow statement

Cash flows of the Group are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

## 1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

## 1.8 Fixed assets and depreciation

Fixed assets are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets

includes purchase price, non-refundable taxes, duties, freight and other incidental expenses related to the acquisition or installation of the respective assets. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided using the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956, except for construction accessories included in plant and equipment are depreciated at rates given below based on useful life determined by the Management. In the opinion of the Management, the rates specified in Schedule XIV reflect the economic useful lives of the all other assets. Intangible assets are amortised on straight-line basis over their estimated useful lives not exceeding ten years from the date when the assets is available for use.

<b>Name of the asset</b>	<b>Estimated useful life</b>
Shuttering materials	5 years
Pump sets	5 years
Vibrators and needles	5 years

Depreciation is calculated on a pro-rata basis from/upto the date the assets are purchased/sold. Individual assets costing less than ₹ 5,000 are depreciated in full in the year of acquisition.

### **1.9 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured.

Revenue from long term construction contracts is recognised on the percentage of completion method as prescribed in Accounting Standard (AS) 7 "Construction Contracts" notified by the Companies Accounting Standards Rules, 2006. Percentage of completion is determined on the basis of physical proportion of work completed and measured at the balance sheet date as compared to the overall work to be performed on the projects as in the opinion of the Management, this method measures the work performed reliably. However, profit is not recognised unless there is reasonable progress on the contract. Where the probable total cost of a contract is expected to exceed the corresponding contract revenue, such expected loss is provided for.

In case of project related development activities, revenue is recognised by reference to the stage of completion of the development activity as at the balance sheet date as laid down in "Guidance note on Recognition of Revenue by Real

Estate Developers" read with Accounting Standard-7 "Accounting for Construction Contracts". The stage of completion is determined at the proportion cost incurred to date to the total estimated cost of the project.

The Group builds infrastructure facilities (roads) under public-to-private Service Concession Arrangements (SCAs) which it operates and maintains for periods specified in the SCAs. These projects that are in the nature of 'Build Operate and Transfer' (BOT) meet the characteristics of a public-to-private service concession arrangement. The Group recognises and measures revenue in accordance with Accounting Standard (AS) 7 'Construction Contracts' and Accounting Standard (AS) 9 'Revenue Recognition' for the construction or upgrade and operating and maintenance services it performs under the contract or arrangement as prescribed in the Exposure Draft Guidance note on Accounting for Service Concession Arrangements.

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor. The Group has recognised a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor for the construction and operation and maintenance services. Such financial assets are classified as "Receivables under Service Concession Arrangements". Interest income arising on account of the Receivables under Service Concession Arrangements is recognised in the statement of profit and loss using the effective interest rate method.

The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the recoverable amount. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service. The Group has recognised an intangible asset to the extent that it has an unconditional contractual right to receive the revenue from toll collections from the users of the public service developed by the group. Such intangible assets are classified as "Concession intangibles" under fixed assets.

Income from other operation and maintenance contracts is recognised on the basis of utilisation of the facility by the clients and is based on the agreements entered into with the clients.

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits and interest bearing securities is recognised on the time proportionate method taking into account the amount outstanding and the rate applicable.

### 1.10 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing on the date of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date not covered by forward exchange contracts are translated at year-end rates. The resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets are recorded at the rates prevailing on the date of the transaction.

### 1.11 Derivative instruments and hedge accounting

The Group uses foreign exchange forward contracts to mitigate its risk of changes in foreign currency exchange rates and does not use them for trading or speculative purposes.

The premium or discount on foreign exchange forward contracts is amortised as income or expense over the life of the contract. The exchange difference is calculated and recorded in accordance with AS-11 (revised). The exchange difference on such a forward exchange contract is calculated as the difference of the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

### 1.12 Government Grants

Government grants are recognised only when it is reasonably certain that the related entity will comply with the attached conditions and the ultimate collection is not in doubt.

Where the government grants are of the nature of promoter's contribution and no repayment is ordinarily expected in respect thereof, the grants are treated as capital reserve which can be neither distributed as dividend nor considered as deferred income.

Where the government grants relates to specific fixed assets are treated as deferred government grants, which is recognised in the statement of profit and loss in proportion to the depreciation charge over the useful life of the related asset.

### 1.13 Investments

Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment.

### 1.14 Employee benefits

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss on accrual basis.

Contributions to superannuation fund, which is a defined contribution scheme, are made at pre-determined rates to the Life Insurance Corporation of India on a monthly basis.

Employee gratuity and long term compensated absences, which are defined benefit schemes, are accrued based on actuarial valuation at the balance sheet date, carried out by an independent actuary and are charged to statement of profit and loss. All actuarial gains and losses arising during the year are recognised in the statement of profit and loss.

### 1.15 Borrowing costs

Borrowing costs directly attributable to the acquisition/construction of the qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 1.16 Segment reporting

The Group's operating businesses are organised and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. General corporate income and expense items are not allocated to any business segment.

### 1.17 Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.



### 1.18 Earnings per share

The basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company does not have any potentially dilutive equity shares.

### 1.19 Taxation

Income tax expense comprises current tax, deferred tax and Minimum Alternative Tax.

#### *Current tax*

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Group.

#### *Deferred tax*

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the year. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and is written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised. The break-up of the major components of the deferred tax assets and liabilities as at the balance sheet date have been arrived at after setting off deferred tax assets and liabilities where the Group has a legally enforceable right to set-off assets against liabilities, and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

#### *Minimum Alternate Tax (MAT) Credit entitlement*

Minimum Alternative Tax ("MAT") under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### 1.20 Intangible assets and amortisation

Intangible assets, other than those covered by SCAs, comprise of software. Intangible assets are reported at acquisition cost with deductions for accumulated amortisation and impairment losses, if any. Intangible assets are amortised over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use.

### 1.21 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset (including goodwill) or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash in flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

### 1.22 Provisions and contingent liabilities

The Group creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.1 Share capital</b>		
<b>Authorised capital</b>		
70,000,000 (previous year : 70,000,000) equity shares of ₹ 10 each	70.00	70.00
	<u>70.00</u>	<u>70.00</u>
<b>Issued, Subscribed and Paid-up</b>		
57,197,791 (previous year : 57,197,791) equity shares of ₹ 10 each, fully paid-up	57.20	57.20
	<u>57.20</u>	<u>57.20</u>

## i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Equity Shares:</b>		
<b>(a) Number of shares:</b>		
Shares outstanding at the beginning of the year	57,197,791	57,197,791
Add: Issued and allotted during the year	-	-
Shares outstanding at the end of the year	<u>57,197,791</u>	<u>57,197,791</u>
<b>(b) Share capital: (₹ in crores)</b>		
Share capital outstanding at the beginning of the year	57.20	57.20
Add: Share capital issued and allotted during the year	-	-
Share capital outstanding at the end of the year	<u>57.20</u>	<u>57.20</u>

## ii) Rights, preferences and restrictions attached to the equity shares:

- The Company has only one class of equity shares having par value of ₹ 10 each. Each shareholder is eligible for one vote per share held.
- 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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by equity shareholders.

## iii) The details of shareholders holding more than 5% shares in the Company:

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Alla Ayodhya Rami Reddy:</b>		
Number of equity shares	34,556,122	34,295,425
% of holding	60.42%	59.96%
<b>SA1 Holding Infrastructure Company Private Limited:</b>		
Number of equity shares	4,165,884	4,165,884
% of holding	7.28%	7.28%

## iv) The Company had issued 41,183,345 equity shares of ₹ 10 each during the financial year 2007-08, as fully paid bonus shares by way of capitalisation of securities premium amount.

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.2 Reserves and surplus</b>		
<b>Capital reserve on account of consolidation:</b>		
Balance at the beginning of the year	87.54	87.54
Add: Additions during the year (refer to note 2.12 (a))	3.76	-
<b>Balance at the end of the year</b>	<b>91.30</b>	<b>87.54</b>
<b>Capital reserve on account of government grants:</b>		
Balance at the beginning of the year	-	-
Add: Received during the year (refer to note below)	140.15	-
<b>Balance at the end of the year</b>	<b>140.15</b>	<b>-</b>
<b>Securities premium account:</b>		
Balance at the beginning of the year	408.13	408.13
Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>408.13</b>	<b>408.13</b>
<b>General reserves:</b>		
Balance at the beginning of the year	25.00	25.00
Add: Transferred from surplus	-	-
<b>Balance at the end of the year</b>	<b>25.00</b>	<b>25.00</b>
<b>Foreign exchange translation reserve:</b>		
Balance at the beginning of the year	13.14	(1.84)
Movement during the year	5.42	14.98
<b>Balance at the end of the year</b>	<b>18.56</b>	<b>13.14</b>
<b>Surplus in the statement of profit and loss:</b>		
Balance at the beginning of the year	667.17	488.67
Add: Net profit after tax transferred from statement of profit and loss	151.26	244.07
Add: Excess dividend distribution tax written back	-	0.99
Less: Provision for tax of earlier years (refer to note 2.41)	-	(66.56)
<b>Balance at the end of the year</b>	<b>818.43</b>	<b>667.17</b>
	<b>1,501.57</b>	<b>1,200.98</b>
<b>Note:</b> During the year ended 31 March 2013, N.A.M.Expressway Limited (NAM), a jointly controlled entity, had received equity support of ₹ 141.04 crores from the Central Government of India (CG) and ₹ 139.25 crores from the Government of Andhra Pradesh (Govt of AP) as per the concession agreement and the Group's share amounts to ₹ 140.15 crores. The total equity support is ₹ 467.02 crores and the same will be disbursed on the progress of the project and the expenditure incurred by the concessionaire on the civil works as per the disbursement methodology of the project fund as specified in clause 25.2 of the concession agreement entered into by NAM with Govt of AP.		
<b>2.3 Long-term borrowings</b> (refer to note 2.33)		
<b>Secured loans</b>		
<b>From banks:</b>		
- Term loans	1,147.79	562.36
- Equipment and vehicle loans	16.70	23.08
<b>From others:</b>		
- Term loans	328.78	408.91
- Equipment and vehicle loans	47.71	56.76
<b>Unsecured loans</b>		
<b>From others:</b>		
- Term loan from corporate	1.33	-
	<b>1,542.31</b>	<b>1,051.11</b>

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.4 Deferred tax</b>		
Deferred tax liability, net included in the balance sheet comprises the following:		
<b>Deferred tax asset:</b>		
Carry forward losses	2.94	3.13
Accrued employee benefits	1.80	1.90
Provision for doubtful receivables and advances	16.32	8.04
Other timing differences (Primarily on disallowances under Section 43B of the Income Tax Act, 1961)	7.80	10.30
<b>Deferred tax liability:</b>		
Excess of depreciation allowable under Income Tax law over depreciation provided in accounts	34.71	27.49
On account of financial asset (receivable) and intangible asset recognised based on adoption of exposure draft of the guidance note on accounting for service concession arrangements (refer note 2.30)	59.73	47.16
<b>Net deferred tax liability</b>	<b>65.58</b>	<b>51.28</b>
<b>Breakup:</b>		
Deferred tax assets (net)	1.93	5.12
Deferred tax liabilities (net)	67.51	56.40
<b>2.5 Other long-term liabilities</b>		
Trade payables (refer to note below)	10.11	11.73
Mobilisation and other advances	3.99	4.90
Other payables	20.74	20.03
	<b>34.84</b>	<b>36.66</b>
<b>Note:</b> Trade payables includes retention money payable of ₹ 1.10 crores (previous year: ₹ 2.78 crores).		
<b>2.6 Long-term provisions</b>		
Provision for earlier years income tax (refer to note 2.41)	66.56	66.56
Provision for employee benefits:		
- Gratuity (refer to note 2.37)	1.24	1.84
- Compensated absences	0.83	1.07
	<b>68.63</b>	<b>69.47</b>
<b>2.7 Short-term borrowings</b>		
(refer to note 2.33)		
<b>Secured loans</b>		
<b>From banks:</b>		
(a) <b>Loans repayable on demand:</b>		
- Cash credit	608.19	257.99
(b) <b>Other than loans repayable on demand:</b>		
- Buyers credit	24.14	24.63
- Working capital loans	230.00	434.25
<b>Unsecured loans</b>		
<b>Loans repayable on demand:</b>		
- From bank	-	60.00
- From others (corporate)	164.11	108.67
	<b>1,026.44</b>	<b>885.54</b>

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.8 Trade payables</b>		
Trade payables:		
- due to micro, small and medium enterprises	-	-
- due to other than micro, small and medium enterprises	1,286.67	1,212.30
	<u>1,286.67</u>	<u>1,212.30</u>
Note: Trade payables include retention money payable of ₹ 389.67 crores (previous year ₹ 339.68 crores).		
<b>2.9 Other current liabilities</b>		
Current maturities of long-term debts: (refer to note 2.33)		
Secured loans		
From banks:		
- Term loans	44.80	97.24
- Equipment and vehicle loans	11.59	13.67
From others:		
- Term loans	57.79	13.06
- Equipment and vehicle loans	33.52	38.59
Unsecured loans		
- Term loan from corporate	0.93	-
	<u>148.63</u>	<u>162.56</u>
Mobilisation and other advances	483.42	623.57
Advances from customers	111.79	122.91
Security deposits received	25.09	13.37
Dues to statutory/governments authorities	25.30	20.45
Loan outstanding for repayment (refer to note 2.33)	27.54	-
Capital creditors	8.53	3.49
Interest accrued and due on borrowings	17.58	5.08
Interest accrued but not due	11.88	5.73
Unclaimed dividend	0.01	0.01
Accrued salaries, wages and benefits	17.91	9.32
Provision for expenses	16.06	22.13
Other payables	15.03	24.60
	<u>908.77</u>	<u>1,013.22</u>
<b>2.10 Short-term provisions</b>		
Provision for taxation (net of advance tax)	6.93	8.34
Provision for foreseeable loss	9.63	8.50
Provision for employee benefits:		
- Gratuity (refer to note 2.37)	0.40	0.20
- Compensated absences	2.98	2.85
	<u>19.94</u>	<u>19.89</u>

Notes to the consolidated financial statements

2. Notes to accounts (Continued)

2.11 Fixed assets

(₹ in Crores)

Description	Gross block					Accumulated depreciation and amortisation					Net block	
	As at 1 April 2012	Additions	Deletions	Foreign exchange adjust- ments	As at 31 March 2013	As at 1 April 2012	Charge for the year	Deletions	Foreign exchange adjust- ments	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
<b>Tangible assets:</b>												
<i>(Owned)</i>												
Freehold land	9.18	0.18	0.55	-	8.81	-	-	-	-	-	8.81	9.18
Buildings*	87.25	0.01	-	(0.02)	87.24	7.80	4.40	-	-	12.20	75.04	79.45
Plant and equipments	448.30	36.05	0.46	0.18	484.07	58.95	39.26	0.09	0.17	98.29	385.78	389.35
Furniture and fixtures	6.28	0.72	0.48	(0.01)	6.51	2.79	0.65	0.25	-	3.19	3.32	3.49
<b>Vehicles:</b>												
- Construction vehicles	63.62	3.46	-	-	67.08	16.28	6.91	-	-	23.19	43.89	47.34
- Other vehicles	27.46	0.95	0.69	(0.01)	27.71	6.69	4.33	0.38	0.03	10.67	17.04	20.77
Office equipment	19.91	1.95	0.05	(0.01)	21.80	3.81	1.57	0.02	-	5.36	16.44	16.10
Computer equipment	11.41	0.56	1.09	-	10.88	6.44	1.40	0.64	-	7.20	3.68	4.97
Roads and water supply	9.81	0.01	-	-	9.82	3.12	0.88	-	-	4.00	5.82	6.69
<b>Total</b>	<b>683.22</b>	<b>43.89</b>	<b>3.32</b>	<b>0.13</b>	<b>723.92</b>	<b>105.88</b>	<b>59.40</b>	<b>1.38</b>	<b>0.20</b>	<b>164.10</b>	<b>559.82</b>	<b>577.34</b>
Previous year	550.04	134.18	3.20	2.20	683.22	63.01	42.82	0.36	0.41	105.88	577.34	
<b>Intangible assets:</b>												
<i>(Owned)</i>												
Computer software	2.59	0.27	-	-	2.86	0.70	0.45	-	-	1.15	1.71	1.89
<b>Total</b>	<b>2.59</b>	<b>0.27</b>	<b>-</b>	<b>-</b>	<b>2.86</b>	<b>0.70</b>	<b>0.45</b>	<b>-</b>	<b>-</b>	<b>1.15</b>	<b>1.71</b>	<b>1.89</b>
Previous year	1.91	0.68	-	-	2.59	0.35	0.35	-	-	0.70	1.89	
<b>Intangible assets under development:</b>												
<i>(Owned)</i>												
Computer software	5.45	11.38	-	-	16.83	-	-	-	-	-	16.83	5.45
Concession intangibles (refer to note 2.30)	411.24	376.53	-	-	787.77	-	-	-	-	-	787.77	411.24
<b>Total</b>	<b>416.69</b>	<b>387.91</b>	<b>-</b>	<b>-</b>	<b>804.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>804.60</b>	<b>416.69</b>
Previous year	136.85	279.84	-	-	416.69	-	-	-	-	-	416.69	

\* refer to note 2.34



(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
<b>2.12 Non-current investments</b>		
<b>Long-term investments at cost, unless otherwise specified</b>		
<b>I. Unquoted investments: Trade</b>		
<b>a) Investments in equity instruments of associates:</b>		
Ramky Integrated Township Limited (refer to note a below)	91.12	87.42
18,241 (previous year: 18,241) equity shares of ₹ 10 each, fully paid		
JNPC Pharma Innovation Limited (refer to note b below)	-	0.05
Nil (previous year: 50,000) equity shares of ₹ 10 each, fully paid		
<b>b) Investments in equity instruments of others:</b>		
Delhi MSW Solutions Limited	0.01	0.01
5,000 (previous year: 5,000) equity shares of ₹ 10 each, fully paid		
InfraAsia Development (Vietnam) Limited	12.93	-
1,523,059 (previous year: Nil) Class A equity shares of USD 1 each, fully paid		
100,000 (previous year: Nil) Class B equity shares of USD 0.50 each, fully paid		
<b>Total of unquoted investments (a+b)</b>	<b>104.06</b>	<b>87.48</b>
<b>II. Quoted investments - Other than trade; at cost</b>		
<b>c) Investments in equity instruments of others:</b>		
Canara Bank Limited (refer to note c below)	-	0.04
Nil (previous year: 11,600) equity shares of ₹ 10 each, fully paid		
<b>d) Investment in mutual fund:</b>		
17,817.34 (previous year: 17,817.34) units in IDFC cash fund		
- Plan A -Growth (Defunct Plan) (refer to note 2.34)	3.20	3.20
<b>Total of quoted investments (c+d)</b>	<b>3.20</b>	<b>3.24</b>
<b>Total non-current investments (I+II)</b>	<b>107.26</b>	<b>90.72</b>
The aggregate book value and market value of quoted non-current investments and book value of unquoted non-current investments are as follows:		
Quoted investments:		
- Aggregate book value	3.20	3.24
- Aggregate market value	3.67	3.93
Aggregate book value of unquoted non-current investments	104.06	87.48

**Notes:**

- a) Increase in the value of investment by ₹ 3.76 crores is on account of increase in the net value of the assets of Ramky Integrated Township Limited, an associate, due to further investment made by a Company outside the Group at premium. Correspondingly, an amount of ₹ 3.76 crores being excess of the Group's share of net value of the assets has been recognised as capital reserve on account of consolidation. The remaining variance in the value of investment is on account of the Group's share of loss from associate for the year ended 31 March 2013.
- b) The investment in associate have been sold during the year.
- c) Investment in equity shares of Canara Bank Limited has been sold during the year.

	As at 31 March 2013	As at 31 March 2012
<b>2.13 Long-term loans and advances</b>		
<i>Unsecured, considered good:</i>		
Capital advances	26.20	23.77
Share application money pending allotment	-	10.00
Advances recoverable in cash or in kind or for value to be received	18.97	10.22
Security deposits	10.50	6.77
Other loans and advances:		
- Earnest money deposit	1.63	1.67
- Receivables from statutory/government authorities	44.68	36.82
- Receivables from income tax authority	32.35	32.35
- Prepaid expenses	4.72	6.09
- Minimum alternate tax credit entitlement	15.73	15.48
	<b>154.78</b>	<b>143.17</b>
<i>Unsecured, considered doubtful:</i>		
Earnest money deposit	0.74	0.34
Advances recoverable in cash or in kind or for value to be received	27.83	6.58
	<b>28.57</b>	<b>6.92</b>
<i>Provision for doubtful advances:</i>		
Earnest money deposit	(0.74)	(0.34)
Advances recoverable in cash or in kind or for value to be received	(27.83)	(6.58)
	<b>(28.57)</b>	<b>(6.92)</b>
	<b>154.78</b>	<b>143.17</b>
<b>2.14 Other non-current assets</b>		
<b>Trade receivables:</b>		
(refer note a below)		
- Unsecured, considered good	24.64	18.64
- Unsecured, considered doubtful	24.18	17.84
	<b>48.82</b>	<b>36.48</b>
Less: Provision for doubtful trade receivables	(24.18)	(17.84)
	<b>24.64</b>	<b>18.64</b>
Long-term bank deposits (refer note b below)	0.32	1.83
Interest accrue but not due	0.04	-
Receivables under service concession arrangements (refer to note 2.30)	1,189.92	940.45
	<b>1,214.92</b>	<b>960.92</b>
<b>Notes:</b>		
a. Trade receivables includes retention money receivable of ₹ 16.52 crores (previous year: ₹ 11.48 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 8.08 crores (previous year: ₹ 5.87 crores).		
b. Long-term bank deposits representing margin money against bank guarantees and other commitments.		
<b>2.15 Inventories</b>		
(Valued at the lower of cost and net realisable value)		
Raw materials and components	320.12	218.07
Contract work-in-progress	709.80	498.50
Properties under development (refer to note 2.34)	270.44	307.22
Traded goods	0.10	0.14
	<b>1,300.46</b>	<b>1,023.93</b>

	As at 31 March 2013	As at 31 March 2012
<b>2.16 Trade receivables</b>		
Outstanding for period exceeding six months:		
- Unsecured, considered good	509.40	325.35
- Unsecured, considered doubtful	8.65	-
	<u>518.05</u>	<u>325.35</u>
Less: Provision for doubtful trade receivables	(8.65)	-
	<u>509.40</u>	<u>325.35</u>
Other debts (unsecured)	1,026.48	1,266.41
	<u>1,535.88</u>	<u>1,591.76</u>
<b>Notes:</b>		
1. Trade receivables includes retention money receivable of ₹ 491.65 crores (previous year: ₹ 509.03 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 3.59 crores (previous year: Nil).		
2. Trade receivables includes retention money ₹ 422.70 crores (previous year: ₹ 425.77 crores) not due for payment as per related terms of contract.		
<b>2.17 Cash and bank balances</b>		
<b>Cash and cash equivalents:</b>		
Cash on hand	1.03	0.71
Cheques on hand	-	0.01
Balances with banks:		
- in current accounts	63.23	34.41
- in deposit accounts	8.96	34.15
<b>Other bank balances:</b>		
Restricted bank balances*	4.35	-
Deposits with maturity more than 3 months but less than 12 months**	34.63	50.50
Balances with bank for unclaimed dividend	0.01	0.01
	<u>112.21</u>	<u>119.79</u>
* Restricted bank balances are earmarked capital grant.		
** Includes amount of ₹ 30.12 crores (previous year: ₹ 49.39 crores) held as margin money or security deposit against bank guarantees and other commitments.		
<b>2.18 Short-term loans and advances</b> (Unsecured, considered good)		
Loans and advances to related parties	131.78	27.83
Mobilisation and material advances	211.93	308.28
Advances recoverable in cash or in kind or for value to be received	235.14	192.71
Advance towards purchase of industrial lands	11.53	10.26
Security deposits	4.01	7.31
Other loans and advances:		
- Earnest money deposit	8.74	19.13
- Advance tax (net of provision)	47.98	28.57
- Balances with statutory/government authorities	62.75	29.73
- Prepaid expenses	23.03	33.63
- Loans and advances to employees	3.06	2.43
- Other advances	25.21	34.82
	<u>765.16</u>	<u>694.70</u>
<b>2.19 Other current assets</b>		
Interest accrued but not due	16.22	4.49
Receivables under service concession arrangements (refer to note 2.30)	148.89	157.54
	<u>165.11</u>	<u>162.03</u>

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>2.20 Revenue from operations</b>		
Revenue from construction activities	3,451.01	3,631.36
Revenue from sale of residential flats and industrial lands	151.35	137.61
Sale of traded goods	0.12	33.85
Operating and maintenance income	52.65	44.86
	<u>3,655.13</u>	<u>3,847.68</u>
<b>2.21 Other operating income</b>		
Interest on receivables under service concession arrangements	115.20	83.67
Scrap sale	3.22	2.69
	<u>118.42</u>	<u>86.36</u>
<b>2.22 Other income</b>		
Interest income	23.81	17.47
Dividend income	0.01	0.01
Other non-operating income:		
- Equipment rent	0.04	0.75
- Liabilities no longer required written back	-	9.61
- Profit on sale of assets, net	0.01	-
- Profit on sale of non-current investments	0.57	-
- Foreign exchange gain, net	14.64	-
- Provision for gratuity no longer required written back (refer to note 2.37)	0.37	-
- Miscellaneous income	8.44	8.99
	<u>47.89</u>	<u>36.83</u>
<b>2.23 Cost of traded materials consumed</b>		
Opening stock	0.14	5.18
Add: Purchases	0.06	26.48
Less: Closing stock	(0.10)	(0.14)
	<u>0.10</u>	<u>31.52</u>
<b>2.24 Construction and development expenses</b>		
Contract materials and supplies consumed	1,024.70	1,085.76
Sub-contractor expenses	1,024.05	1,259.62
Development expenses	323.33	341.55
Labour contract charges	302.52	241.39
Rates and taxes	122.51	105.96
Contract consultancy charges	46.32	60.09
Hire charges	58.93	44.88
Power and fuel	90.35	65.02
Operating and maintenance expenses	38.11	33.66
Contract recoveries	32.60	24.55
Transportation charges	38.46	25.56
Royalty	15.78	13.73
Site installation charges	18.45	12.95
Repairs and maintenance - plant and machinery	13.13	8.89
Consumables and other site expenses	19.15	13.68
	<u>3,168.39</u>	<u>3,337.29</u>

Notes to the consolidated financial statements

2. Notes to accounts (Continued)

(₹ in Crores)

	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>2.25 Employee benefits expense</b>		
Salaries, wages and bonus	125.64	121.29
Contribution to provident fund and other funds	6.64	6.06
Workmen and staff welfare expenses	9.42	10.45
Compensated absences	0.27	1.09
Gratuity (refer to note 2.37)	-	1.11
	<u>141.97</u>	<u>140.00</u>
<b>2.26 Finance costs</b>		
Interest expenses	268.63	213.69
Other borrowing costs	25.09	22.56
Loss on foreign currency transactions and translation	0.47	2.22
	<u>294.19</u>	<u>238.47</u>
<b>2.27 Other expenses</b>		
Legal and professional charges	23.14	15.92
Rent (refer to note 2.31)	12.57	12.22
Security charges	13.31	10.06
Traveling and conveyance	8.52	8.85
Insurance	7.86	6.51
Electricity charges	6.06	4.51
Rates and taxes	5.51	7.31
Tender forms and registration charges	1.00	2.79
Communication expenses	4.54	3.44
Printing and stationery	2.25	2.88
Repairs and maintenance:		
- Buildings	3.46	4.80
- Others	0.95	3.30
Donations	0.70	2.21
Advertisement	1.93	2.86
Business promotion expenses	0.86	1.42
Loss on sale of fixed assets, net	-	0.53
Fixed assets written off	0.62	-
Provision for doubtful trade receivables	14.99	14.49
Provision for foreseeable loss	1.13	8.50
Provision for doubtful loans and advances	21.65	6.92
Miscellaneous expenses	5.25	8.22
	<u>136.30</u>	<u>127.74</u>

## 2.28 Description of the Group

Ramky Infrastructure Limited (RIL) is an integrated construction, infrastructure development and management company headquartered in Hyderabad, India. The Company diversified in a range of construction and infrastructure projects in various sectors such as water and waste water, transportation, irrigation, industrial construction and parks (including SEZs), power transmission and distribution, and residential, commercial and retail property. A majority of the development projects of the Company are based on Public-Private partnerships (PPP) and are operated by separate Special Purpose Vehicles (SPV) promoted by RIL, joint venture partners and respective Governments.

Ramky Infrastructure Limited has following subsidiaries, jointly controlled entities and associates (collectively referred to as "the Group"), which are included in consolidated financial statements and Company's holding there in are as follows:

Entity	Country of incorporation	% Holding 2012-13	% Holding 2011-12
<b>Subsidiaries:</b>			
MDDA-Ramky IS Bus Terminal Limited	India	100%	100%
Ramky Engineering and Consulting Services (FZC)	Sharjah, United Arab Emirates	100%	100%
Ramky Pharma City (India) Limited	India	51%	51%
Gwalior Bypass Project Limited	India	51%	51%
Ramky Elsamex Hyderabad Ring Road Limited	India	74%	74%
Ramky Towers Limited	India	51%	51%
Ramky Food Park (Chhattisgarh) Limited	India	100%	100%
Naya Raipur Gems and Jewellery SEZ limited	India	100%	100%
Ramky Herbal and Medicinal Park (Chhattisgarh) Limited	India	100%	100%
Ramky Enclave Limited	India	89.01%	89.01%
Ramky MIDC Agro Processing Park Limited	India	100%	100%
Srinagar Banihal Expressway Limited	India	74%	74%
Ramky Food Park (Karnataka) Limited	India	100%	100%
Ramky Multi Product Industrial Park Limited	India	100%	100%
Sehore Kosmi Tollways Limited	India	100%	100%
Agra Etawah Tollways Limited	India	100%	100%
Hospet Chitradurga Tollways Limited	India	100%	100%
Frank Llyod Tech Management Services Limited	India	76%	76%
Jabalpur Patan Shahpura Tollways Limited	India	100%	-
Ramky Esco Limited	India	100%	-
<b>Step-down subsidiaries:</b>			
Ramky Infrastructure Sociedad Anonima Cerradda	Peru	99%	99%
JNPC Pharma Innovation Limited	India	100%	-
Ramky Engineering and Consulting Services Gabon SA	Gabon	100%	-
<b>Jointly controlled entities:</b>			
Jorabat Shillong Expressway Limited	India	50%	50%
N.A.M. Expressway Limited	India	50%	50%
<b>Associates:</b>			
Ramky Integrated Township Limited	India	29.19%	29.19%
JNPC Pharma Innovation Limited*	India	-	33.33%

\*Step-down subsidiary from current year.



**2.29 Contingent Liabilities:**

(₹ in Crores)

	As at 31 March 2013	As at 31 March 2012
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	261.64	450.65
ii) Performance Guarantees issued by banks:		
- On behalf of others	15.97	15.97
iii) Claims against the Group not acknowledged as debts in respect of:		
(a) Indirect tax and other matters	215.50	142.21
(b) Disputed claims from customers and vendors	36.04	5.23

**2.30 Service Concession Arrangements**

The Company had adopted the Exposure Draft of the Guidance Note on Accounting for Service Concession Arrangements for certain construction service contracts that in substance are Build, Operate and Transfer (BOT) contracts. Management believes that in the absence of an existing prescribed accounting standard in India on accounting for such contracts, developing and applying an accounting policy similar to the accounting treatment prescribed by the Exposure Draft of the guidance note is relevant to the economic decision making needs of users and reflects the economic substance of such contracts. Further, management also believes that the revised accounting policy results in the financial statements providing reliable and more relevant information.

Description of the arrangements:

The following subsidiaries and jointly controlled entities ("the Concessionaire") of the Company have entered into a services concession arrangement (s) (SCA) with various authorities ("the Grantor") for Design, Construction, Development, Finance, Operation and Maintenance of Road Projects on Build, Operate and Transfer (BOT) basis. As per SCA, the Concessionaire is required to construct the Road, required to operate and maintain the Road and is required to resurface the Road, at its cost and during the period in the manner so defined in the SCA. At the end of the concession period the Concessionaire will hand over the Road to the Grantor for no consideration. The premature termination is permitted only upon the happening of force majeure events or upon the parties defaulting on their respective obligations.

I. The following are annuity based service concession arrangements. In consideration for performing its obligations under the SCA, the Concessionaire will be entitled to an annuity of predefined sums receivable on dates specified in the annuity payment schedule of the SCA. The Grantor will retain the right to levy and collect fees from users of the Road and to permit advertisements, hoardings and other commercial activity at the Road site. Having regard to the terms of the arrangement, the right to receive annuity has been classified as a financial asset (i.e. "Receivables under the service concession arrangement") in the financial statements.

**a) Ramky Elsamex Hyderabad Ring Road Limited (REHRRL):**

REHRRL has entered into a service concession arrangement with Hyderabad Metropolitan Development Authority (HMDA) for a period of fifteen (15) years from commencement date i.e. 27 November 2007 including construction period of two years and six months. The construction activities were completed on 26 November 2009. The SCA does not provide for any renewal of this arrangement.

**b) Gwalior Bypass Project Limited (GBPL):**

GBPL has entered into a service concession arrangement with National Highway Authority of India (NHAI) for a period of twenty (20) years from commencement date i.e. 7 April 2007 including construction period of two years and six months. The construction activities were completed on 15 November 2011. The SCA does not provide for any renewal of this arrangement.

**c) Jorabat Shillong Expressway Limited (JSEL):**

JSEL has entered into a service concession arrangement with National Highway Authority of India (NHAI) for a period of twenty (20) years from commencement date i.e. 12 January 2011 including construction period of three years. The SCA does not provide for any renewal of this arrangement.

**d) Srinagar Banihal Expressway Limited (SBEL):**

SBEL has entered into a service concession arrangement with National Highway Authority of India (NHAI) for a period of twenty (20) years from commencement date i.e. 27 June 2011 including construction period of three years. The SCA does not provide for any renewal of this arrangement.

## Service concession arrangements (Continued)

- II. The following are toll based service concession arrangements. In consideration for performing its obligations under the SCA, the Concessionaire will be entitled to collect toll/user charges from the users of Road. Having regard to the terms of the arrangement, the right to receive toll has been classified as an intangible assets/intangible assets under development (i.e. "Concession intangibles") under the head fixed assets in the financial statements.

a) **N.A.M. Expressway Limited (NAMEL):**

NAMEL has entered into a service concession arrangement with Andhra Pradesh Road Development Corporation (APRDC) for a period of twenty four (24) years from commencement date i.e. 18 January 2011 including construction period of two years and six months. The SCA does not provide for any renewal of this arrangement. NAMEL will also be entitled to a "Grant" by way of cash support from APRDC.

b) **Agra Etawah Tollways Limited (AETL):**

AETL has entered into a service concession arrangement with National Highways Authority of India (NHAI) for a period of thirty (30) years from commencement date including construction period of two years and six months. The project was not yet commenced on 31 March 2012. SCA entered by the entity on 19 January 2012. The SCA does not provide for any renewal of this arrangement.

c) **Hospet Chitradurga Tollways Limited (HCTL):**

HCTL has entered into a service concession arrangement with National Highways Authority of India (NHAI) for a period of twenty five (25) years from commencement date including construction period of two years and six months. SCA entered by the entity on 19 January 2012. The SCA does not provide for any renewal of this arrangement.

- III. The following is the annuity cum toll based service concession arrangement. In consideration for performing its obligations under the SCA, the Concessionaire will be entitled to an annuity of predefined sums receivable on dates specified in the annuity payment schedule of the SCA and to collect toll/user charges from the users of Road. Having regard to the terms of the arrangement, the right to receive annuity has been classified as a financial asset (i.e. "Receivables under the service concession arrangement") in the financial statements and the right to receive toll has been classified as an intangible asset/intangible assets under development (i.e. "Concession intangibles") under the head fixed assets in the financial statements.

a) **Sehore Kosmi Tollways Limited (SKTL):**

During the previous year, SKTL has entered into a service concession arrangement with Madhya Pradesh Road Development Corporation Limited (MPRDC) for a period of fifteen (15) years from commencement date i.e. 22 February 2012 including construction period of two years. The SCA does not provide for any renewal of this arrangement.

b) **Jabalpur Patan Shahpura Tollways Ltd (JPSTL):**

During the year, JPSTL has entered into a service concession arrangement with Madhya Pradesh Road Development Corporation Limited (MPRDC) for a period of fifteen (15) years from commencement date including construction period of two years. The project was not yet commenced on 31 March 2013. The SCA does not provide for any renewal of this arrangement.

IV. **Disclosures:**

The fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables under Service Concession Arrangements" have been estimated by the Management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay/renewal costs and the timing thereof as budgeted by the Management, the key elements having been tabulated below:

(₹ in Crores)

Particulars	For the year ended/As at 31 March 2013	For the year ended/As at 31 March 2012
Margin on the construction services recognised in respect of financial assets	28.48	19.28
Carrying amounts of financial assets included under Receivables against service concession arrangements	1,338.81	1,097.99
Revenue recognised on financial asset including interest income on the basis of effective interest method	382.15	291.68

## Notes to the consolidated financial statements

### 2. Notes to accounts (Continued)

#### Service concession arrangements (Continued)

The fair value of right to receive the revenue from the projects covered under service concession arrangements included as a part of "Concession intangibles" have been estimated by the Management having regard to the contractual provisions, the evaluations of the future toll collections from users of the road, operating and maintenance costs and the resurfacing of the road and the timing thereof as budgeted by the Management, the key elements having been tabulated below: (₹ in Crores)

Particulars	For the year ended/As at 31 March 2013	For the year ended/As at 31 March 2012
Margin on the construction services recognised in respect of intangible assets for the year	28.78	35.71
Carrying amounts of Concession intangibles under development inclusive of borrowing cost capitalised	787.77	411.24
Revenue recognised on intangible asset	335.73	258.03

#### 2.31 Leases

The Group is obligated under non-cancellable and cancellable operating lease agreements. Total rental expense under non-cancellable operating leases was ₹ 0.47 crores (previous year: ₹ 0.57 crores) and under cancellable leases was ₹ 12.10 crores (previous year: ₹ 11.65 crores) and these lease rentals have been disclosed as 'rent' in the statement of profit and loss.

Future minimum lease payments under non-cancellable operating leases are as follows:

Period	As at 31 March 2013	As at 31 March 2012
Not later than 1 year	–	0.47
Later than 1 year and not later than 5 years	–	–
<b>Total</b>	<b>–</b>	<b>0.47</b>

#### 2.32 Earnings per share (EPS)

The computation of earnings per share is set out below:

	For the year ended 31 March 2013	For the year ended 31 March 2012
Net profit for the year attributable to equity shareholders (₹ in crores)	151.26	244.07
<b>Shares</b>		
Number of equity shares at the beginning of the year	57,197,791	57,197,791
Add: Equity shares issued during the year	–	–
Total number of equity shares outstanding at the end of the year	57,197,791	57,197,791
Weighted average number of equity shares outstanding during the year - Basic and diluted	57,197,791	57,197,791
Earnings per share - par value of ₹ 10 per share		
Basic and diluted	26.44	42.67

#### 2.33 Nature and terms of repayment for secured and unsecured borrowings are as follows

##### (i) Borrowing by the holding company, Ramky Infrastructure Limited, are secured by way of:

##### Secured borrowings:

- Term loan from bank amounting to ₹ 150 crores (previous year: ₹ 75 crores) are secured by way of residual charge over moveable fixed and current assets (both present and future) ranking subsequent to prior charge created in favour of other lenders and first and exclusive ranking charge over all the receivables both present and future arising out of debt infused in the infrastructure project companies and by way of first and exclusive ranking charge over Debt Service Reserve Account (DSRA). This loan is repayable in 24 equal quarterly instalments starting at the end of 15 months from the first draw down date (i.e. 8 February 2012) along with interest of 10% p.a plus spread payable on monthly basis.
- Term loan from bank amounting to ₹ Nil (previous year: ₹ 45 crores) was secured by pari-passu charge on the entire project specific current assets. Loan amount was repaid by the Company during the current year. Interest rate was applicable at 11.75% p.a to 12.00% p.a. paid on monthly basis.

## 2. Notes to accounts (Continued)

- c. Equipment and vehicle loans from banks amounting to ₹ 28.29 crores (previous year: ₹ 36.75 crores) and from others amounting to ₹ 81.23 crores (previous year: ₹ 95.35 crores) are secured by way of hypothecation of the respective equipment/vehicles. These loans are repayable in monthly payment of equated monthly instalments beginning along the month subsequent to the loan along with interest in the range of 7.05% p.a. to 12.00% p.a. and 6.55% p.a. to 13.50% p.a. against loans taken from banks and others respectively.
- d. Buyers credit from banks amounting to ₹ 24.14 crores (previous year: ₹ 24.63 crores) are secured by way of first pari-passu charge on the current assets of the Company namely raw materials, contract work-in-progress, bills receivable and book debts and all other movables both present and future of the Company and exclusive charge on the capital equipment imported with loan proceeds. Buyers credit are obtained on short-term basis and repayable within 360 days from the date of drawdown along with the interest in the range of 1.94% p.a. to 3.30% p.a.
- e. Cash credits from banks amounting to ₹ 582.49 crores (previous year: ₹ 242.22 crores) and working capital loans from banks amounting to ₹ 230.00 crores (previous year ₹ 409.25 crores) are secured by way of:
  - (i) first pari-passu charge on the current assets of the Company namely raw materials, contract work-in-progress, bills receivable and book debts and all other movables both present and future of the Company along with other working capital lenders; and
  - (ii) first charge on the entire unencumbered fixed assets of the company ranking pari-passu basis to all the working capital lenders.

Cash credits are repayable on demand along with interest in the range of 10.20% p.a. to 14.50% p.a. (previous year: 12.50% p.a. to 14.45% p.a.) payable on monthly basis. Working capital loans are repayable within 90 to 180 days from the date of drawdown along with the interest in the range of 11.50% p.a. to 13.50% p.a. (previous year: 11.75% p.a. to 12.50% p.a.) payable on monthly basis.
- f. Loan outstanding for repayment represent working capital loan from a bank amounting to ₹ 24.96 crores were secured by way of post-dated cheques submitted by the Company. The Company has defaulted in the repayment of the working capital loan which was due on 2 March 2013. The default is continuing at the balance sheet date. The said loan carries interest rate in the range 12.50 % p.a. to 12.60% p.a. payable on monthly basis.

**Unsecured borrowings:**

Unsecured loans amounting to ₹ 25.20 crores (previous year: ₹ Nil) from corporate are repayable on demand and along with the interest rate applicable at 12.50% p.a.

**(ii) Borrowings by subsidiaries and jointly controlled entities are secured by way of:****Secured borrowings:**

Term loans amounting to ₹ 9.25 crores (previous year ₹ 9.71 crores) and ₹ 209.17 crores (previous year: ₹ 209.17 crores) obtained by Gwalior Bypass Project Limited from banks and financial institution respectively are secured by way of first pari-passu charge against the grant, assign, convey, assure, charge and transfer onto the senior lenders by way of continuing security of all and singular the beneficial right, title and interest of all the piece and parcel of land. Loan from Punjab National Bank was repaid during the year. Loans outstanding as at 31 March 2013 are repayable in 12 unequal six monthly instalments starts from 1 May 2013 to 1 November 2024 along with interest rate ranging from 12.25% p.a. to 12.75% p.a.

Term loan amounting to ₹ 2.70 crores (previous year ₹ 3.99 crores) obtained by MDDA Ramky IS Bus Terminal Limited from financial institution is secured by way of (a) first charge by way of hypothecation on all the movables, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future; (b) first charge in favour of the lender all the book debts, operating cash flows, commissions, revenues and receivables, bank accounts of the subsidiary, both present and future; and (c) a first charge on all intangibles including but not limited to goodwill, uncalled capital, present and future. Loan is repayable in 102 unequal monthly instalments started from February 2006 to January 2015 along with interest rate of 11.00% p.a.

Term loan amounting to ₹ 56.05 crores (previous year ₹ 74.55 crores) obtained by Ramky Pharma City (India) Limited (RPCIL) from financial institution are secured by way of (a) first charge on the freehold and lease hold rights of the Commercial Hub (47.1 acres), SEZ land (119 acres), non processing zone (4.8 acres) and CEPT land (126.1 acres) and the entire immovable properties of the subsidiary, both present and future; (b) a first charge on entire cash flows, receivables, book debts and revenues of the subsidiary of whatsoever nature and where ever arising, both present and future; (c) a first charge on entire

intangible assets of the subsidiary, both present and future; (d) first charge by way of hypothecation/mortgage/assignment, as the case may be of all the rights, title, interest, benefits, claims and demands whatsoever of the subsidiary in the project documents (including but not limited to land title deeds, concession agreements with Andhra Pradesh Industrial Infrastructure Corporation, O&M Contract with Ramky Enviro Engineers Limited, insurance contracts, and such other documents as included by Industrial Development Finance Company Limited), all as amended, varied or supplemented from time to time; and (e) a first charge on the Trust and Retention Account, Debt Service Reserve Accounts (DSRA) of the subsidiary wherever maintained. Loan is repayable in 6 equal quarterly instalments starts from May 2013 along with interest rate of 12.77% p.a. Movement during the year was on account of mandatory prepayment made by RPCIL as per the terms of sanction letter.

Cash credit amounting to ₹ 10.74 crores (previous year: ₹ 10.55 crores) obtained by Ramky Pharma City (India) Limited from bank is secured by way of (a) exclusive first charge on hypothecation of stock, stock-in-trade, receivables and other current assets, both present and future, of the subsidiary; and (b) second charge on the fixed assets of the subsidiary. Loan is repayable on demand along with the interest rate of 15.00% p.a.

Term loan amounting to ₹ 6.25 crores (previous year ₹ 29.25 crores) obtained by Ramky Enclave Limited from bank is secured by way of assignment of rights of the land and project documents, insurance policies of the subsidiary, charge on receivables and development rights of the developer and corporate guarantee from Ramky Infrastructure Limited. Loan is repayable in 7 equal quarterly instalments started from 24 July 2011 along with interest rate of 15% p.a.

Term Loans amounting to ₹ 173.27 crores (previous year: ₹ 123.34 crores) and ₹ 110.31 crores (previous year: ₹ 134.26 crores) obtained by Ramky Elsamex Hyderabad Ring Road Limited (REHRRRL) from banks and financial institutions respectively are secured by way of first charge on pari-passu basis on all the movable, immovable, tangible and intangible assets of the borrower, all the revenues and receivables, charge on the Escrow cum Trust and Retention Account. The secured loans are repayable in unequal quarterly and half yearly instalments started from December 2010 to February 2022 along with interest rate ranging from 10.65% p.a. to 14.50% p.a. During the year there was a delay in payment of interest to ICICI Bank Limited amounting to ₹ 1.47 crores which was due on 31 March 2013 and subsequently paid on 15 April 2013. REHRRRL has defaulted in repayment of principal and interest on term loan to India Infrastructure Finance Company Limited amounting to ₹ 2.58 crores and ₹ 0.99 crores respectively. Which was due on 15 March 2013. The default is continuing at the balance sheet date.

Term loans amounting to ₹ 263.00 crores (previous year ₹ 65.00 crores) obtained by Srinagar Banihal Expressway Limited from banks are secured by way of first ranking pari-passu basis by a mortgage/hypothecation/assignment/security interest/ charge/pledge, without limitation (a) all the borrower's immovable and moveable properties both present and future except for project assets (as defined in Concession Agreement); (b) assignment of rights, interest and obligations of the Concessionaire to the extent covered by and in accordance with the Substitution agreement; and (c) all the borrower's bank accounts in relation to the project, including but not limited to the escrow account(s) to the extent of waterfall of the priorities as provided in the Escrow agreement. Senior term loan is repayable in maximum 22 structured semi-annual instalments starts from June 2015 along with interest ranging from 11.95% p.a. to 12.50% p.a. and subordinate term loan is repayable in 24 structured semi-annual instalments starts from June 2017 along with interest ranging from 13.25% p.a. to 13.50%.

Term loans amounting to ₹ 349.24 crores (previous year: ₹ 175.00 crores) obtained by N.A.M. Expressway Limited from banks are secured by way of hypothecation of; (a) all movable, tangible and intangible assets, receivables, cash and investments created as part of the projects; (b) all the monies lying in escrow account into which all the investments in the project and all project revenues and insurance proceeds are to be deposited; (c) assignment of all rights, title, benefits, claims and demands of the borrowers under project agreements i.e. Concession agreement, Substitution agreement, Construction contract and Operations contract, etc; (d) assignment of all rights under project guarantees obtained pursuant to Development contract or Operations contract, if any relating to the project; (e) first ranking assignment of all contract, documents insurance contracts/insurance proceeds (Security Trustee to be named as loss payee), clearances and interests of the borrower; and (f) DSRA and any other accounts required to be created by the borrower under any Project agreement contract. Loans are repayable in 44 unequal quarterly basis instalments starts from March 2015 to December 2025 along with interest rate ranging from 12.20% p.a. to 13.25% p.a.

Term loans amounting ₹ 215.50 crores (previous year: ₹ 131.50 crores) obtained by Jorabat Shillong Expressway Limited from banks are secured by way of; (a) first charge on all the accounts of the borrower, including the escrow account, subject however to the condition that such charge on the accounts shall arise only after proceeds of such accounts if any have been received into the escrow account designated for the project and thereafter shall only be to the extent of the waterfall of priorities for payments/withdrawal of payments as provided in the Escrow agreement and not beyond that; (b) assignment of

## 2. Notes to accounts (Continued)

all the rights, interest and obligations of the borrower to or in favour of senior lenders under Project agreements, to the extent covered by and in accordance with the Substitution agreement, all as amended, varied or supplemented from time to time; and (c) assignment of all rights of the borrower under any guarantees that may be provided by any counter-party under any contract/agreement/document relating to the project to the extent permissible under the Concession agreement. Term loans to the extent of 85% of debt payable in 44 unequal quarterly instalments commencing from post principal moratorium period i.e. 6 month from the date of Commercial Operation Date (COD) which is tentatively January 2014. Balance 15% to be repayable in single bullet instalment at the end of 44th quarter along with interest rate ranging from 11.70% p.a. to 13.85% p.a.

Term loan amounting to ₹ 27.41 crores (previous year ₹ Nil crores) and ₹ 9.59 crores (previous year ₹ Nil crores) obtained by Sehore Kosmi Tollways Limited from bank and financial institution respectively are secured by way of: (a) First Mortgage and Charge on all the borrower's immovable properties, both present and future; (b) a first charge on all the borrower's tangible moveable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets; (c) a first charge over all accounts and all other bank accounts; (d) a first charge on all revenues and receivables, the book debts, the operating cash flows; (e) a first charge on all intangible assets including but not limited to goodwill, rights, undertaking and uncalled capital excluding the project assets. The loans are repayable in 48 unequal quarterly instalments starts from December 2014 to December 2026 along with interest rate of 12.25% p.a.

Term loan amounting to ₹ Nil (previous year: ₹ 5.79 crores) obtained by Ramky Towers Limited from bank is secured by way of equitable mortgage on 11.45 acres of land on pari-passu basis, assignment of rights of the land and project documents, insurance policies of the borrower, charge on receivables, hypothecation of current assets. Loan amount was repaid during the current year.

Cash credit amounting to ₹ 14.94 crores (previous year: ₹ 5.22 crores) obtained by Ramky Engineering and Consulting Services (FZC) from bank is secured by way of lien on fixed deposits and promissory notes. Bank overdraft is repayable on demand along with the interest rate in the range of 8% to 9.75% p.a. payable on monthly basis.

**Unsecured borrowings:**

Unsecured loan amounting to ₹ Nil (previous year: ₹ 60.00 crores) obtained by Srinagar Banihal Expressway Limited from bank was repaid during the current year and interest rate was applicable at 11.50% p.a.

Unsecured loan amounting to ₹ 110.96 crores (previous year: ₹ 92.32 crores) obtained by Gwalior Bypass Project Limited from corporate is repayable on demand and the loan is interest free.

Unsecured loan amounting to ₹ 13.95 crores (previous year: ₹ Nil) obtained by Ramky Enclave Limited from corporate is repayable on demand and the loan is interest free.

Unsecured loan amounting to ₹ 2.26 crores (previous year: ₹ Nil) obtained by Frank Lloyd Tech Management Services Limited from corporate is repayable in 12 unequal quarterly instalments started from September 2012 to June 2015 along with interest rate of 11.63% p.a.

Unsecured loan amounting to ₹ 14.00 crores (previous year: ₹ 16.50 crores) obtained by N.A.M. Expressway Limited from corporate is repayable on demand and interest rate applicable at 12.75% p.a.

**2.34** During the year Ramky Pharma City (India) Limited (a Subsidiary of Ramky Infrastructure Limited), have received a provisional attachment order under Section 5 (1) of the Prevention of Money Laundering Act, 2002 from Enforcement Directorate dated 7 January 2013 for attachment of assets/properties valued at ₹ 133.74 crores comprising Land and facilities valuing ₹ 130.54 crores and mutual funds of ₹ 3.20 crores. The Management believes that the project of Ramky Pharma City (India) Limited is being carried out in accordance with the provisions of the Concession Agreement executed between Ramky Pharma City (India) Limited and Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) after obtaining the requisite approvals and following the due process of law. The Company is contesting the said order before the Adjudicating Authority, for which the final pronouncement from the Adjudicating Authority is awaited.

**2.35** During the year a search and seizure operation under Section 132 of the Income Tax Act, 1961 was carried out by the Income Tax Authorities on the Company's premises & survey on its subsidiaries premises. The Management has agreed to co-operate and provide clarifications on the information collected and further information as and when sought for by the Income Tax Authorities. The Company/subsidiaries has till date not been served with a show cause notice/demand arising from the search operations and consequently there is an uncertainty on the final outcome. The Company believes that it has complied with all applicable rules and regulations.



## 2.36 Related party disclosures

Related parties where control exists or with whom transactions have taken place during the year:

<b>Enterprises where joint control exists (Jointly controlled entities) (Co-venture)</b>	<ul style="list-style-type: none"> <li>  Jorabat Shillong Expressway Limited</li> <li>  N.A.M. Expressway Limited</li> </ul>
<b>Enterprises where significant influence exists (Associate)</b>	<ul style="list-style-type: none"> <li>  Ramky Integrated Township Limited</li> <li>  JNPC Pharma Innovation Limited (till 22 November 2012)</li> </ul>
<b>Enterprises where principal shareholders/ management personnel have control or significant influence (Significant interest entities)(SIE)</b>	<ul style="list-style-type: none"> <li>  Ramky Enviro Engineers Limited</li> <li>  Ramky Estates and Farms Limited</li> <li>  Mumbai Waste Management Limited</li> <li>  Hyderabad Integrated MSW Limited</li> <li>  Ramky Finance &amp; Investment Private Limited</li> <li>  SembRamky Environmental Management Private Limited</li> <li>  West Bengal Waste Management Limited</li> <li>  Ramky Foundation</li> <li>  Delhi MSW Solutions Limited</li> <li>  Chhattisgarh Energy Consortium (India) Private Limited</li> <li>  Smilax Laboratories Limited</li> <li>  Visakha Solvents Limited</li> <li>  Ramky Advisory Services Limited</li> <li>  RVAC Facilities Management (India) Limited</li> <li>  Ramky Academy of Culture &amp; Education</li> <li>  Dakshayani Academy</li> <li>  East Coast Industries (India) Private Limited</li> <li>  Tridax Laboratories Limited</li> <li>  Ramky Wavoo Developers Private Limited</li> </ul>
<b>Key Management personnel (KMP)</b>	<ul style="list-style-type: none"> <li>  A Ayodhya Rami Reddy</li> <li>  Y R Nagaraja</li> </ul>



Notes to the consolidated financial statements

2. Notes to accounts (Continued)

Related party disclosures (Continued)

Particulars of related party transactions

(₹ in Crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	As at 31 March 2013		As at 31 March 2012	
				Transactions during the year	Amount receivable/(payable)	Transactions during the year	Amount receivable/(payable)
1	Ramky Enviro Engineers Limited	SIE	Contract revenue	45.34	11.64	76.80	65.50
			Operation and maintenance income	1.72	-	1.33	-
			Sub-contract expenses	1.85	(0.18)	8.67	(2.45)
			Operation and maintenance expenditure	37.33	(18.18)	31.70	(12.97)
			Mobilisation advance paid/(recovered against bills)	(0.11)	1.34	(1.92)	1.45
			Advance received against work/(repaid)	(0.18)	(0.05)	0.23	(0.23)
			Retention money payable	(1.22)	(8.87)	(0.84)	(7.65)
			Retention money receivable	1.15	1.63	0.48	0.48
			Inter-corporate deposit given and received back	-	-	7.00	-
			Interest income	-	-	0.03	-
			Unsecured loan received and repaid	44.00	-	-	-
			Interest paid	1.33	-	-	-
			Investment in preference share capital of subsidiary	4.07	(4.07)	-	-
2	Ramky Estates and Farms Limited	SIE	Contract revenue	10.88	19.23	31.58	24.90
			Sub-contract expenses	5.33	(4.76)	2.51	(1.47)
			Rent paid	1.10	-	0.99	-
			Retention money receivable/(realised)	(0.45)	2.47	1.86	2.92
			Retention money payable	(0.28)	(0.41)	0.13	(0.13)
			Rent deposit given/(recovered)	(0.04)	0.31	(0.04)	0.35
			Mobilisation advance received	0.99	(0.99)	-	-
			Mobilisation advance paid/(recovered against bills)	(1.96)	25.75	(0.88)	27.71
			Capital advance paid/(refund received)	-	-	(22.00)	-
			Inter-corporate deposit given	54.34	85.58	81.15	59.88
			Inter-corporate deposit received back	(37.81)		40.92	
			Interest income	10.19		5.15	
			Inter-corporate deposit taken	(18.70)	(13.96)	-	-
			Inter-corporate deposit repaid	5.11		-	
			Interest paid	0.41		-	
			Equity investment in subsidiary	-	(6.88)	0.01	(6.88)
			Investment in preference share capital of subsidiaries	0.80	(0.80)	-	-
3	West Bengal Waste Management Limited	SIE	Unsecured loan received	10.00	(10.00)	-	-
			Interest paid	0.81	(0.73)	-	-

(Contd.)

Notes to the consolidated financial statements

2. Notes to accounts (Continued)

(₹ in Crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	As at 31 March 2013		As at 31 March 2012	
				Transactions during the year	Amount receivable/ (payable)	Transactions during the year	Amount receivable/ (payable)
4	Mumbai Waste Management Limited	SIE	Contract revenue	-	0.36	2.93	0.36
5	Hyderabad Integrated MSW Limited	SIE	Contract revenue	2.27	0.06	3.55	1.28
			Retention money receivable/ (realised)	(0.12)	-	0.12	0.12
			Unsecured loan received and repaid	8.00	-	-	-
			Interest paid	0.71	(0.16)	-	-
6	SembRamky Environmental Management Private Limited	SIE	Rent received	-	-	0.02	0.10
7	Ramky Finance & Investment Private Limited	SIE	Reimbursement of expenses	1.37	1.37	-	-
8	Ramky Foundation	SIE	Donation	0.57	-	2.05	-
9	Ramky Advisory Services Limited	SIE	Consultancy charges paid	1.17	-	5.48	-
			Advance paid/(recovered)	(0.86)	0.60	1.46	1.46
10	RVAC Facilities Management (India) Limited	SIE	Housekeeping charges paid	-	-	0.12	-
			Operation and maintenance expenditure	3.13	(0.37)	1.93	(0.27)
			Mobilisation advance paid/ (recovered against bills)	(0.10)	-	0.10	0.10
11	Visakha Solvents Limited	SIE	Operations and maintenance income	0.17	0.41	0.51	0.47
12	Ramky Academy of Culture & Education	SIE	Employees training expenses paid	-	-	0.02	-
13	Dakshayani Academy	SIE	Other advance	-	1.15	0.25	1.15
14	Delhi MSW Solutions Limited	SIE	Contract revenue	0.79	1.18	5.01	1.29
			Mobilisation advance repaid	-	-	(0.14)	-
			Retention money receivable	0.06	0.65	0.29	0.59
			Unsecured loan received and repaid	17.00	-	-	-
			Interest paid	0.81	-	-	-
			Investment in equity shares	-	0.01	-	0.01
15	Chattisgarh Energy Consortium (India) Private Limited	SIE	Unsecured loan taken	22.20	-	-	-
			Unsecured loan repaid	(7.00)	(17.07)	-	-
			Interest paid	2.08	-	-	-
16	Smilax Laboratories Limited	SIE	Contract revenue	2.20	51.15	16.82	49.23
			Sale of traded goods	0.06	-	33.81	-
			Retention money receivable	-	3.00	-	3.00
			Inter-corporate deposit given	-	-	3.00	-
			Inter-corporate deposit received back	-	2.50	(3.00)	2.24
			Interest income	0.29	-	0.35	-
			Interest received on trade receivables	1.17	1.07	-	-
			Equity investment in subsidiaries	-	(0.02)	0.02	(0.02)

(₹ in Crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	As at 31 March 2013		As at 31 March 2012	
				Transactions during the year	Amount receivable/(payable)	Transactions during the year	Amount receivable/(payable)
17	East Coast Industries	SIE	Operation and maintenance income	0.05	3.93	0.05	3.89
18	Tridax Laboratories Limited	SIE	Operation and maintenance income	0.12	10.14	0.18	10.03
19	N.A.M Expressway Limited	Co-venture	Contract revenue	144.61	15.00	38.82	13.33
			Mobilisation advance paid/(recovered against bills)	(19.57)	(11.01)	(1.92)	(30.58)
			Loan given	25.50		21.50	
			Loan received back	(32.74)	18.61	-	21.65
			Interest income	4.67		0.16	
			Retention money receivable/(realised)	(2.65)	2.69	5.34	5.34
20	Jorabat Shillong Expressway Limited	Co-venture	Mobilisation advance received	0.34	(0.34)	-	
21	Ramky Integrated Township Limited	Associate	Capital advance paid	-	22.00	22.00	22.00
			Share application money	-	-	-	10.00
			Share application money converted into loan	10.00	10.00	-	-
			Interest income	1.20	1.40	0.36	0.32
			Investment in equity shares	-	0.02	-	0.02
22	Ramky Wavoo Developers Private Limited	SIE	Contract revenue	3.37	4.89	-	6.12
			Mobilisation advance received	2.08	(2.08)	-	-
23	Mr. A.Ayodhya Rami Reddy	KMP	Remuneration	2.44	(0.08)	3.69	(3.00)
24	Mr.Y.R.Nagaraja	KMP	Remuneration	1.41	(0.04)	0.93	-

**2.37 Employee benefit plans**

- Liability for retiring gratuity as on 31 March 2013 is ₹ 2.11 crores (previous year: ₹ 2.70 crores) of which ₹ 0.47 crores (previous year: ₹ 0.66 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 1.64 crores (previous year: ₹ 2.04 crores) is included in provision for gratuity.
- Liability for cost of compensated absence as on 31 March 2013 is ₹ 3.81 crores (previous year: ₹ 3.92 crores). Cost of compensated liability is a non funded liability.
- Contribution towards employee provident fund for the year ended 31 March 2013 is ₹ 6.34 crores (previous year: ₹ 5.99 crores).
- The liability for gratuity and cost of compensated absences has been actuarially determined and provided for in the books.
- Employee benefit plan**

The following tables set out the status of the gratuity plan as required under AS 15

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation** (₹ in Crores)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Opening defined benefit obligation</b>	<b>2.70</b>	<b>1.64</b>
Current service cost	0.50	0.66
Interest cost	0.21	0.12
Actuarial loss	(1.02)	0.38
Past service cost	-	-
Benefits paid	(0.28)	(0.10)
<b>Closing defined benefit obligation</b>	<b>2.11</b>	<b>2.70</b>

**Change in the fair value of plan assets** (₹ in Crores)

Particulars	As at 31 March 2013	As at 31 March 2012
<b>Fair value of plan assets at the beginning of the year</b>	<b>0.66</b>	<b>0.55</b>
Expected return on plan assets	0.06	0.05
Employer contributions	0.03	0.16
Benefits paid	(0.28)	(0.10)
<b>Fair value of plan assets at the end of the year</b>	<b>0.47</b>	<b>0.66</b>

**Amount recognised in balance sheet** (₹ in Crores)

Particulars	As at 31 March 2013	As at 31 March 2012
Present value of funded obligation	2.11	2.70
Fair value of plan assets	(0.47)	(0.66)
<b>Net liability</b>	<b>1.64</b>	<b>2.04</b>
<b>Amounts in the balance sheet</b>		
Short-term provisions	0.40	0.20
Long-term provisions	1.24	1.84

**Expense recognised in statement of profit and loss** (₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Current service cost	0.50	0.66
Interest cost on benefit obligation	0.21	0.12
Expected return on plan assets	(0.06)	(0.05)
Past service cost	-	-
Net actuarial loss	(1.02)	0.38
<b>Net benefit expense/(provision written back)</b>	<b>(0.37)</b>	<b>1.11</b>

**Summary of actuarial assumptions**

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
Discount rate	8.00% - 8.60%	7.80% - 8.60%
Expected rate of return	8.50%	8.15% - 9.50%

**Discount rate:** The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

**Expected rate of return on plan assets:** This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

## 2. Notes to accounts (Continued)

**2.38** Trade receivables as at 31 March 2013 include ₹ 42.08 crores relating to receivables long outstanding from Government and private parties, ₹ 0.90 crores relating to retention money outstanding beyond the defect liability period, ₹ 13.81 crores relating to amounts withheld by the client outstanding for more than 3 years. Management has evaluated recoverability keeping in view the long term nature of the contracts, terms and conditions implicit in the contract and the ongoing discussions based on which steps to recover are currently in process. Management believes that though these amounts are long outstanding, these are good and recoverable as they pertain to delays attributable to the customers for work carried out on customer work orders, claims for amounts pertaining to changes in scope/work order variations, claims for amounts withheld on beyond the normal credit terms. Management also believes that the delay in collections is a temporary phenomenon on account of the overall macroeconomic environment and the consequent slowdown in the infrastructure sector. Further, based on the ongoing discussions with the customers it is confident of fully recovering its debts as these are contractually tenable and accordingly, no further provision is required.

Advances recoverable in cash or in kind or for value to be received as at 31 March 2013 include amount aggregating to ₹ 24.96 crores relating to advances to suppliers and sub-contractors which are long pending due to factors attributable to the overall environment and its customers. The Management is of the view that these advances are fully recoverable in cash or in kind for value to be received in due course as it is in constant engagement with suppliers and sub-contractors.

Inventories as at 31 March 2013 include amount aggregating to ₹ 45.75 crores relating contract work-in-progress which has not been billed for more than one year. The Management is of the view that this contract work-in-progress is entirely billable. The Company is in constant engagement with the clients to get the works certified and bill the same.

**2.39 Segment information**

The Group operates primarily in Construction and Developer divisions. Segmental information as per Accounting Standard (AS) 17 - "Segment Reporting" issued under Companies (Accounting Standards) Rules, 2006 for the year ended 31 March 2013 and year ended 31 March 2012 as under:

**(a) Information about business segments for the year ended 31 March 2013 as per AS - 17**

(₹ in Crores)

Particulars	Construction business	Developer business	Others	Eliminations	Total
<b>Revenue</b>					
External	2,849.27	805.74	0.12	-	3,655.13
Inter-segment	376.97	-	-	(376.97)	-
<b>Total</b>	<b>3,226.24</b>	<b>805.74</b>	<b>0.12</b>	<b>(376.97)</b>	<b>3,655.13</b>
<b>Result</b>					
Segment result	114.27	117.73	(0.06)	-	231.94
Profit before tax					231.94
Less: Tax expense					58.25
<b>Profit after tax</b>					<b>173.69</b>
Minority interest					22.37
Share of loss from associates					0.06
<b>Profit for the year</b>					<b>151.26</b>
<b>Other information</b>					
Segment assets	3,670.26	2,919.21	29.75		6,619.22
Unallocable assets					109.39
Segment liabilities	3,035.20	1,909.11	10.80		4,955.11
Unallocable liabilities					-
Capital expenditure					
Depreciation (included in segment expense)	51.83	8.02	-		59.85
Non cash expenses (other than depreciation included in segment expense)	38.86	-	-		38.86

(b) Information about business segments for the year ended 31 March 2012 as per AS-17

(₹ in Crores)

Particulars	Construction Business	Developer Business	Others	Eliminations	Total
<b>Revenue</b>					
External	3,167.19	648.11	32.38	-	3,847.68
Inter-segment	198.89	-	-	(198.89)	-
<b>Total</b>	<b>3,366.08</b>	<b>648.11</b>	<b>32.38</b>	<b>(198.89)</b>	<b>3,847.68</b>
<b>Result</b>					
Segment result	273.47	74.18	(0.21)	-	347.44
Profit before tax					347.44
Less: Tax expense					87.40
<b>Profit after tax</b>					<b>260.04</b>
Minority interest					15.89
Share of loss from associates					0.08
<b>Profit for year</b>					<b>244.07</b>
<b>Other information</b>					
Segment assets	3,573.64	2,090.52	33.25		5,697.41
Unallocable assets					92.85
Segment liabilities	3,005.57	1,326.61	12.41		4,344.59
Unallocable liabilities					-
Capital expenditure	126.68	281.67	0.02		408.37
Depreciation (included in segment expense)	35.53	7.64	-		43.17
Non cash expenses (other than depreciation included in segment expense)	32.65	0.01	-		32.66

c) Geographical segment reporting

During the year under report and during the previous year, the Group has engaged in their business primarily within India. The scale of operations in other countries does not constitute a reportable segment as per the Accounting Standard 17 notified in Companies (Accounting Standard) Rules, 2006. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

2.40 Accounting for interest in jointly controlled entities

The Company has a 50% interest in Jorabat Shillong Expressway Limited and N.A.M Expressway Limited. These two companies are engaged in the development of road projects on Build, Operate and Transfer (BOT) basis. The contractual arrangement between shareholders of these companies indicates joint control over the operations of the company, have significant participating rights such that they jointly control the financial and operating policies in the ordinary course of business.

The Group has, in accordance with AS 27 "Financial Reporting of Interests in Joint Ventures" issued under the Companies (Accounting Standards) Rules 2006, accounted for its 50% interest in these jointly controlled entities (JCE) by the proportionate consolidation method. Thus the Group's balance sheet, statement of profit and loss and cash flow statement incorporate the Group's share of assets, liabilities, income, expenses and cash flows of these JCE on a line-by-line basis.

## Notes to the consolidated financial statements

### 2. Notes to accounts (Continued)

The aggregate amount of the assets, liabilities, income and expenses related to the Group's share in these JCE included in these consolidated financial statements (before adjustments on consolidation) as of and for the year ended 31 March 2013 and 31 March 2012 are given below:

#### Balance sheet

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Liabilities and provisions:</b>		
Long-term borrowings	564.75	306.50
Deferred tax liability (net)	19.21	16.42
Short-term borrowings	28.26	38.00
Trade payables	141.45	145.21
Other current liabilities	10.41	2.26
	<b>764.08</b>	<b>508.39</b>
<b>Assets:</b>		
Fixed assets	729.01	409.08
Long-term loans and advances	-	0.08
Other non-current assets	343.93	190.42
Cash and bank balances	23.47	5.00
Short-term loans and advances	28.04	76.08
Other current assets	0.01	-
	<b>1,124.46</b>	<b>680.66</b>
<b>Net assets</b>	<b>360.38</b>	<b>172.27</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>343.19</b>	<b>444.16</b>

#### Statement of profit and loss

(₹ in Crores)

Particulars	For the year ended 31 March 2013	For the year ended 31 March 2012
<b>Income</b>		
Revenue from operations	407.77	347.31
Other operating income	27.89	12.03
Other income	0.02	0.63
	<b>435.68</b>	<b>359.97</b>
<b>Expenditure</b>		
Development costs	369.38	302.76
Finance costs	20.42	10.63
Other expenses	0.13	0.09
	<b>389.93</b>	<b>313.48</b>
<b>Profit before tax</b>	<b>45.75</b>	<b>46.49</b>
Tax expense	2.79	15.19
<b>Profit after Tax</b>	<b>42.96</b>	<b>31.30</b>



2. Notes to accounts (Continued)

**2.41** The Company has claimed deduction under Section 80-IA (4) of the Income Tax Act, 1961 in its returns of income relating to assessment years 2003-04 to 2011-12. However, the Department contested the same on the grounds that the Company was not "developing" the infrastructure facility and disallowed the deduction for assessment years 2003-04 to 2009-10. The Company filed appeal against these orders with CIT (Appeals), of which the appeals with respect to assessment years 2003-04 to 2008-09 were dismissed. The Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) for these assessment years, which is currently pending.

The Company is contending its case before the appropriate appellate authorities, however the Company notwithstanding the fact that its position in the matter is strong on merits has based on an internal assessment and various factors such as industry practice, legal counsel advice etc. decided to make a provision for the total deductions under the said Sections and for the assessment years 2003-04 to 2011-12 amounting to ₹ 66.56 crores. As this provision relates to taxes for earlier years the same had been directly debited to the surplus in statement of profit and loss account balance under "Reserves and Surplus" for the year ended 31 March 2012.

**2.42 Comparative figures**

Previous year's figures have been regrouped/reclassified, where necessary, to confirm to current year's classification.

As per our report of even date attached

for **B S R & Co.**  
Chartered Accountants  
Firm's Registration No.: 101248W

for **Visweswara Rao & Associates**  
Chartered Accountants  
Firm's Registration No.: 005774S

**Zubin Shekary**  
Partner  
Membership No.: 048814

**S V R Visweswara Rao**  
Partner  
Membership No.: 029088

Hyderabad  
27 May 2013

for and on behalf of the Board of Directors of

**Ramky Infrastructure Limited**

**A Ayodhya Rami Reddy**  
Executive Chairman

**Y R Nagaraja**  
Managing Director

**V Phani Bhushan**  
Company Secretary

To:  
M/s. Karvy Computershare Private Limited  
Unit: Ramky Infrastructure Limited  
Plot No. 17 to 24, Vittalrao Nagar,  
Madhapur, Hyderabad - 500 081.

Dear Sir/Madam,

## RE: Green Initiative form in Corporate Governance

I agree to receive all communication from the Company in electronic mode. Please register my e-mail ID in your records for sending communication through e-mail.

Folio No. : .....

DP ID : .....

Client ID : .....

PAN : .....

Name of 1st Registered Holder : .....

Name of Joint Holder (s) : .....

Registered Address : .....

E-mail ID : .....

Date : .....

.....  
Signature of the First Holder

### Important Notes:

- 1) Upon registration of the above particulars, all the communication will be sent to the e-mail ID registered in Folio/DP & Client ID.
- 2) The form is also available on the website of the company [www.ramkyinfrastructure.com](http://www.ramkyinfrastructure.com)
- 3) Shareholders are requested to keep company informed as and when there is any change in the e-mail address. Unless the email ID given above is changed by you by sending another communication in writing, the company will continue to send the notices/ documents to you on the above mentioned e-mail ID.





**Ramky Infrastructure Limited**  
Registered Office: 6-3-1089/G/10 & 11, 1st Floor,  
Gulmohar Avenue, Rajbhavan Road,  
Somajiguda, Hyderabad - 500082

Mr./Ms. ....  
.....  
.....  
.....

MEMBER ☐

PROXY ☐

(Please tick as applicable)

No. of Shares

- Note: 1. Only Members of the Company or their proxies will be allowed to attend the Meeting ON PRODUCTION OF ATTENDANCE SLIP duly completed and signed.  
2. Please fill this attendance slip and hand it over at the entrance of the hall duly signed.  
3. Members are requested to bring their copies of Annual Report with them.  
4. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

## ATTENDANCE SLIP

Day	Wednesday
Date	August 14, 2013
Time	3.00 p.m.
Venue	K.L.N. Prasad Auditorium, 3rd Floor, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad - 500 004

Reg. Folio No.

Demat Particulars

DP ID No.

Client ID No.

I hereby record my presence at  
the 19th ANNUAL GENERAL  
MEETING of the Company

Signature of the Member or Proxy



**Ramky Infrastructure Limited**  
Registered Office: 6-3-1089/G/10 & 11, 1st Floor,  
Gulmohar Avenue, Rajbhavan Road,  
Somajiguda, Hyderabad - 500082

No. of Shares

## FORM OF PROXY

Reg. Folio No.

Demat Particulars

DP ID No.

Client ID No.

I/We .....  
(Name of Member)  
of .....  
(Address)  
being Member(s) of RAMKY INFRASTRUCTURE LIMITED hereby appoint .....  
(Name of proxy)  
of ..... or failing him/her  
(Address of proxy)  
(Name of alternate proxy)  
of .....  
(Address of alternate proxy)

as my/our proxy to vote for me/us on my/our behalf at the 19th ANNUAL GENERAL MEETING of the Company to be held at 3.00 p.m. on Wednesday, August 14, 2013 and at any adjournment thereof.

Date.....

Signature.....

Affix a  
₹ 1/-  
Revenue  
Stamp

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a member of the Company.



## Proven capabilities across various sectors

STP Koperkhairane - Mumbai



Srinagar Banihal Road Project - Pampore Bypass



33/11 KV Sub Station Ujjain, Indore



Operation Future Bright  
*Transform to Outperform*



RCB-Chamravattam - Kerala



Nitesh Hide Park - Bangalore



Discovery City - Hyderabad



International Project - Gopold



Ramky infra now runs on



## Book Post Printed matter

# Awards



Fastest Growing Construction Company by  
10th Annual Construction world Global Awards 2012



Best Professionally Managed Company Award by 5th CIDC  
Vishwakarma Awards 2013



2nd Annual Greentech CSR Award 2012 in the Silver Category  
for Ramky Foundation



The Best Project Construction Award  
by D&B-AXIS Bank Infra Awards 2012





**FORM A**

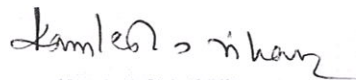
Covering letter of the annual audit report to be filed with the stock exchanges

Sl no	Particulars	Details
1.	Name of the Company:	Ramky Infrastructure Limited.
2.	Annual financial statements for the year ended	31 March 2013
3.	Type of Audit observation	Matter of Emphasis*
4.	Frequency of observation	Appeared first time for the year ended 31 March 2013

for Ramky Infrastructure Limited

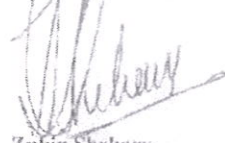


Y R Nagaraja  
Managing Director and CFO



Kamlesh Shivji Vikamsey  
Audit Committee Chairman

for BSR & Co.  
Chartered Accountants  
Firm's Registration No.: 101248W



Zubin Shekary  
Partner  
Membership No.: 048314

for Visweswara Rao & Associates  
Chartered Accountants  
Firm's Registration No.: 005774S



S V R Visweswara Rao  
Partner  
Membership No.: 029088

\*Refer our audit report dated 27 May 2013 on the financial statements for the year ended 31 March 2013.