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	Consolidated financial statement for the year ended 31 March 2014
3 (a)	Type of Audit observation	Emphasis of Matter ('EOM')
4 (a)	Draw attention to relevant notes in the annual financial statements:	EOM reference – Page No. 66 of the Annual Report Note reference – Note 2.33 to consolidated financial statement, Page No. 91 of the Annual Report
	Emphasis of Matter: The Independent Auditors have drawn attention to note 2.33 to the consolidated financial statements for the year ended 31 March 2014 in connection with the 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.	
	Management Response: During the previous year Ramky Pharma City (India) Limited ("RPCIL") (a Subsidiary of Ramky Infrastructure Limited), had received a provisional attachment order under Section 5 (1) of the Prevention of Money Laundering Act, 2002 ('the Act') from Enforcement Directorate ("ED") 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, which during the current quarter has been transferred in name of ED. The Adjudicating Authority (the "AA") has through his order dated 6 June 2013 confirmed the provisional attachment order. On 24 July 2013 the Company has filed an appeal before the Appellate Tribunal contesting the order passed by the AA. In the meantime the office of Joint director, Enforcement Directorate, Hyderabad Zonal office had served a notice dated 3 October 2013 for taking possession of the referred properties under Section 8(4) of the Act. RPCIL has contested the said Order before the Appellate Tribunal. The Appellate Tribunal has considered the appeal and stayed the proceeding till the next date of hearing. 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. Since the mutual funds has been transferred in the name of ED, same has been classified under other current assets in consolidated financial statements.	
5 (a)	Frequency of observation	The Independent auditors had given Emphasis of Matter in their auditors' report for the year ended 31 March 2013 and 31 March 2014.

3 (b)	Type of Audit observation	Emphasis of Matter
4 (b)	Draw attention to relevant notes in the annual financial statements:	EOM reference – Page No.66 of the Annual Report Note reference – Note 2.34 to consolidated financial statement, Page No. 91 of the Annual Report

FORM A

Pursuant to clause 31(a) of the Listing Agreement *(continued)*

	Emphasis of Matter: The Independent Auditors have drawn attention to note 2.34 to the consolidated financial statements, regarding the search and seizure operations carried out by the Income Tax Authorities on the certain entities of the Group during the previous year. The Group has during the year received the intimations for reassessment of income from the Income Tax department for filling the revised returns for the relevant assessment years, which has been filled by the Group. The additional tax liabilities accepted amounting to ₹ 12.84 crores have been recognized and disclosed as tax relating to prior years in the accompanying consolidated financial statements. **Management Response:** During the previous 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 and survey on its subsidiaries premises. At the time of search, the Group was not able to substantiate some transactions to the satisfaction of the Income Tax Department. While the transactions can be substantiated, to avoid dispute with the Income Tax department, the Group has accepted for additional disallowance of expenses and filed revised returns for the respective previous years with the Income Tax Department for amount contended. The resulting tax exposure of ₹ 12.84 crores (including penal interest of ₹ 3.92 crores) has been disclosed as tax expense relating to prior years in the consolidated financial statements.	
5 (b)	Frequency of observation	The Independent auditors had given Emphasis of Matter in their auditors' report for the year ended 31 March 2013 and 31 March 2014.

3 (c)	Type of Audit observation	Emphasis of Matter
4 (c)	Draw attention to relevant notes in the annual financial statements:	EOM reference – Page No. 66 of the Annual Report Note reference – Note 2.36 to consolidated financial statement, Page No. 92 of the Annual Report
	Emphasis of Matter: The Independent Auditors have drawn attention to note 2.36 to the consolidated financial statements with regard to contracts not being pursued on account of foreclosure by the Company/ disputes with customers. As at 31 March 2014 an amount of ₹77.63 crores (including amount pertaining to advances, trade receivables, Contract work-in-progress and performance bank guarantee invoked by them) is receivable from these customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and conditions implicit in these contracts and the ongoing discussions based on which steps to recover are currently in process, is confident of recovering the aforesaid amount as these are contractually tenable. **Management Response:** During the year ended 31 March 2014, an amount of ₹77.63 crores (including amount pertaining to advances, retention money, contract work-in-progress and performance bank guarantees invoked) is receivable from customers against the contracts not been pursued on account of foreclosure by the Company/ disputes with customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and condition implicit in these contracts and the ongoing discussion based on which steps to recover are currently in process, is confident of recovering the amount as they are contractually tenable.	
5 (c)	Frequency of observation	First year of observation

FORM A

Pursuant to clause 31(a) of the Listing Agreement *(continued)*

Refer Form B for the qualification in the auditors' report and management response for the same

for Ramky Infrastructure Limited

A.G. Ravindranath Reddy
Audit Committee Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar.S.G
Partner
Membership No.: 216463

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	Standalone financial statements for the year ended 31 March 2014
3 (a)	Type of Audit observation	Emphasis of Matter ('EOM')
4(a)	Draw attention to relevant notes in the annual financial statements:	EOM reference – Page No. 31 of the Annual Report Note reference – Note 2.31 to standalone financial statement, Page No.55 of the Annual Report
	Emphasis of Matter: The Independent Auditors have drawn attention to note 2.31 to the standalone financial statements for the year ended 31 March 2014 regarding the search and seizure operations carried out by the Income Tax Authorities on the Company during the previous year. The Company has during the year received the intimations for reassessment of income from the Income Tax department for filling the revised returns for the relevant assessment years, which has been filled by the Company. The additional tax liabilities accepted amounting to ₹ 10.78 crores have been recognised in the Statement of profit and loss and disclosed as taxes relating to prior years.	
	Management Response: During the previous 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. At the time of search, the Company was not able to substantiate some transactions to the satisfaction of the Income Tax Department. While the transactions can be substantiated, to avoid dispute with the Income Tax department, the Company has accepted for additional disallowance of expenses and filed revised returns for the respective previous years with the Income Tax Department for amount contended. The resulting tax exposure of ₹ 10.78 crores (including penal interest of ₹ 2.84 crores) has been disclosed as tax expense relating to prior years in the audited standalone financial statements.	
5 (a)	Frequency of observation	The Independent auditors had given Emphasis of Matter in their auditors' report for the year ended 31 March 2013 and 31 March 2014.

3 (b)	Type of Audit observation	Emphasis of Matter
4(b)	Draw attention to relevant notes in the annual financial statements:	EOM reference – Page No. 31 of the Annual Report Note reference – Note 2.39 to financial statement, Page No. 63 of the Annual Report
	Emphasis of Matter: The Independent Auditors have drawn attention to note 2.39 to the standalone financial statements with regard to contracts not being pursued on account of foreclosure by the Company/ disputes with customers. As at 31 March 2014 an amount of ₹ 77.63 crores (including amount pertaining to advances, trade receivables, Contract work-in-progress and performance bank guarantee invoked by them) is receivable from these customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and conditions implicit in these contracts and the ongoing discussions based on which steps to recover are currently in process, is confident of recovering the aforesaid amount as these are contractually tenable.	

FORM A

Pursuant to clause 31(a) of the Listing Agreement *(continued)*

	Management Response: During the year ended 31 March 2014, an amount of ₹ 77.63 crores (including amount pertaining to advances, retention money, contract work-in-progress and performance bank guarantees invoked) is receivable from customers against the contracts not been pursued on account of foreclosure by the Company/ disputes with customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and condition implicit in these contracts and the ongoing discussion based on which steps to recover are currently in process, is confident of recovering the amount as they are contractually tenable.	
5 (b)	Frequency of observation	First year of observation

Refer Form B for the qualification in the auditors' report and management response for the same

for Ramky Infrastructure Limited

A.G. Ravindranath Reddy
Audit Committee Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar.S.G
Partner
Membership No.: 216463

FORM B

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	Standalone financial statement for the year ended 31 March 2014
3.	Type of Audit observation	Qualification
4.	Frequency of observation	First year of qualification
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Qualification reference – Page No. 31 of Annual Report Note Reference – Note 2.28 to standalone financial statement, Page No. 54 of Annual Report Directors' Report – Page No. 12 of Annual Report
	Qualification: The Independent auditors have drawn attention to note 2.28 of the standalone financial statements for the year ended 31 March 2014 with regard to recognition of deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year aggregating to ₹ 202.10 crores. Based on existing unexecuted orders on hand the Management is confident of the virtual certainty of sufficient future taxable income for realization of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22). However, in auditors' opinion, the requirements of virtual certainty criteria may not be met due to the lack of convincing supporting evidence that sufficient future taxable income will be available. Had the aforesaid deferred tax asset not been recognised, loss after tax of the Company for the year ended 31 March 2014 would have been higher by ₹ 202.10 crores. **Management response:** The Company has recognized deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year. Based on estimated realisation of reasonable margin on existing contracts on hand, the Management is confident of the virtual certainty of sufficient future taxable income for realisation of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22).	
6.	Additional comments from the Board/Audit Committee chair	None

Refer Form A for matters to which the independent auditors have given Emphasis of Matter in their auditors' report on the stand alone financial statements and management response for the same.

for Ramky Infrastructure Limited

A.G. Ravindranath Reddy
Audit Committee Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership No.: 205385

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FORM B

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

Sl no	Particulars	Details
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2.	Annual financial statements for the year ended	Consolidated financial statement for the year ended 31 March 2014
3.	Type of Audit observation	Qualification
4.	Frequency of observation	First year of qualification
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report;	Qualification reference – Page No. 66 of Annual Report Note Reference – Note 2.35 to consolidated financial statement, Page No. 91 of Annual Report Directors' Report – Page No. 12 of Annual Report
	Qualification: The Independent auditors have drawn attention to note 2.35 of the consolidated financial statements for the year ended 31 March 2014 with regard to recognition of deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year aggregating to ₹ 202.10 crores. Based on existing unexecuted orders on hand the Management is confident of the virtual certainty of sufficient future taxable income for realization of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22). However, in auditors' opinion, the requirements of virtual certainty criteria may not be met due to the lack of convincing supporting evidence that sufficient future taxable income will be available. Had the aforesaid deferred tax asset not been recognised, loss after tax and minority interest of the Group for the year ended 31 March 2014 would have been higher by ₹ 202.10 crores.	
	Management response: The Company has recognized deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year. Based on estimated realisation of reasonable margin on existing contracts on hand, the Management is confident of the virtual certainty of sufficient future taxable income for realisation of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22).	
6.	Additional comments from the Board/Audit Committee chair	None

Refer Form A for matters to which the independent auditors have given Emphasis of Matter in their auditors' report on the consolidated financial statements and management response for the same.

for Ramky Infrastructure Limited

A.G. Ravindranath Reddy
Audit Committee Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

for B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar.S.G
Partner
Membership No.: 216463

Towards sustainable growth

What the world needs,
we engineer...

Annual Report 2014

Ramky Infrastructure Limited

Contents

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 Niranjan Hingorani	Non-Executive 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. LLP
Chartered Accountants
8-2-618/2, Reliance Humsafar, Fourth Floor,
Road No.11, Banjara Hills, Hyderabad-500 034

Internal Auditors

M/s. J S Sundaram & Co,
Chartered Accountants
II Floor, B1 & B3, Spaces & More Business Centre,
Road No.2, Banjara Hills, Hyderabad- 500034

Registrar & Share Transfer Agent

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

Chief Financial Officer

Mr. I.W.Vijaya Kumar

Company Secretary

Mr. V.Phani Bhushan

Registered Office

Ramky Grandiose,
10th Floor, Sy No 136/2 & 4, Gachibowli,
Hyderabad – 500 032, Telangana.
Phone: 040-23015000; Fax : 040-23015444
Email : investors@ramky.com
Website: www.ramkyinfrastructure.com
CIN : L74210TG994PLC017356

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

Report on Corporate Social Responsibility

Since inception, Ramky infra believes in giving back to community by encouraging welfare of shareholders, employees, communities and civil society.

At Ramky Infra, we aim to improve the living and working conditions of the communities across the various infrastructure sites; through its CSR arm Ramky Foundation. Ramky infra has created impact on the lives of the communities socially and economically. The approach towards communities is through imparting necessary skills, technology, knowledge and other trainings for proper resources in creating safer working environment apart from taking up facilitation responsibilities by linking up with other development players to see the efforts successful.

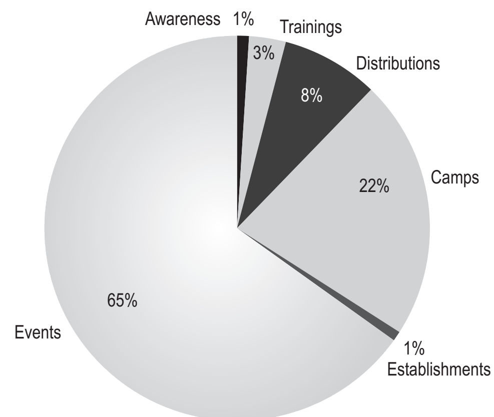
During the FY 2013-14, CSR activities were focussed more on achieving sustainability in the activities as well as projects in the area of Health, Environment and Education around the infrastructure sites across the country. All the projects & programs were carried out under the aegis through our CSR arm i.e., Ramky Foundation (RF).

During the year, apart from implementing CSR activities in Education, Health, Women Empowerment and Natural Resource Management, the social activities focused on sustainable initiatives that not only created alternate income generation to the deprived but also improved the standards of living of the deprived people socially and economically.

Overall gist on the various activities undertaken under the CSR is drafted with the reach of beneficiaries.

In **Education**, material and infrastructure support to the adopted schools, conducting awareness through seminars and workshops to strengthen the education system, counselling on career building to the SSC students, stress management training to employees as well as to the students during work and exams hours respectively are some of the activities taken up which has impacted more than 3200 direct beneficiaries. Additionally, to encourage employee voluntarism concept and build direct relation with the communities events like children's day, teacher days etc., were also implemented.

Beneficiary reach through CSR



In **Health care,** comprehensive health check-up camps, sectorial health camps to the needy are the common activities that are being implemented since inception. Apart from the above, CSR activities provided quality health care facilities to the people living in the villages through health education, awareness on safety, health, hygiene and created awareness to the targeted interventions on HIV/AIDS. The CSR arm-Ramky Foundation is a signatory of UN Global compact and takes up its activities/ Programs in line with the Millennium Development Goals.

Mega Health Camp at one of the infrastructure site.

During the year, in the sector our special focus was on creating awareness on HIV-AIDS with regular check-up to combat HIV/AIDS, Malaria and Other diseases. In collaboration with Five State AIDS control societies, a strong approach towards Female Sex Workers in generating awareness through Condom Promotion, Creating an enabling environment, Management of STIs, etc. in order to reduce HIV/AIDS and Sexually Transmitted Infection (STI) Prevalence rate. 20 health camps were being undertaken during the year that has covered more than 4000 direct stakeholders.

Addressed the concerns raised by communities and other stakeholders in order to reduce or mitigate the risks during accidents at the infrastructural sites due to the lack of comprehensive, coordinated emergency services. A medical ambulance has set up at the companies' national highway project sites to ensure road safety during emergencies. It is being delivered an effective, coordinated and sustainable community based emergency response services and has provided support to the victims from accident scene to enable access to the medical personnel. This has benefitted the villages present at the either side of the infrastructural sites (National highway).

During the year, in accordance to the thrust area **Natural Resource Management**, the CSR activities were focused on Environmental Awareness on waste management, water conservation activities, sustainable agriculture development interventions, conducting green rallies and save tree campaigns. As part of the major CSR activities, plantations drive was taken up on environment day in and around infrastructure sites, aiming to enhance the greenery in the sites and communities.

Plantation drive on environment day

To address the needs of the communities in reducing the fluorosis content among the affected areas in Nalgonda district, Ramky infra under its CSR established an RO (reverse osmosis) water plant which is benefitting more than 3 villages nearby across its major infrastructure site.

Apart from the above activities inline to the thrust areas, in the area of **women empowerment** a pilot intervention was proposed so as to benefit the deprived women economically and socially in the society. Trainings on skill up gradation and income generation were given to the women during the financial year. Additionally, awareness on health, financial literacy and leadership training were also organised to employees as well as to the communities.

Palavelli- A Women Milk producer Enterprise.

A flagship CSR initiative implemented at Prakasham district. The project was successfully launched during Nov 2012 for the deprived women. The entire concept of the pilot is to ensure proper income generation source to improve the living standards. The project initiated by providing interest free loans to 58 women who own cattle with certain selection criteria. The loan helps in buying products, other required material for better cattle rearing that increase the income levels. Repayment of the loan is done through the milk instead of money which considers being a good way in repaying back the amount.

Women Beneficiaries of the pilot project..

The impact of the pilot was experienced in the year 2013-14, the women were not only empowered in generating the income but also improved their living standards, able to send their children to school, obtained respect in the family as well as in the society, good leadership skill among the women beneficiaries and many other things that has bought smiles on the faces of the women.

The best part of the intervention was that the women themselves formed into a common interest group of milk producers. They now can able to handle the financial, managerial aspects with the milk centre and related to product quality. The output increased the interest to replicate the CSR model project in other areas and is under progress.

Apart from the above, our CSR arm-Ramky Foundation in collaboration with other Govt department, PSU and private players have been implementing following projects

- 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.
- 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.
- 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 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 and many others.

Thus, we reached more than 20000 direct beneficiaries through CSR activities. 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.

NOTICE OF 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the members of M/s. Ramky Infrastructure Limited will be held on **Tuesday, the 30th day of September, 2014 at 03.00 p.m** at AVASA Hotels, Plot No: 15,24,25 & 26, Sector - 1,Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad - 500081 to transact the following business:

ORDINARYBUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2014 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 Dr. Archana Niranjan Hingorani (DIN: 00028037), who retires by rotation and being eligible offers herself for re-appointment.

3. *To appoint the statutory auditor 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. Walker Chandiok & Co LLP, Chartered Accountants (Registration No 001076N/N500013) be and are hereby appointed as the statutory auditor of the company in place of retiring auditors M/s B S R & Co. LLP and M/s Visweswara Rao & Associates, Chartered Accountants to hold office from the conclusion of this annual general meeting until the conclusion of the sixth Annual General Meeting held thereafter (subject to ratification of the appointment by the members at every AGM held after this AGM) at a remuneration and its manner of payment to be fixed by the Board of Directors/Committee thereof".

SPECIAL BUSINESS:

4. *To appoint Dr A. G. Ravindranath Reddy as Independent 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. A.G.Ravindranath Reddy (DIN 01729114), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

   RESOLVED FURTHER THAT Mr.Y.R.Nagaraja, Managing Director, Board of Directors be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

5. *To appoint Mr. Rajasekhara Reddy as Independent 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), *Mr. Rajasekhara Reddy* (DIN 02339668), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

   RESOLVED FURTHER THAT Mr.Y.R.Nagaraja, Managing Director, Board of Directors be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

6. *To appoint Mr. V.Harish Kumar as Independent 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), *Mr. V.Harish Kumar* (DIN: 00887484), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

   RESOLVED FURTHER THAT Mr.Y.R.Nagaraja, Managing Director, Board of Directors be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

7. *To appoint Mr. V.Murahari Reddy as Independent 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 Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), *Mr. V. Murahari Reddy* (DIN: 01865148), Director of the Company in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019.

   RESOLVED FURTHER THAT Mr.Y.R.Nagaraja, Managing Director, Board of Directors be and are hereby authorised severally to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

8. To create charge/security on the movable / immovable assets of the company pursuant to section 180 (1) (a) of the Companies Act,1956 and for this purpose, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the members through postal ballot on 28th April, 2012 and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made there under, consent of the Shareholders be and is hereby accorded for Mortgaging and/or charging by the Board of Directors (hereinafter referred to as "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) of the Company of all the immovable and movable properties of the Company, wheresoever situated, both present and future and/or whole or substantially the whole of the undertaking(s) of the Company to or in favour of any public or private financial institution(s), mutual funds, banks, bodies corporate or any other person whomsoever participating in extending financial assistance, to secure any term loans working capital facilities, or any other type of financial assistance up to ₹.7500.00 Crores (Rupees Seven Thousand Five Hundred Crores only) lent and advanced/ agreed to be lent and advanced by them, together with interest, compound interest, additional interest, liquidated damages, premia on pre-payment, costs, charges, expenses or monies payable by the Company to them under loan agreements/letter of sanction.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank pari passu with the mortgages and / or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the Company and the concerned parties.

RESOLVED FURTHER THAT the Board/Committee thereof be and is hereby authorized to finalise and execute any agreements and documents, necessary for creating mortgages and/ or charges as aforesaid and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered by the Board to be in the best interests of the Company".

9. To consider and if though it, to pass with or without modification(s), the following resolution as a Special Resolution.

"RESOLVED THAT in supersession of the Ordinary Resolution passed by the members through postal ballot on 28th April, 2012 and pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or amendments thereof), consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to borrow from time to time, as it may think fit, any sum or sums of money, from one or more banks/ financial institutions or from any bodies corporate, firms or persons in India or abroad, up to ₹ 7,500.00 Crores (Rupees Seven Thousand Five Hundred Crores only) on such security and on such terms and conditions as the Board may think fit, notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the total paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose."

RESOLVED FURTHER THAT the Board be and is hereby further authorized to create mortgage and / or Charge on such properties of the Company as it may think fit and for that purpose execute such documents and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this resolution."

10. *To consider, and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:*

"RESOLVED THAT *Mr.A.Ayodhya Rami Reddy* (DIN: 00251430), who was appointed as an Additional Director of the Company with effect from 20 June 2014 and who in terms of Section 161 of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) holds office up to the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

11. *To appoint Mr.A.Ayodhya Rami Reddy as 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 a Special Resolution*

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 (corresponding to sections 198, 269,309, 310, 316, Schedule XIII and any other applicable provisions of the Companies Act, 1956) and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, consent of the shareholders be and is hereby accorded to the company for the appointment of Mr. A.Ayodhya Rami Reddy (DIN: 00251430), as "Executive Chairman" of the company for a period of 3 (Three) years effective from 20th June, 2014, without remuneration.

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

Hyderabad
August 14, 2014

Y.R.Nagaraja
Managing Director
(DIN: 00009810)

Notes:

1 An Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of items 4 to 11 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 effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

3. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 26th September 2014 to 30th September, 2014 (both days inclusive).

5. Members are requested to bring the Attendance Slip duly filled in and hand over the same at the entrance of AGM venue.

6. Members who hold shares in dematerialised form are requested to bring their depository account Number (Client Id and DP Id No) for easier identification and recording of the attendance at the meeting.

7. 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.

8. 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

9. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 72 of the Companies Act, 2013, are requested to send the nomination to the office of the Registrar and Transfer Agent of the Company.

10. 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 shareholders are requested to inform us immediately the change in the residential status on return to India for permanent settlement.

11. 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.

12. 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.

13. 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.

    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 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.

15. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Share holders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

16. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

17. Members holding shares in the company and who have not registered their mail id with the company or the depository and wish to avail e voting may write to the registrar or the company quoting their client id/folio no and DP id so as to send the password for e voting and hard copy of the ballot paper will be provided at the venue of the AGM for those members who have not exercised their e-voting.

18. Voting through electronic means:

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the members to exercise their right to vote at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by Karvy.

The instructions for e-voting are as under:

a) Use the following URL for e-voting: Karvy website: http://evoting.karvy.com

b) Shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut off date, i.e.29 August 2014 (End of Day) may cast their vote electronically.

c) Enter the login credentials i.e. User ID and password Please follow the instructions given in the e-voting portal.

d) After entering the details appropriately, click on LOGIN.

e) You will reach the Password change menu wherein you are required to mandatorily change your password.

f) The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

g) You need to login again with the new credentials.

h) On successful login, the system will prompt you to select the EVENT, i.e. Ramky Infrastructure Limited.

i) On the voting page, enter the number of shares as on the cut off date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.

j) Shareholders holding multiple folios/demat account shall choose the voting process separately for each folios/demat account.

k) Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm, else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote.

l) During the voting period, shareholders can login any number of times till they have voted on the resolution.

m) Once the vote on the resolution is cast by the shareholder, he shall not be allowed to change it subsequently.

n) The Portal will be open for voting from 9 A.M. on 24 September 2014 to 6 P.M. on 26 September 2014.

o) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of http://evoting.karvy.com or contact Karvy Computershare Pvt Ltd at Tel No. 1800 345 4001 (toll free).

p) The Company has appointed Mrs. Bindu Kilari, Practicing Company Secretary, as the Scrutinizer who will collate the electronic voting process in a fair and transparent manner.

q) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

r) The results shall be declared on or after the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website www.ramkyinfrastructure.com and on the website of Karvy.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No 4 to 7 :

Pursuant to Sections 149, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Dr. A.G.Ravindranath Reddy, Mr. Rajasekhara Reddy, Mr. V.Harish Kumar and Mr. V.Murahari Reddy as Independent Directors of the Company up to 5 (five) consecutive years up to 31st March, 2019. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of aforesaid Independent Directors. The Board of Directors believe that the association of the aforementioned Independent Directors with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Dr. A.G.Ravindranath Reddy, Mr. Rajasekhara Reddy, Mr. V.Harish Kumar and Mr. V.Murahari Reddy as Independent Directors as set out in Item Nos. 4 to 7 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149, 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2013 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force) and such Independent Directors are independent of the management.

Further, all the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Other than the independent Directors of the company, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item Nos. 4 to 7 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

In compliance of Clause 49 of the Listing Agreement, the particulars of Dr. A.G.Ravindranath Reddy, Mr. Rajasekhara Reddy, Mr. V.Harish Kumar and Mr. V.Murahari Reddy seeking appointment as independent directors are provided at **Annexure A.**

Item No 8 & 9:

The members of the Company through postal ballot conducted on 28th April, 2012, had approved respective resolutions under section 293(1)(a) and 293(1)(d) of the erstwhile Companies Act, 1956 for mortgaging the properties of the company in favour of the lenders and also for exercising the borrowing limits up to an aggregate amount of ₹ 7,500 Crores for the purpose of business of the company.

Pursuant to notification of Section 180 of the Companies Act, 2013, prior consent of the Shareholders by a special resolution is required to enable the Board of Directors to exercise these powers which, in aggregate, may exceed the paid-up capital and free reserves of the Company and to create charge on movable/immovable properties of the Company in favour of the lenders. Further, the Ministry of Corporate Affairs vide their circular no.4 dated: 25-03-2014 had clarified that all such resolutions passed earlier under section 293(1)(a) and 293(1)(d) of the erstwhile Companies Act, 1956 are valid and effective only for a period of one year up to 11-09-2014. Any such mortgages and borrowings after this date would require a fresh prior approval of the shareholders under section 180 of the Companies Act, 2013 through a special resolution. It is imperative that such an authority is required to be delegated to the Board of Directors or its Committee for carrying on the business of the Company in the ordinary course and the Board is of the view that the earlier approved borrowing limits of up to ₹ 7,500 Crores would be sufficient to carry on the business. Hence, the Board is not proposing any increase in these limits. Accordingly, the Board of Directors of the company at its meeting held on 14-08-2014 had approved these proposals subject to your approval.

None of the Directors / Key Managerial Personnel and their relatives are interested or concerned in the above special resolution set out under Item No: 8 & 9 of the Notice.

Item No 10 :

The Board of Directors at their meeting held on 20th June 2014 have appointed Mr. A. Ayodhya Rami Reddy as an Additional Director in terms of Section 161 of the Companies Act, 2013 who holds office up to the date of this Annual General Meeting. The Company has received notice pursuant to Section 160 of the Companies Act, 2013 from members proposing the appointment of Mr. A. Ayodhya Rami Reddy as a Director. The Board of Directors propose the appointment of Mr. A.Ayodhya Rami Reddy as the Director and recommend the resolution as set out in Item No. 10 for the approval of the shareholders at the ensuing Annual General Meeting. None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolution as set out in Item No. 10 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

Item No 11:

Members are aware, that Mr. A.Ayodhya Rami Reddy was appointed as Executive Chairman of the Company for a period of three years (i.e. from 01/04/2013) by the board of directors on 14 February 2013 which was subsequently approved by the members at the 19th Annual General meeting held on 14 August 2013.

Mr. A.Ayodhya Rami Reddy has resigned from the board on 25 February 2014 as he has decided to contest the general election 2014. Soon after the completion of general elections, the Board of Directors of the company at its meeting held on 20 June 2014 have felt that the services of the Mr. A.Ayodhya Rami Reddy are needed by the company and have considered the appointment of Mr. A.Ayodhya Rami Reddy as Executive Chairman for a period of 3 years effective from 20 June 2014. Even though, the nomination and remuneration Committee was favorable in approving the remuneration subject to compliance of the applicable provisions, Mr. A.Ayodhya Rami Reddy denied to draw any remuneration, keeping in view of the financial position of the company . Accordingly, the Board has approved the appointment of Mr. A.Ayodhya Rami Reddy as Executive Chairman without remuneration.

Mr. A.Ayodhya Rami Reddy is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director and executive chairman . He holds 34556122 Equity shares (60.42%) directly by himself and aggregating to 38756152 equity shares (67.76%) along with his family members and persons acting in concert with him in the company.

Mr. A.Ayodhya Rami Reddy may be deemed to be concerned or interested or otherwise, to the extent of the aforesaid shareholding in respect of his appointment as Executive Chairman. This explanatory statement may also be regarded as an abstract of Memorandum under section 190 of the Companies Act, 2013 (corresponding section 302 of the Companies Act, 1956) and disclosure under Clause 49 of the Listing Agreement.

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

Hyderabad
August 14, 2014

Y.R. Nagaraja
Managing Director
(DIN: 00009810)

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	Dr. Archana Niranjan Hingorani	Dr. A.G. Ravindranath Reddy	Mr. Rajasekhara Reddy	Mr. V. Harish Kumar	Mr. V.Murahari Reddy	Mr. A. Ayodhya Rami Reddy
Date of Birth	09th September 1965	18th June 1957	15th August 1950	30th November 1966	01st July 1943	01st August 1963
Date of Appointment	22nd December 2006	29th May 2012	08th November 2012	26th October 2007	26th October 2007	13th April 1994
Expertise in specific functional areas	She has 28 years of experience in financial services, teaching and research, with a focus on private equity, project finance and financial restructuring and a specialization in infrastructure, manufacturing and more recently in real estate projects. She is one of the founding members of the IL&FS private equity business and has been associated with the IL&FS group of companies for 16 years in various capacities.	He was member on the Secretarial Standards Board of ICSI and Hyderabad Chapter Committee of ICSI and also served as Secretary of the Chapter. He is a regular speaker at SMTP programmes conducted by the ICSI, Hyderabad Chapter. He has practiced as Advocate in Criminal Courts and worked in Senior Management Levels in various companies and was a Practicing Company Secretary in advising various companies for over 15 years. He has handled many public issues as Advisor and Coordinated entire Merger & Amalgamation proceedings for more than 15 corporates.	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 had set up his practice as a company secretary and thereafter has been associated with Harish Kumar & Associates as a corporate lawyer. At present he is a member of the Andhra Pradesh High Court Advocates Association, BAR council of the state of Andhra Pradesh, Institute of Company Secretaries of India, an honorary member of the Round Table India and a member of the Society of Free Masons.	He has worked in various positions in Roads & Buildings Department, Government of Andhra Pradesh and retired as engineer-in-chief (R&B). He was also worked as Commissioner, Commissionerate of Tenders Govt. of A.P. He was the Managing Director of the Andhra Pradesh Road Development Corporation. He has acted as a consultant to various state governments and the World Bank in relation to development projects and has been appointed as an arbitrator in various matters involving the NHAI and state governments. He is presently a visiting faculty at various institutes including the National Institute for Training of Highway Engineers.	He has 31 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	Masters Degree in Business Administration and a Ph.D. in corporate Finance From the University of Pittsburgh, USA.	Fellow Company Secretary from the Institute of Company Secretaries of India, and a Post Graduate in Commerce from Sri Venkateswara University and a Graduate in Law from Sri Karishnadevaraya University.	Post Graduate degree in Agricultural Sciences and has done his CA-IIB.	Bachelor's Degree in Commerce, a Post Graduate Diploma in Direct Taxes and a Bachelor's Degree in Law from the Osmania University and Company Secretary from ICSI.	Bachelor's Degree in Civil Engineering (Honours) from S.V. University Tirupati.	Bachelor's Degree in Civil Engineering from Karnataka University and Masters Degree in Civil Engineering from Osmania University
List of other companies in which directorship is held as on March 31, 2014*	1. IL & FS Urban Infrastructure Managers Limited 2. IL & FS Trust Company Limited 3. IL & FS Investment Managers Limited 4. IL & FS Portfolio Management Services Limited 5. Ramky Enviro Engineers Limited 6. IIML Asset Advisors Limited 7. IL & FS Energy Development Company Limited 8. Yatra Capital Ltd	1. Karan Woo-Sin Limited 2. Tanla Solutions Limited	1. Lanco Kondapalli Power Ltd 2. IL & FS Infra Asset Mgt Ltd 3. Centrum Capital Ltd 4. GVPR Engineers Ltd	1. Net matrix Limited	1. IVRCL Limited	
Chairman/Member of the Committees of the Board of the other Companies in which he/she is a director as on March 31, 2014*	1. IL & FS Portfolio Management Services Limited 2. IIML Asset Advisors Ltd	Karan Woo-Sin Limited	Lanco Kondapalli Power Ltd	Net matrix Limited	IVRCL Limited	
Equity Shares held in the Company	210	Nil	3000	Nil	Nil	34556122
Relationship between Directors inter-se	Nil	Nil	Nil	Nil	Nil	Nil

* Directorships and Committee memberships in Ramky Infrastructure Ltd and its Committees are not included in the aforesaid disclosure. Also, alternate directorship, directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded. Membership and Chairmanship of Audit Committees and Investor Grievance Committees of only public Companies have been included in the aforesaid table.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 20th Annual Report on the business and operations of your company for the financial year ended March 31, 2014.

FINANCIAL RESULTS

The standalone financial performance of the Company for the financial year ended March 31, 2014 is summarized below:

(₹ in Crores)

Particulars	2013-14	2012-13
Gross Turnover	**1755.09**	3038.62
Other Income	**22.94**	32.19
Total Income	**1778.03**	3070.81
Total Expenditure	**2401.46**	2980.18
Profit/(Loss) before Interest, Depreciation & Tax	**(382.91)**	302.24
Profit/(Loss) before taxes	**(623.43)**	90.64
Tax Expense/(Benefit)	**(191.32)**	30.71
Profit/(Loss) after Tax	**(432.11)**	59.93
Balance brought forward from previous year	**541.71**	481.78
Profit available for appropriation	**109.60**	541.71
Balance carried to Balance Sheet	**109.60**	541.71

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 declined by 42.24% to ₹ 1755.09 crores from ₹ 3038.62 crores of the previous year 2012-13, while the Loss before Tax was at ₹ 623.43 crores from profit before tax of ₹ 90.64 crores achieved in the previous year 2012-13.

The loss after tax was at ₹ 432.11 crores from profit after tax of ₹ 59.93 crores reported in the previous year. The earnings per share was ₹ (75.55) as compared to ₹ 10.48 in the previous year 2012-13.

DIVIDEND

As there are no profits during the year, the Board of Directors have not recommended any dividend for the FY 2013-14.

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.

DIRECTORS

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

S.No	Name of the Director	Date of Appointment
1	Mr A.Ayodhya Rami Reddy	June 20, 2014

Proposed Appointments:

The following appointments to the Board are proposed:

Approval of the shareholders is being sought for the appointment of Dr.Archana Niranjan Hingorani, Director of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer herself for re-appointment in accordance with the provisions of the Companies Act and pursuant to Articles of Association of the Company. Your Board recommends her re- appointment.

Mr.Ayodhya Rami Reddy was inducted as Additional Director on the Board As per the provisions of Section 161 of the Companies Act, 2013, 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 in the ensuing Annual General Meeting pursuant to the provisions of the Section 160 of the Companies Act, 2013. Being eligible, the Board recommends his appointment

The Board of Directors at their meeting held on 20th June , 2014,subject to the approval of the shareholders at the ensuing Annual General Meeting, considered and approved the appointment of Mr. A.Ayodhya Rami Reddy as the Executive Chairman of your Company for a term of three (3) years commencing from20 June 2014 to 19 June 2017.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Dr.A.G. Ravindranath Reddy, Mr. Rajasekhara Reddy, Mr. V. Murahari Reddy and Mr. V. Harish Kumar as Independent Directors of your Company up to 5 (five) consecutive years up to on 31st March, 2019.

Appropriate resolutions for the appointment/ re-appointment of Directors are being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Directors and other information have been detailed in the Notice. Your Directors recommend their appointment/reappointment as Directors of your Company.

Resignation

Mr. Kamlesh Shivji Vikamsey has expressed his inability to continue on the board due to his elevation as audit committee advisory chairman of UNDP, Newyork and to comply with the limit in no of directorship as provided u/s 165 and submitted his resignation vide letter dated 14 June 2014.The board of directors at their meeting held 20 June 2014 have accepted the same and placed on record its sincere appreciation for the services rendered to the company and the contribution made both during his tenure as audit committee chairman and chairman of the company

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:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures ;

ii. 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, 2014 and of the profit of the Company for the financial year ended on that date;

iii. 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

iv. 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, 6 Subsidiaries, 1 Association of person, 2 Jointly Controlled entities and 2 Associates & 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, 2014 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

M/s. Visweswara Rao & Associates, Chartered Accountants, Hyderabad & M/s B S R & Co.,LLP Chartered Accountants, Hyderabad, the Joint statutory Auditors are the retiring auditors at this AGM and the Joint statutory auditors expressed their intention not to be re appointed at the ensuring Annual General Meeting. The Board places on record its appreciation of the services rendered by the Joint Statutory Auditors.

M/s Walker Chandiok & Co.LLP, Chartered Accountants bearing ICAI Registration No. (001076N/N500013) are proposed to be appointed as Statutory Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the sixth Annual General Meeting of the Company held thereafter, subject to ratification of the appointment by the members at every AGM held after the ensuing 20th Annual General Meeting

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s Walker Chandiok & Co.LLP, to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under.

The Board of Directors and the Committee thereof, recommend the appointment. Appropriate resolutions form part of the agenda at the ensuing Annual General Meeting.

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 31 March 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 2013 – 14 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, and the same 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 and Outgo3

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is provided under Notes to the Balance Sheet and Profit and Loss Account.

MANAGEMENT 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, 2014 have been subjected to an audit by the Statutory Auditors of the Company and a qualified report has been issued by them thereon

Recognition of Deferred tax Asset :

The Company has recognized deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year. Based on estimated realisation of reasonable margin on existing contracts on hand, the Management is confident of the virtual certainty of sufficient future taxable income for realisation of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22).

Emphasis Matters – Standalone & Consolidated financials

Search & Seizure:

During the previous 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. At the time of search, the Company was not able to substantiate some transactions to the satisfaction of the Income Tax Department. While the transactions can be substantiated, to avoid dispute with the Income Tax department, the Company has accepted for additional disallowance of expenses and filed revised returns for the respective previous years with the Income Tax Department for amount contended. The resulting tax exposure of ₹ 10.78 crores (including penal interest of ₹ 2.84 crores) has been disclosed as tax expense relating to prior years in the audited standalone financial statements.

During the previous 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 and survey on its subsidiaries premises. At the time of search, the Group was not able to substantiate some transactions to the satisfaction of the Income Tax Department. While the transactions can be substantiated, to avoid dispute with the Income Tax department, the Group has accepted for additional disallowance of expenses and filed revised returns for the respective previous years with the Income Tax Department for amount contended. The resulting tax exposure of ₹ 12.84 crores (including penal interest of ₹ 3.92 crores) has been disclosed as tax expense relating to prior years in the consolidated financial statements.

Contracts pursued on account of foreclosure :

During the year ended 31 March 2014, an amount of ₹ 77.63 crores (including amount pertaining to advances, retention money, contract work-in-progress and performance bank guarantees invoked) is receivable from customers against the contracts not been pursued on account of foreclosure by the Company/ disputes with customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and condition implicit in these contracts and the ongoing discussion based on which steps to recover are currently in process, is confident of recovering the amount as they are contractually tenable.

Attachment order of Enforcement Directorate of certain assets of, M/s Ramky Pharma City (India) Limited ("RPCIL") :

During the previous year Ramky Pharma City (India) Limited ("RPCIL") (a Subsidiary of Ramky Infrastructure Limited), had received a provisional attachment order under Section 5 (1) of the Prevention of Money Laundering Act, 2002 ('the Act') from Enforcement Directorate ("ED") 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, which during the current quarter has been transferred in name of ED. The Adjudicating Authority (the "AA") has through his order dated 6 June 2013 confirmed the provisional attachment order. On 24 July 2013 the Company has filed an appeal before the Appellate Tribunal contesting the order passed by the AA. In the meantime the office of Joint director, Enforcement Directorate, Hyderabad Zonal office had served a notice dated 3 October 2013 for taking possession of the referred properties under Section 8(4) of the Act. RPCIL has contested the said Order before the Appellate Tribunal. The Appellate Tribunal has considered the appeal and stayed the proceeding till the next date of hearing. 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. Since the mutual funds has been transferred in the name of ED, same has been classified under other current assets in consolidated financial statements

other observations - Statutory Compliances:

Delays caused in remitting the statutory dues towards TDS – Income Tax; Service Tax, VAT, Provident Fund, ESI and Profession Tax to the concerned authorities due to liquidity issues with the Company.

During the year the Company has delays repayment of principal and interest to various banks aggregating to ₹ 98.89 Crores. The delay in repayment of principal and interest ranges from 1 to 9 to 189 days.The letter of Credit amounting to ₹ 13.00 Cr to Axis Bank and ₹ 1.60 Cr to Punjab National Bank were subsequently paid. The delays were caused mainly due liquidity issues within the Company.

Inventory and Fixed Assets

Company is engaging external agencies for verification of Inventory and Fixed assets on quarterly basis, to improve the record keeping and processes adopted in this regard.

Internal audit:

In line with change of statutory auditors, new Internal audit firm is engaged for improving the internal audit reporting and emphasis on the improvements required.

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.

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
August 14, 2014

Alla Ayodhya Rami Reddy
Executive Chairman
(DIN: 00251430)

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, 2014

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
Dhiresh Nigam	Vice President (Projects)	72,52,000	BE (Civil)	30	May 12,2006	52 Years	Ex-Employee of MPRDC	0.004
Ravi Prakash	Director (Projects)	75,00,000	BE(Civil)	24	April 16, 2012	49 Years	Larsen & Toubro Ltd	Nil

- 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.

Employees Left during the Financial Year who were in receipt of remuneration aggregating ₹ 60,00,000 or more

Name of the Employee	Designation	Remuneration (in ₹.)	Qualification	Experience (years)	Date of end of Employment	Age	Last employment held before joining the company	% of equity shares held in the Company
Pradeep Kumar Jain	Sr Vice President (SCM)	62,00,000	BE(Mech)	34.7	September 30, 2013	58 Years	DSC Limited	Nil

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. Infrastructure sector plays a very significant role in economic development. Construction sector is viewed as a service industry. It generates substantial employment and provides growth impetus to other manufacturing sectors like cement, bitumen, iron and steel, chemicals, bricks, paints, tiles, construction equipment etc. The growth of this sector is necessary to create employment opportunities, mobilize resources, generate revenue, which will help reviving the economy.

Fiscal year 2013-14 has been the second terrible year for the economy. According to the latest forecast by the Government of India's Central Statistical Organisation (CSO), real GDP growth for 2013-14 was around 4.9%. Coming on the back of 4.5% growth in 2012-13, this will be the first time after several years that India will have languished at a sub-5% growth for two successive years. The estimated growth of construction activities in 2013-14 was mere 1.7%. Surely, India deserves much better.

Not surprisingly, in such an economic milieu, the construction sector has been badly hit. While this might be a tad better than the previous year, when the growth had dropped to 1.1%, it is significantly worse than the 10.8% growth that the sector enjoyed in 2011-12.Tomorrow's growth is defined by today's real investments. The general consensus is that achieving 7.5% GDP growth on a sustained basis requires gross fixed capital formation (GFCF) to be in the region of 37% to 38% of GDP. The economy, impacted by decelerating GDP growth, mounting fiscal deficit and high Current Account Deficit, has seen lacklustre investment momentum in infrastructure expenditure.

OUTLOOK

Today, 70% of our GDP comes from urban areas while the investment for urban development is only 0.70%. Now, according to the McKinsey Global Institute (MGI) report, India's urban population is projected to increase from 34 crore in 2008 to 59 crore in 2030. With already 53 cities having a population of over 1 million – slated to grow to 68 in 2030 – the need to plan and manage services to take care of a density of 12000 people per sq km is daunting. Further according to a High Powered Expert Committee (HPEC) report in 2012, the estimates for urban Infrastructure in the eight core services of water supply, sewerage, solid waste management, storm water drains, urban roads, urban transport, street lighting and traffic support infrastructure amount to ₹ 39.2 lakh crore over 20 years. In addition, the HPEC has also estimated ₹ 19.9 lakh crore towards operation and maintenance over the 20 year period. A whopping ₹ 60 Lakhs crore or $1 trillion over 20 years just to look after growing population needs!

Further to meet urban demand, the economy will have to build between 700 million and 900 million Sq meters of residential and, commercial space a year and to support this we would need to build 350 to 400 Kms of metros and subways and between 19000 and 25000 Kms of road lanes of every year. With such a high demand in financial resources, planning needs to be brought centre stage. Hence, the concept of smart cities encourages debate and thought with regard to the planning of future cities in India.

Let us now touch upon the second theme — that of optimism. The voters of India have had their say. We now have a BJP-led NDA government at the centre under able Prime Minister Shri. Narendra Modi. We in business are now looking forward to a period of stable governance that brings back much needed sanity and predictability of executive action leading to greater development and higher growth. We need the shackles on infrastructure to be rapidly removed. Like any new CEO who has been given an overwhelming mandate by shareholders to restructure, reorient and energise a struggling company, Mr. Modi needs to have a plan to instil a sense of purpose and confidence, and have in place focused ministers and committed civil servants to deliver every aspect of the plan. Infrastructure badly needs to be kick-started. The issues are obvious: rapid approval of highway projects; expeditious cleaning up of the coal field mess so that thermal power plants can get going; taking a call on natural gas; and ensuring that while the MoEF plays its role in protecting the environment and forest, it does so in a manner that also allows well planned infrastructure projects to see the light of day. It is a matter of using common sense and taking quick and right decisions for the good of the country virtues that seem to have lost in the last two years. We are sure Mr. Modi and his team will do what ought to have been done in the lost years. Even so, it will take some time before India gets back to a higher growth path. Equally, however, the chances of this happening are the highest today compared to the last two to three years. So let us hope that it happens, and that the new government delivers its promise of governance and growth for which it has been democratically elected to power. As India's new Prime Minister has said many times during his election campaign "Achche din aane waale hain". And with the hope that good days truly lie ahead let us all look forward to higher growth; more enterprise; less red-tape; and with these, the next phase of Company's growth.

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, 6 Subsidiaries, 2 Jointly Controlled entities and 2 Associates & 3 step down subsidiaries of the Company. 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 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, 2014, the Company has on its roll over 1196 employees, which includes 634 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. Construction of Cluster distribution network, IEC activities, pump houses, clear water reservoirs, overhead service reserviors,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 Cost of ₹ 149.86 Crores.
2. RWSS RGLC RD 177.5 Tinwari - Mathaniya - Osian - Baori - Bhopalgarh Package - V i.e. Development of infrastructure to supply water from Baori H/W to 66 Villages of Tehsil Bhopalgarh Distt. Jodhpur Viz. at a Project Cost of ₹ 125.53 Crores.
3. RWSS Manaklao - Dantiwara - Pipar - Bilara, Package - 2 (A) i.e. Development of infrastructure to supply water from Dantiwara H/W to 87 villages of Tehsil: Bhopalgarh, Jodhpur & Bilara, Distt. Jodhpur viz. at a Project Cost of ₹ 86.50 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. 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.
2. Improvement / Upgradation Strengthening / Widening of Jamthara - Dumka State Road Project Pkg II, at a Project Cost of ₹ 240 Crores.
3. Widening of Moradabad Bareli section of NH-24 from Km 148+000 to Km 190+000, at a Project Cost of ₹ 653 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. Design and Construction of 2BHK/ 3BHK Multi-Storied Residential Apartments-KDA Heights, KDA Greens and Jajmau Heights at Kanpur at a Project Cost of ₹ 333 Crores.
2. 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 ₹158.27 Crores.
3. Construction of Govt. Medical College Building at Raigarh, Chhattisgarh, at a Project Cost of ₹ 140 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. 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 Tummidi Hetti (V), Koutala (M), Adilabad District, at a Project Cost of ₹ 229 Crores.
2. Execution of the Nagod(Satna) Br.Canal from RD 33.300 to 55.600 km & its completed distribution system upto 40 Hect, Chak of Bargi Diversion project on " Turnkey Basis", at a Project Cost of ₹ 131.42 Crores
3. Execution of the Rewa Branch Canal from R.D. 24.00 km to R.D. 33.00 km and Sanaura Sub Branch Canal from R.D. 0.00 km to R.D. 33.025 km including its complete distribution system upto 40 Hact. Chak of Bargi Diversion Project on : Turnkey Basis at a Project Cost of ₹123 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 ₹ 110 Crores.
2. 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 ₹ 356 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 household 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. Construction 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 along with VCB (Dewas), at a Project Cost of ₹ 58 Crores.

DEVELOPER BUSINESS

The Company conducts its business through subsidiaries/ special purpose vehicles/joint ventures/ Associates formed for the development of PPP projects and other 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 ₹ 12585.67 lakhs for the Financial Year 2013-14 as compared to ₹ 9402.13 lakhs in the previous year. Net profit for the year is ₹ 107.87 lakhs, as compared to ₹ 2318.52 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 ₹ 860.19 lakhs for the Financial Year 2013-14 as compared to ₹ 815.86 lakhs in the Previous Year . Net Profit for the year is ₹ 65.34 lakhs , as compared to the Net Loss of ₹ 28.51 lakhs in 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 ₹ 6305.53 lakhs as annuity and other income for the Financial Year 2013-14 as compared to ₹ 6309.74 lakhs in the previous year. Net Profit for the year is ₹ 72.80 lakhs, as compared to loss of ₹ 414.63 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, 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 ₹ 7865.89 lakhs in the year under review as compared to ₹ 10328.24 lakhs in the previous year. The net loss for the year is of ₹ 147.47 lakhs as against net profit of ₹ 2060.41 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, Telangana 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 ₹ 1444.30 for 2013-14 as against of ₹ 1110.20 lakhs in the previous year. The Net Loss for the year is ₹ 36.84 lakhs as against ₹ 16.52 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 ₹ 1.13 lakhs for the Financial Year 2013-14 as interest income as compared to ₹ 1.15 lakhs in the previous year. The net profit for the year is ₹ 0.47 lakhs as against ₹ 0.54 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 revenue for the Financial Years 2013-14 and 2012-13. The net Loss for the year is ₹ 0.46 lakhs as compared to that of Previous Year at ₹ 0.23 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 ₹ 5.09 lakhs for the Financial Year 2013-14 compared to ₹ 4.42 Lakhs for the previous year. The net profit the year is ₹ 3.10 lakhs compared to ₹ 2.06 lakhs for the previous year.

Ramky MIDC Agro Processing Park Limited

The 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 2013-14 and also the same for the previous year towards interest income and reported a Net Loss of ₹ 0.34 lakhs for the current year and loss of ₹ 0.16 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 ₹ 0.35 lakhs for the financial year 2013-14 as against ₹ 0.38 lakhs for previous year. The Net Loss of ₹ 0.06 lakhs for this year as compared to net profit of ₹ 0.06 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 no revenue for the financial year 2013-14 as compared to ₹ 11.45 lakhs for the previous year. The net loss for the current year is ₹ 0.73 lakhs as against net profit of ₹ 5.54 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 ₹ 9.68 lakhs for the financial year 2013-14 as compared to ₹ 19.17 lakhs for the previous year. The net loss for the current year is ₹ 4.26 lakhs as against net loss of ₹ 9.13 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 has achieved the provisional COD on Decemeber 27, 2013 & got the Final COD on March 25, 2014 and reported gross revenue of ₹ 157.48 lakhs for the year 2013-14 as compared to ₹ 2.38 lakhs in the previous year. The net loss is ₹ 189.58 lakhs as compared to ₹ 1.07 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 both SPV & National Highways Authority of India (NHAI) have served the termination notice and now discussions are underway to resolve it. . The Company has reported no revenue for the year 2013-14 & 2012-13 and reported a net loss of ₹ 1.42 for the current year and loss of ₹ 22.48 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 the project has been terminated and settlement & close agreement has been signed on May 20, 2014 and reported a net profit of ₹ 7.03 lakhs for the year 2013-14 as against net loss of ₹ 10.27 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 reported gross revenue of ₹ 377.63 lakhs for the year 2013-14 as compare with no revenue in previous year and reported a net profit of ₹ 41.65 lakhs for the current year as against net loss of ₹ 22.59 lakhs for the previous year.

Jabalpur Patan Shahpura Tollways Ltd

Jabalpur Patan Shapura 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 the Project has been terminated. The Company has not reported any revenue and reported a net Loss of ₹ 4.40 lakhs for the year 13-14 as against ₹ 0.59 lakhs in the previous year. .

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 of 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 ₹ 0.43 Lakhs for the year 2013-14 as against ₹ 0.39 lakhs in previous year.

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. The Project has achieved the Provisional COD on March 6, 2014 & started collection of toll from March 11, 2014. This company has reported gross revenue of ₹ 976.74 lakhs for the Financial Year 2013-14 compared to ₹ 4.93 lakhs for the previous year. The net profit for the year is ₹ 36.50 lakhs, while there was a net loss of ₹ 20.27 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 reported revenue of ₹ 2.41 lakhs for the year 2013-14 as against no revenue for the previous year and has reported a net profit of ₹ 5.21 lakhs against net loss of ₹ 10.92 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 28.82% stake in this entity. The business of the Company has started and has reported gross revenue of ₹ 1.23 lakhs from interest income for the Financial Year 2013-14 compared to ₹ 1.14 lakhs for the previous year. The net loss for the year is ₹ 28.61 lakhs compared to ₹ 20.97 lakhs for 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. . The Company has received Provisional COD dated 15 November 2011. This SPV has converted from subsidiary to Associate of the Company on March 31, 2014 and Ramky Infrastructure Limited holds 26%.

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 no revenues for the year 2013-14 and AED 1,398.29 lakhs for the financial year 2012-13. The net loss for the year is AED 102.45 lakhs and AED 176.88 lakhs for the previous year.

STRENGTHS:

Ramky Infra has the following principle competitive strengths:

- Strong and diverse Order Book
- Positioned Strategically to realize opportunities in the sector
- Experience and end to end expertise in the construction and management of Water and Waste Water Infrastructure Projects
- Operates in diverse sectors and has a multinational presence
- Sustained investment in equipment and fixed assets
- 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 2013-14 of ₹ 1,755.09 crores which has dropped by 42% over the year, compared to ₹ 3,038.62 Crores in 2012-13. Industrial sector recorded a drop of 81%, Power transmission sector recorded a drop of 54%, Roads sector recorded a drop of 44 %, while other sectors have clocked drop in Turnover.

Expenditure

The expenses for 2013-14 of ₹ 2,401.46 crores has decreased by 19% over the year, compared to ₹ 2,980.17 crores in 2012-13. The decrease is spread in all costs.

Finance Costs

The finance costs for 2013-14 of ₹ 194.70 crores has grown by 14.76% over the year, compared to ₹ 169.66 crores 2012-13. This is mainly due to increase in borrowings and increase in rate of interest and levy of penal interest.

Personnel costs:

Personnel costs at ₹ 79.22 crores accounted for 4.51% of revenue. These expenses are dropped over the Previous Year, largely due to drop in operations. In 2012-13 the personnel costs were ₹ 124.53 crores constituting 4.10% of the revenue.

Profit Before Tax

There is Loss Before Tax for 2013-14 of ₹ 623.43 crores, which has considerably changed by 787% over the previous year, compared to Profit Before Tax of ₹ 90.64 crores in 2012-13. As a percentage on Turnover the Profit Before Tax dropped to 35.52% in 2012-13 from 2.98% in Previous Year. The drop in PBT is mainly due to operating loss, increase in depreciation and Finance costs.

Profits after Tax

The Loss After Tax for 2013-14 of ₹ 432.11 crores has changed by 821% compared to Profit Before Tax of ₹ 59.93 crores in 2012-13. The drop in Profit after Tax is in line with the drop in Profit Before Tax.

EBIDTA

The Earnings before Interest, Depreciation, Taxes and Amortization (EBIDTA) for year under review is ₹ (382.91) crores compared to ₹ 302.24 crores in 2012-13. EBIDTA has decreased to 21.82% from 9.95% 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 ₹ 1,252 crores compared to ₹ 1,096 crores as on March 31, 2013. The net increase is ₹ 156 crores.

As on March 31, 2014 the debt- equity ratio was 2.832 as compared to 1.12 a year before.

Net worth

The Net worth of the company decreased by ₹ 432 crores to ₹ 594 crores as on March 31, 2014 compared with ₹ 1,027.04 crores as on March 31, 2013.

Fixed Assets

The gross fixed assets as on March 31, 2014 was ₹ 550.99 crores compared to ₹ 528.47 crores on March 31, 2013 an incremental asset acquisition of ₹ 22.52 crores.

Earnings Per Share

The EPS for 2013-14 reduced to (₹ 77.55) from ₹ 10.48 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, 6 Subsidiaries, 1 Association of Person, 2 Jointly Controlled entities and 2 Associate and 3 Step-down Subsidiary. These companies broadly operate in Roads, Bus Terminal, Industrial Parks and others sectors.

Revenue

The consolidated turnover of the company for 2013-14 is ₹ 2401.70 crores has decreased by 36.35% over the year, compared to ₹ 3,773.55 crores in 2012-13. EPC Turnover has shown a decrease of 42%, while the rest of the decrease is attributable to developer business.

Profits after Tax

The consolidated loss after Tax for 2013-14 is ₹ 414.85 crores has decreased by 136.48% over the year, compared to consolidated profit of ₹ 151.26 crores in 2012-13. This increase in loss is mostly attributable to loss recorded in EPC business.

Earnings per Share

The consolidated EPS for 2013-14 decreased to ₹ (72.53) from ₹ 26.44 in Previous Year.

Net worth

The consolidated net worth of the company as on March 31, 2014 was ₹ 1232.56 crores compared to ₹ 1558.77 crores as on March 31, 2013.

RISKS AND CONCERNS:

Risk in Construction needless to mention, with huge money, comes the company of big risks. Construction is a high-risk business. Or is it? This is a classic dilemma, which haunts every participant in the business. The Project owner, construction companies, consultants, bankers and financial institutions, vendors & suppliers and even the service providers, each has his own fears of facing risks in the conduct of business. The magnitude of the risks is indeterminate at times. What needs to be determined is:

a. The proportion of real versus perceived risks.

b. The monetary quantification of risks.

c. The real import and the impact of a type of risk.

Risks, when indeterminate, are worse than assessed risks. The obvious outcome of the situation is that the Banks and Financial Institutions hesitate in lending to the operators of Construction Industry or alternatively lend in absence of authentic and reliable inputs. Either of the situations is detrimental to the overall growth of the industry and thus, the economy. It is therefore of paramount importance that the present operating systems be substantially strengthened to provide comfort to the financial systems.

Mitigation of risks is the all en-compassing requirement. Broadly speaking, Construction Projects face the following type of risks:

- Business Risks
- Financial Risks
- Technology Risk
- Project Risk
- Political Risk

Completion risk: This is the risk that the project may not be completed on time, or at all, due to various reasons such as cost overruns, technology failure, force majeure etc.

Price risk: This is the risk that the price of the project's output might be volatile due to supply-demand factors. If new capacities are coming up or if there is likelihood of fall in demand of the project output, the price risk is high.

Resource risk: This risk includes the non-availability of raw materials for the project operation. It also includes the risk that the raw material prices might move adversely

Technology risk: This is the risk that the technology used in the project is not sufficiently proven.

Operating risk: This is a risk that the project operational and maintenance costs would escalate. It also includes the risk that the project will have operational problems.

Political risk: This risk relates to matters such as increased taxes and royalties, revocations or changes to the concession, exchange controls on proceeds, forced government participation in shares and refusal of import licenses for essential equipment.

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

Environmental risk: This risk refers to increased project costs for complying with new environmental standards. There could also be environmental protests from the local populace against the project.

Permission risk: This is the risk that official clearances for the project may not be forthcoming or subject to expensive conditions.

Exchange rate risk: This is the risk that the currency of sale of the project produce would depreciate with reference to the currency of the project loans. Even though the debt being rated might be Rupee denominated, the presence of foreign currency liabilities can decrease the debt service coverage ratio of the bonds in case there is adverse exchange rate movement.

Interest rate risk: This is the risk that the floating interest rate of the project loans would increase beyond the levels assumed for preparing projected cash flows.

Insolvency risk: This is the risk of insolvency of contractors, project sponsors, suppliers, and purchasers of project output, insurers or a syndicate bank.

Project development risk: This is the risk that the project development might not take place in an orderly manner.

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

Financial closure risk: This is the risk that the project that the project might not reach financial closure.

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.

INTERNAL CONTROL SYSTEMS

The company has appointed an agency for internal auditing namely M/s. JSS Associates, a Hyderabad based Accounting and Auditing firm having its branches located at Mumbai, Pune, Bangalore, Vizag etc which has got more than 30 years of experience in Internal Audit, risk management & controlling aspects etc.

A well planned audit programme is drawn by the Agency in consultation with the Management covering different running projects under various sectors. The Internal Audit team will ensure built-in internal controls are in place through periodical transactional & system audits.

The Internal Audit mechanism is based on the existing and standardized operating procedures in all the functions and business units across the organization which have written parameters and controls in the respective procedures.

Post Internal Audit, a suitable mechanism is also available in place to pursue and follow-up for the necessary corrections and corrective actions where required. All the HODs and Auditees concerned are from time to time getting instructions and follow-up from the management in closing the audit observations and non-compliances as per the laid down norms, if any.

Apart from the above framework, Management Systems Department is also performing process audits in association with M/s TUV India Ltd. for their Quality, Occupational Health, Safety and Environmental systems (QMS 9001:2008, OHS 18001:2005 and EMS 14001:2007) which are already in place.

In the process, Company has focused on cutting down costs, with some notable success. It has also worked hard in reducing the breakeven point across almost all its projects. And it is looking forward to monetise the infrastructure assets that it owns — such as the roads and highways — and sell some others to further reduce the debt overhang and thus create greater operational flexibility.

HUMAN RESOURCES DEVELOPMENT:

Human Resource Department has been at the forefront along with the business teams in portraying the image of the organization. Successful Injection of Shared Services Concept has yielded the best results, bringing various teams under one umbrella, by doing so organizational goals have been achieved to a larger extent, thus transforming Human Resources Dept in to Business HR.

Despite the slowdown in the market, HR Strategies adopted by our organization have been appreciated by the Industry Experts and well received by our resources (employees). We have put faith in our resources and they have reciprocated with the same zeal.

Job Rotation adopted effectively on our efficient resources has been laudable by Internal & External Stake Holders. We take pride in saying Ramky Infrastructure Limited is an Equal Opportunity Employer.

As at March 31, 2014, the total employee strength was 1199. 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.

Successfully operating HRMIS system for the HR solutions and automated key HR functions.

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, on-the-job-training.

To inculcate the spirit of camaraderie, Sports Meet was conducted where in employees & their families had an opportunity to understand the finer aspects of teamwork.

All the participants participated with full gusto, making yet another memorable event in the history of Ramky Group

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

HR compliance is approached from both reactive and proactive standpoints. HR continues to track the changes in employment and labour laws in the country for statutory compliance. 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 Eight Directors. The Company has an Executive Chairman. The Executive Chairman and the Managing Director manage the day-to-day affairs of the Company. The Board has an optimum combination of Executive and Non-Executive directors.

a) Composition and Category of directors as on March 31, 2014

Category	No. of Directors
Promoter Directors	1
Non-Executive Directors	2
Non-Executive Independent Directors	5
Total	**8**

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 2013-14 and at the last Annual General Meeting

Name of the Director	Category	Meetings held during the year	Meetings attended	Attendance at Last AGM
Mr. Y. R. Nagaraja	Promoter, Managing Director	5	4	Present
Mr. Rajiv Maliwal	Non Executive Director	5	5	Absent
Dr. Archana Niranjan Hingorani	Non Executive Director	5	4	Present
Mr. Kamlesh Shivji Vikamsey	Non-Executive Independent Director and Chairman	5	4	Present
Mr. V. Harish Kumar	Non-Executive Independent Director	5	3	Present
Mr. V. Murahari Reddy	Non-Executive Independent Director	5	2	Present
Mr. A.G. Ravindranath Reddy	Non-Executive Independent Director	5	3	Present
Mr. Rajasekhara Reddy	Non-Executive Independent Director	5	2	Absent

c. No. of other Boards/Board Committees in which the Directors are either Member or Chairman as at March 31, 2014

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. Y. R. Nagaraja*	-	11	1	8
Mr. Rajiv Maliwal	-	3	-	1
Dr. Archana Niranjan Hingorani*	-	8	-	2
Mr. Kamlesh Shivji Vikamsey*	-	7	4	10
Mr. V. Harish Kumar	-	1	-	1
Mr. V. Murahari Reddy	-	1	-	1
Dr. A.G.Ravindranath Reddy*	-	2	-	6
Mr. Rajasekhara Reddy*	-	4	-	2

* *excludes private companies, foreign companies and membership in other committees.*

d. No. of Board Meetings held and dates on which they were held during the year 2013-14

Quarter	*No. of Meetings*	*Dates on which held*
April – June 2013	1	May 27, 2013
July – September 2013	1	August 14 , 2013
October – December 2013	1	November 14, 2013
January – March 2014	2	February 12, 2014 & 25 February 2014
Total	**5**	

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;

. Discussion with internal auditors any significant findings and follow up there on;

. 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
Dr. A.G.Ravindranath Reddy	Chairman
Dr. Archana Niranjan Hingorani	Member
Mr. V. Harish Kumar	Member
Mr. Kamlesh Shivji Vikamsey*	Chairman

* Resigned as member of the committee effective from 20 June 2014.

iii) Meetings and attendance during the year 2013 - 14

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

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 Director	Status
Mr. Kamlesh Shivji Vikamsey*	Chairman
Mr. Rajiv Maliwal	Member
Dr. Archana Niranjan Hingorani	Member
Mr. V. Harish Kumar	Member
Mr. V. Murahari Reddy	Member
Dr.A.G.Ravindranath Reddy	Member

* Resigned as member of the committee effective from 20 June 2014.

c) Meetings and Attendance during the year 2013-14:

Name of the Member	Meetings held during the year	Meetings attended
Mr. Kamlesh Shivji Vikamsey	0	0
Mr. Rajiv Maliwal	0	0
Dr. Archana Niranjan Hingorani	0	0
Mr. V. Harish Kumar	0	0
Mr. V Murahari Reddy	0	0
Dr.A.G.Ravindranath Reddy	0	0

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 Lakhs)

Particulars	Executive Directors		Non-executive Independent Directors
	Mr. A. Ayodhya Rami Reddy	Mr. Y. R. Nagaraja	
Salary	22.00	22.85	-
Commission	0	0	0
PF Contribution	-	1.15	-
Sitting fees	-	-	3.30
Total	**22.00**	**24.00**	**3.30**

The Non Executive Independent Directors were paid the sitting fees for the meeting of the board or committee attended by them and the commission pursuant to the provisions of Section 198, 309 & 310 of the companies Act, 1956, was not paid to Non Executive Independent Directors during the Financial year 2013-14 as the company has incurred losses.

Due to inadequacy of profits during the financial year 2013-14, the company has paid the minimum remuneration that was allowed as per the Schedule XIII of the Companies Act, 1956 to Mr. A. Ayodhya Rami Reddy, Executive Chairman and to Mr. Y. R. Nagaraja, Managing Director of the company.

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. 15 Complaints/ Grievances were received and replied to the satisfaction of shareholders during the year. There was no outstanding complaint as on March 31, 2014.

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 2013-14:

Name of the Member	Meetings held during the year	Meetings 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
2013	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, 2013	0	NA
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.

(ii) Extraordinary General Meeting / Postal ballot

During the F.Y 2013-14 the company had not held any Extra ordinary General Meeting / Postal Ballot.

To widen the participation of shareholders in company decisions, the Securities and Exchange Board of India has directed top 500 listed companies to provide e-voting facility to their shareholders from October, 2012 onwards, in respect of those businesses which are transacted through postal ballot.

Further, the Companies Act, 2013 and Clause 35B of the Listing Agreement also requires a listed Company to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings.

(iii) Whether any special resolution passed last year through postal ballot - Nil

(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. Excepting the penalties imposed by the stock exchanges for the non compliance of clause 41 of the listing agreement pertaining to submission of Q4 2014 audited financial results, no other penalty 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.G.Ravindranath Reddy	Member
Mr. V.Murahari 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, 2014 is as under:

Dr.Archana Niranjan 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 (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.ramkyinfrastrucutre.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) SEBI Complaints Redressal System (SCORES) :SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

(v) The Management Discussion and Analysis Report is attached and forms part of the Annual Report

(vi) Reconciliation of share capital Audit (Formerly Secretarial Audit Report): A qualified practicing company secretary carried out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of share capital Audit (Formerly Secretarial Audit Report) confirm that the total issued / Paid-up capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.

(vii) As per the whistle Blower policy applicable to the company, there is an ombudsmen who is responsible for its implementation.

(viii) A Dash board containing the risks identified if any, will be placed to the audit committee and measures taken by the management will be discussed to mitigate.

9. GENERAL SHAREHOLDER' INFORMATION:

i.	20th Annual General Meeting:	Date : September 30, 2014 Time : 3.00 P.m Venue: AVASA Hotel, Plot No: 15,24,25 & 26 , Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad- 500081
ii.	Financial Year	April 1 to March 31
iii.	Date of Book Closure	September 26, 2014 to September 30, 2014 (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 Ltd, (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 is sending the 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, the physical copy to the address registered 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 and Members who hold shares in physical form are requested to send the required details to the Registrar and Share Transfer Agent, M/s. Karvy Computershare Private Limited at Plot no. 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081, Telangana, 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:

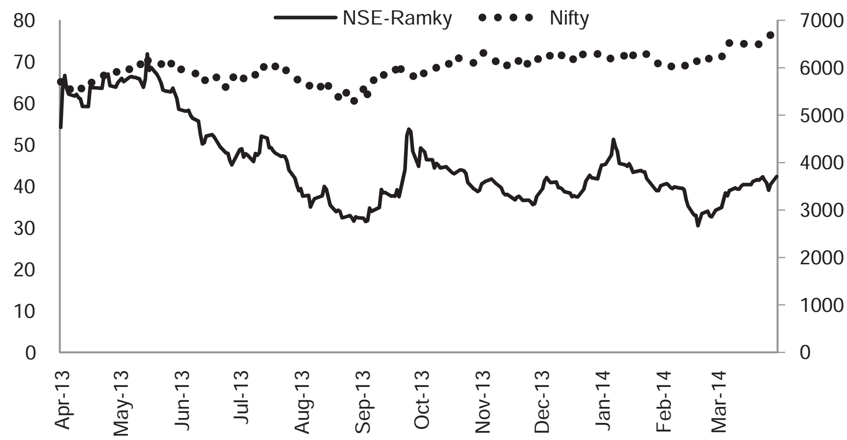
Month & Year	Price		Index		Total No of Shares Traded
	NSE		Nifty		
	High (₹)	Low (₹)	High	Low	
Apr-13	67.05	54.20	5930.20	5495.10	1712809
May-13	71.90	58.55	6187.30	5944.00	1738159
Jun-13	58.30	45.15	5939.30	5588.70	424576
Jul-13	52.10	40.30	6077.80	5755.05	1028709
Aug-13	39.95	31.60	5742.30	5285.00	433509
Sep-13	53.75	31.50	6115.55	5341.45	4363862
Oct-13	49.25	38.75	6299.15	5780.05	906274
Nov-13	41.75	35.60	6317.35	5989.60	292124
Dec-13	43.65	37.45	6363.90	6139.05	762216
Jan-14	51.30	38.95	6345.65	6073.70	1006674
Feb-14	40.65	30.50	6276.95	6000.90	595340
Mar-14	42.35	34.90	6704.20	6221.45	915757

Source : www.nseindia.com

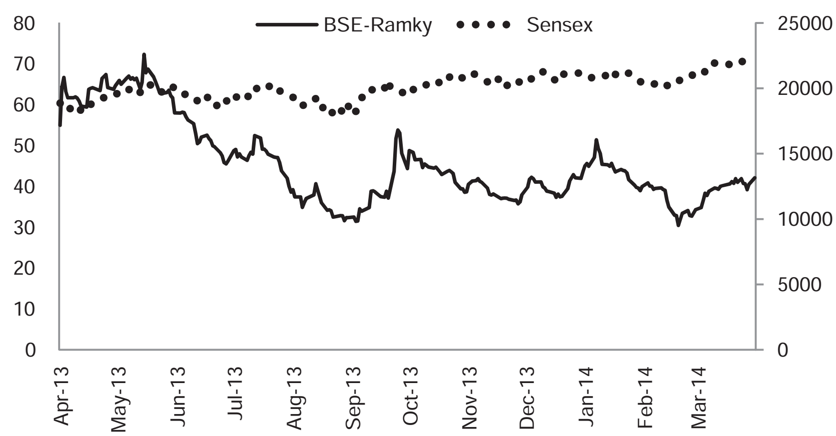
Month & Year	Price		Index		Total No of Shares Traded
	BSE		Sensex		
	High (₹)	Low (₹)	High	Low	
Apr-13	67.40	54.95	19504.18	18226.48	525787
May-13	72.30	58.00	20286.12	19575.64	646481
Jun-13	58.15	45.50	19610.48	18540.89	201564
Jul-13	52.45	40.00	20302.13	19177.76	298391
Aug-13	40.65	31.60	19367.59	17905.91	150018
Sep-13	53.80	31.45	20646.64	18234.66	1292392
Oct-13	48.75	38.55	21164.52	19517.15	292830
Nov-13	41.90	35.70	21239.36	20194.40	134136
Dec-13	43.60	37.30	21326.42	20612.14	575866
Jan-14	51.40	38.95	21373.66	20498.25	347852
Feb-14	40.85	30.45	21120.12	20193.35	222213
Mar-14	42.10	34.80	22386.27	20946.65	281879

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,

Telangana.

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, 2014:

Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	19064	92.86	20884070	3.65
2	5001- 10000	720	3.51	5606390	0.98
3	10001- 20000	352	1.71	5234340	0.92
4	20001- 30000	128	0.62	3224100	0.56
5	30001- 40000	52	0.25	1867850	0.33
6	40001- 50000	39	0.19	1843990	0.32
7	50001- 100000	68	0.33	4904080	0.86
8	100001 & Above	106	0.52	528413090	92.38
	Total:	**20529**	**100.00**	**571977910**	**100.00**

xiii. Share holding pattern of the company as on March 31, 2014

Category	No. of shares held	Percentage of shareholding
Promoters	38756152	67.76%
Resident Individuals	4558364	7.97%
Foreign Corporate Bodies	5986991	10.47%
Bodies Corporates	3903043	6.82%
Mutual Funds	1593363	2.79%
Indian Financial Institutions & Banks	618063	1.08%
Foreign Institutional Investors	183535	0.32%
Venture Capital	289356	0.51%
NRI/Clearing Members/Trusts/Huf/Others	1308924	2.29%
Total	57197791	100.00

xiv. Dematerialisation of Shares and liquidity:

As on March 31, 2014, 5,71,45,079 shares representing 99.90% were held in dematerialised form. The balance 52,712 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, 2014, 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 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

Regional offices: The company operates from various work sites spread across the country and the operations are centralised at the Registered / Head office at Ramky Grandiose, 10th Floor, Sy No 136/2 & 4, Gachibowli, Hyderabad – 500 032 and through various Zonal offices situated at

South Zone	Ramky Infrastructure Limited Ramky Grandiose, 10th Floor Sy. Nos: 136/2 & 4, Gachibowli, Hyderabad- 500 032, Tel : 040-23015000 Fax : 040-23015444
West Zone	Ramky Infrastructure Ltd,02, Anandvihar Bungalows,Tragad-IOC Road,Tragad,Ahmedabad-382470
East Zone	Ramky Infrastructure Ltd, 21/1A/3, Darga Road,Jindal Towers, Block - A, 4th Floor,Kolkata – 700 017 Phone No.033-22892527, Mobile No.09007065492
North Zone	Ramky Infrastructure Limited, 403, 4th Floor, BPTP Park Centra, Opp. 32 Mile stone, sector-30, NH-Gurgaon, Haryana-122001

Central Zone – Bhopal	Ramky Infrastructure Ltd, S 5 & 6, 2nd Floor, City Center Press Complex Road, Zone-I, M P Nagar, Bhopal, MP- 462011(T) +91 755 2551664/65/66 Ex. - 112, Fax: 0755- 2550344
Overseas offices	Sharjah Ramky Engineering and Consulting Services FZC SAIF Lounge, PO Box No. 124606, Sharjah - United Arab Emirates

xvii. **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, Telangana.
Phone: +91 40 44655000, Fax : +91 40 23420814
Email: einward.ris@karvy.com

b. for Correspondence to the Company:

The Managing Director,
Ramky Infrastructure Limited,
Ramky Grandiose, 10th Floor, Sy No 136/2 & 4,
Gachibowli, Hyderabad-500 032
Phone: +91 40 23015000, Fax : +91 40 23015444.
Email: investors@ramky.com

xviii. 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.

xix. 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, 2014 your Company has 5,71,45,079 equity shares in dematerialised form and 52,712 equity shares in physical mode. There are no shares pending credit to the members. Hence, the balance in the unclaimed suspense account is nil.

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, 2014.

Hyderabad	**Y R Nagaraja**
August 14, 2014	Managing Director

CEO/CFO CERTIFICATE

We, Mr. Y.R.Nagaraja, Managing Director and Mr. I.W.Vijaya Kumar, CFO of Ramky Infrastructure Limited certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 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.

Hyderabad	Y.**R.Nagaraja**	**I.W.Vijaya Kumar**
August 14, 2014	Managing Director	Chief Financial officer

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Ramky Infrastructure Limited
Ramky Grandiose, 10th Floor, Sy No 136/2 & 4,
Gachibowli, Hyderabad – 500 032.

I have examined the compliance of conditions of Corporate Governance by Ramky Infrastructure Limited ("the Company") for the year ended March 31, 2014, 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,
August 14, 2014

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 2014, 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 ('financial statements').

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 financial statements.

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

Basis for Qualified Opinion

We draw attention to note 2.28 to the financial statements with regard to recognition of deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year aggregating to ₹ 202.10 crores. Based on existing unexecuted orders on hand the Management is confident of the virtual certainty of sufficient future taxable income for realization of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22). However, in our opinion, the requirements of virtual certainty criteria may not be met due to the lack of convincing supporting evidence that sufficient future taxable income will be available. Had the aforesaid deferred tax asset not been recognised, loss after tax of the Company for the year ended 31 March 2014 would have been higher by ₹ 202.10 crores.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matter described in the Basis for Qualified Opinion paragraph*, 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 2014;

(b) in the case of the statement of profit and loss, of the loss for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

a) 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 during the previous year. The Company has during the year received the intimations for reassessment of income from the Income Tax department for filling the revised returns for the relevant assessment years, which has been filled by the Company. The additional tax liabilities accepted amounting to ₹ 10.78 crores have been recognised in the Statement of profit and loss and disclosed as taxes relating to prior years.

b) Without qualifying our opinion, we draw attention to note 2.39 to the financial statements with regard to contracts not being pursued on account of foreclosure by the Company/ disputes with customers. As at 31 March 2014 an amount of ₹ 77.63 crores (including amount pertaining to advances, trade receivables, Contract work-in-progress and performance bank guarantees invoked by them) is receivable from these customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and conditions implicit in these contracts and the ongoing discussions based on which steps to recover are currently in process, is confident of recovering the aforesaid amount as these are contractually tenable.

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, *except for the effect of the matter described in the Basis for Qualified Opinion paragraph*, 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 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar. S. G
Partner
Membership No.: 216463

Hyderabad
20 June 2014

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 2014. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. Where assets have been moved between location the Company is in the process of carrying out the necessary updation to the records.

(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 nature of its assets. In accordance with this programme, certain fixed assets were verified during the year. While the reconciliation of the fixed assets verified with the books are currently in progress, in the opinion of the management the discrepancies if any are not expected to be material.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The management has conducted physical verification of inventory as at the year end. *In our opinion, the frequency of verification of inventory needs to be increased to be adequate in relation to the size of the Company and the nature of its business.*

(b) The procedures of physical verification of inventory 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 procedures for updating these records needs to be further strengthened keeping in view the nature and scale of its 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.

(b) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories, fixed assets and sale of services are for the Company's/ buyer's specialised requirements, and suitable alternative sources are not available to obtain comparable quotations, 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. *During the course of our audit, we noted in certain instances, that the underlying supporting documentation needs to be further strengthened with respect to certain purchases of inventories and services and sale of services.* However, based on other alternative existing controls, in our opinion, the same did not result in a major weakness in internal control. The Management has taken steps to strengthen the supporting documentation subsequent to the yearend.

(v) (a) In our opinion, and according to the information and explanations provided by the Management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(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 within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable to the Company.

(vii) The Company has an internal audit system commensurate with the size and nature of its business. *However, the coverage of internal audit needs to be increased.*

(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 Investor Education and Protection Fund, Wealth Tax, Customs Duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. *However, undisputed dues in respect of Provident Fund, Employees' State Insurance, Income Tax deducted at source, Works Contract Tax deducted at source, Sales Tax and Service Tax, have not been regularly deposited with the appropriate authorities and there have been serious delays in 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, Wealth Tax, Customs Duty and other material statutory dues that were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable, *except for Income Tax deducted at source, Work Contract Tax deducted at sources by the Company, Sales Tax and Service Tax as set out in Appendix I.* As explained to us, the Company did not have any dues on account of Excise Duty.

Annexure to the Independent Auditors' Report *(continued)*

(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 II.

(x) *Without considering the consequential effects, if any, of the matter(s) stated in in the Basis for Qualified Opinion paragraph of our auditors' report*, the Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the immediately preceding financial year. However, *the Company has incurred cash losses in the current financial year.*

(xi) In our opinion and according to the information and explanations given to us, *except for the dues stated in Appendix III* the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding debentures or dues to any financial institutions 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 report that funds amounting to ₹ 252.04 crores raised on short-term basis have been used for long-term purposes.*

(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 issues.

(xxi) Based on the information and explanations provided to us, *the Company has filed cases under section 138, 141 and 142 of the Negotiable Instruments Act, 1881 against three ex – employees for cheques returned by the banks on presentation for payment. These cheques were obtained by the Company towards recovery of losses on account of the alleged irregularities amounting to ₹ 20.86 crores which the Company believes were committed by the concerned employees while discharging their duties. Legal proceeding are currently on going in this regards*.

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

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar. S. G
Partner
Membership No.: 216463

Hyderabad
20 June 2014

Annexure to the Independent Auditors' Report *(continued)*

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

Name of the Statute	Nature of the Dues	Amount (₹ in crores)	Period to which the amount relates	Unpaid as on date (₹ in crores)
Income Tax Act, 1961	Income Tax deducted at source	4.92	Various months	3.11
Finance Act, 1994	Service tax	1.01	Various months	1.01
Value Added Tax Acts of various States	Work Contract Tax deducted at source	0.85	Various months	0.85
The Jammu and Kashmir Value Added Tax Act, 2005	Work Contract Tax	17.71	Various months	17.71
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.14	May 13 and July 13	0.14

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

Name of the Statute	Nature of the Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
General sales tax/Value added tax				
Andhra Pradesh General Sales Tax Act, 1957	Tax	0.17 (0.09)*	2001-02	High Court of Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1957	Tax	0.91 (0.45)*	2002-03	The Deputy Commissioner, Hyderabad
Andhra Pradesh VAT Act, 2005	Tax	1.05 (1.53)*	2005-07	Sales Tax Appellate Tribunal, Hyderabad
Andhra Pradesh VAT Act, 2005	Interest	0.08	2007-08	Commercial Tax Officer, Hyderabad
Andhra Pradesh VAT Act, 2005	Tax	6.85 (6.85)*	2005-08	Commercial Tax Officer, Hyderabad
Andhra Pradesh VAT Act, 2005	Tax and penalty	1.19 (0.43)*	2007-09	Sales Tax Appellate Tribunal, Hyderabad
Andhra Pradesh VAT Act, 2005	Tax and penalty	4.32 (1.99)*	2009-10	The Addl Deputy Commissioner (Appeals), Hyderabad
Karnataka Value Added Tax, 2003	Tax	0.88 (0.88)*	2004-06	Joint Commissioner (Appeals), Bangalore
The Punjab Value Added Tax, 2005	Tax	0.10 (0.03)*	2006-07	Deputy Excise and Taxation Commissioner (Appeals), Punjab
West Bengal Value Added Tax, 2003	Tax	0.86	2005-06	West Bengal Commercial Taxes Appellate and Revisional Board, Kolkata
West Bengal Value Added Tax, 2003	Tax	2.51	2006-07	The Addl Commissioner of Commercial Taxes, Kolkata
Madhya Pradesh Value Added Tax, 2002	Tax	0.95 (0.09)*	2010-11	The Appellate Tribunal, Bhopal
Service tax				
Finance Act, 1994	Tax	6.13 (0.75)*	2007-09	High Court of Andhra Pradesh
Finance Act, 1994	Tax	0.98	2007-09	Central Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore
Finance Act, 1994	Tax and penalty	44.23 (0.23)*	2004-08	CESTAT, Bangalore
Finance Act, 1994	Tax	3.05	2004-05 & 2006 – 07	CESTAT, Bangalore
Finance Act, 1994	Tax	15.06 (0.20)*	2004-08	CESTAT, Kolkata
Finance Act, 1994	Tax	4.86	2009-12	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad.

Annexure to the Independent Auditors' Report *(continued)*

Name of the Statute	Nature of the Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Tax and penalty	53.22 (4.09)*	2004-12	CCCE&S of various States
Finance Act, 1994	Tax	0.20	2005-08	Asst. Commissioner (Audit), Service Tax Cell, Visakhapatnam
Finance Act, 1994	Tax	0.19	2010-11	Addl CCCE&S, Hyderabad
Finance Act, 1994	Tax	0.04	2007-08	CCCE&S (Appeals), Chennai
Finance Act, 1994	Tax	0.71	2011-12	Addl CCCE&S, Chennai
Finance Act, 1994	Tax	2.17	2007-12	CCCE&S, Hyderabad
Income tax				
Income Tax Act, 1961	Deductions disallowed	1.26**	2002-03	Assessing Officer, Hyderabad
Income Tax Act, 1961	Deductions disallowed	1.05**	2003-04	Assessing Officer, Hyderabad
Income Tax Act, 1961	Deductions disallowed	1.61**	2004-05	Assessing Officer, Hyderabad
Income Tax Act, 1961	Deductions disallowed	5.08**	2005-06	Assessing Officer, Hyderabad
Income Tax Act, 1961	Deductions disallowed	4.44**	2006-07	Assessing Officer, Hyderabad
Income Tax Act, 1961	Deductions disallowed	6.48**	2007-08	Assessing Officer, Hyderabad
Income Tax Act, 1961	Deductions disallowed	12.43**	2008-09	Assessing Officer, Hyderabad

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

** These amounts have been deducted against refund receivable.

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

A. Details of delays in repayment of dues to banks, which were outstanding as at 31 March 2014:

Name of the bank	Nature of dues	Amount due (₹ in crores)	Due date	Paid by	Delays (in days)
ICICI Bank Limited	Loan Repayment	6.25	8 February 2014	2 April 2014	53
ICICI Bank Limited	Interest	1.53	1 February 2014	2 April 2014	60
ICICI Bank Limited	Interest	1.31	1 March 2014	19 April 2014	49
Axis Bank Limited	Letter of Credit	19.06	6 February 2014	30 May 2014	113
Axis Bank Limited	Letter of Credit	13.00	February 2014	-	Not yet paid
Punjab National Bank	Letter of Credit	1.60	February 2014	-	Not yet paid
ICICI Bank Limited	Buyers Credit	10.87	30 January 2014	3 April 2014	63

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 2014, but repaid before 31 March 2014 are as follows:

Name of the bank	Principal (₹ in crores)	Delay range (in days)	Interest (₹ in crores)	Delay range (in days)
State Bank of India	-	-	1.53	1 – 7
ING Vysya Bank	-	-	0.79	25 – 29
ICICI Bank Limited	18.75	20 – 77	16.78	2 – 84
Axis Bank Limited	0.70	11 – 189	0.24	11 – 189
HDFC Bank Limited	2.82	11 - 155	0.44	11 – 155
ICICI Bank Limited	2.68	9 - 131	0.54	9 - 131

Balance sheet

(₹ in crores)

Particulars	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	57.20	57.20
Reserves and surplus	2.2	537.74	969.84
		594.94	**1,027.04**
Non-current liabilities			
Long-term borrowings	2.3	132.83	189.41
Deferred tax liabilities, net	2.28	-	2.90
Other long-term liabilities	2.4	21.16	34.22
Long-term provisions	2.5	67.42	68.38
		221.41	**294.91**
Current liabilities			
Short-term borrowings	2.6	1,137.46	861.83
Trade payables	2.7	873.71	1,088.83
Other current liabilities	2.8	968.63	911.07
Short-term provisions	2.9	37.35	12.98
		3,017.15	**2,874.71**
		3,833.50	**4,196.66**
ASSETS			
Non-current assets			
Fixed assets:			
(a) Tangible assets	2.10	375.23	403.59
(b) Intangible assets	2.10	1.70	1.70
(c) Capital work-in-progress		6.51	-
		383.44	**405.29**
Non-current investments	2.11	419.07	406.03
Deferred tax assets, net	2.28	199.20	-
Long-term loans and advances	2.12	115.22	221.99
Other non-current assets	2.13	8.69	25.00
		1,125.62	**1,058.31**
Current assets			
Inventories	2.14	976.38	955.69
Trade receivables	2.15	943.93	1,488.61
Cash and bank balances	2.16	75.58	70.29
Short-term loans and advances	2.17	694.64	607.60
Other current assets	2.18	17.35	16.16
		2,707.88	**3,138.35**
		3,833.50	**4,196.66**
Significant accounting policies and Notes to financial statements	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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

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

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

Supreet Sachdev
Partner
Membership No.: 205385

Mahidhar. S. G
Partner
Membership No.: 216463

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

Hyderabad
20 June 2014

I W Vijaya Kumar
Chief Financial Officer

V Phani Bhushan
Company Secretary

Statement of profit and loss

(₹ in crores)

Particulars	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
Income:			
Revenue from construction activities and related services		1,755.09	3,038.62
Other income	2.19	22.94	32.19
Total income		**1,778.03**	**3,070.81**
Expenses:			
Change in contract work-in-progress		(32.37)	(152.75)
Contract expenses	2.20	1,820.53	2,692.43
Employee benefits expense	2.21	79.22	124.53
Finance costs	2.22	194.70	169.66
Depreciation and amortization expense	2.10	45.82	41.94
Other expenses	2.23	293.56	104.36
Total expenses		**2,401.46**	**2,980.17**
(Loss)/ Profit before tax		**(623.43)**	**90.64**
Tax expense:			
- Current tax		-	33.49
- Deferred tax expense/ (benefit)	2.28	(202.10)	(2.78)
- Taxes for prior years	2.31	10.78	-
		(191.32)	30.71
(Loss)/ Profit after tax		**(432.11)**	**59.93**
Earnings per equity share - par value of ₹10 per share			
- Basic and diluted	2.24	(75.55)	10.48
Significant accounting policies and Notes to financial statements	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. LLP**
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Firm Registration No.: 101248W

Supreet Sachdev
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Mahidhar. S. G
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Hyderabad
20 June 2014

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

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

V Phani Bhushan
Company Secretary

Cash flow statement

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flows from operating activities:		
(Loss)/ Profit before tax	**(623.43)**	**90.64**
Adjustments:		
Depreciation and amortization expense	45.82	41.94
Fixed assets written off	0.47	0.62
Interest expense	179.23	151.43
Provision for doubtful trade receivables	147.71	14.99
Provision for foreseeable loss	20.90	1.13
Provision for doubtful loans and advances	70.18	8.28
(Profit) / Loss on sale of fixed assets, net	1.10	(0.69)
Profit on sale of non-current investments	-	(0.57)
Interest income	(4.85)	(16.86)
Liabilities no longer required written back	(6.06)	-
Dividend income	-	(0.01)
Unrealised loss/ (gain) on foreign currency translation	2.16	(1.71)
Operating profit/ (loss) before working capital changes	**(166.77)**	**289.19**
Increase in inventories	(20.69)	(258.06)
Decrease in trade receivables	378.56	197.29
Increase in loans and advances	(4.86)	(192.40)
(Decrease)/ Increase in liabilities and provisions	(214.46)	45.06
Cash (used in)/ generated from operations	**(28.22)**	**81.08**
Income taxes paid, net	(34.82)	(50.69)
Net cash (used in)/ generated from operating activities	**(63.04)**	**30.39**
Cash flows from investing activities:		
Purchase of fixed assets, net	(29.08)	(37.03)
(Increase)/Decrease in capital advances	14.69	(2.43)
Decrease in capital creditors	(0.04)	(0.44)
Proceeds from sale of fixed assets	3.53	1.93
Purchase of non-current investments	(13.04)	(47.57)
Proceeds from sale of non-current investments	-	0.66
Decrease in bank balances to the extent not considered in cash and cash equivalents	8.30	17.46
Interest received	8.20	4.97
Dividend received	-	0.01
Net cash used in investing activities	**(7.44)**	**(62.44)**

(continued)

Cash flow statement *(continued)*

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flows from financing activities:		
Proceeds from term loans	-	75.00
Repayment of term loans	(25.00)	(45.00)
Net proceeds from short-term borrowings	279.23	160.02
Proceeds from/(repayment of) unsecured loan	50.00	25.20
Hypothecation loans taken	0.54	31.88
Hypothecation loans repaid	(45.01)	(54.45)
Interest paid	(174.70)	(147.30)
Net cash provided by financing activities	**85.06**	**45.35**
Net increase in cash and cash equivalents	14.58	13.30
Cash and cash equivalents at the beginning of the year (refer note below)	39.41	26.11
Cash and cash equivalents at the end of the year (refer note below)	**53.99**	**39.41**
Note:		
Cash and cash equivalents comprise:		
Cash and cash equivalents:		
Cash on hand	0.61	0.46
Cheques on hand	12.36	-
Balances with banks:		
- in current accounts	33.62	38.95
- in deposit accounts*	7.40	-
	53.99	**39.41**

* Includes amount of ₹ 7.40 crores (previous year: ₹ Nil) 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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

Supreet Sachdev
Partner
Membership No.: 205385

for **Visweswara Rao & Associates**
Chartered Accountants
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Mahidhar. S. G
Partner
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Hyderabad
20 June 2014

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

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

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, the provisions of the Companies Act, 2013 (to the extent notified) 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 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 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/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 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.

Notes to financial statements *(continued)*

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 the 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 taxes 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 amortised 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.

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.1 Share capital		
Authorised capital		
70,000,000 (previous year : 70,000,000) equity shares of ₹ 10 each	70.00	70.00
	70.00	**70.00**
Issued, Subscribed and Paid-up		
57,197,791 (previous year : 57,197,791) equity shares of ₹ 10 each, fully paid-up	57.20	57.20
	57.20	**57.20**

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

Particulars	As at 31 March 2014	As at 31 March 2013
Equity Shares:		
(a) Number of shares:		
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	**57,197,791**	**57,197,791**
(b) Share capital: (₹ in crores)		
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	**57.20**	**57.20**

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

(a) 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.

(b) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.

(c) 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 2014	As at 31 March 2013
Alla Ayodhya Rami Reddy:		
Number of equity shares	34,556,122	34,556,122
% of holding	60.42%	60.42%
SA1 Holding Infrastructure Company Private Limited:		
Number of equity shares	4,165,884	4,165,884
% of holding	7.28%	7.28%

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.2 Reserves and surplus		
Securities premium account:		
Balance at the beginning of the year	408.13	408.13
Movement during the year	-	-
Balance at the end of the year	**408.13**	**408.13**
General reserves:		
Balance at the beginning of the year	20.00	20.00
Add: Transferred from surplus	-	-
Balance at the end of the year	**20.00**	**20.00**
Surplus in the statement of profit and loss:		
Balance at the beginning of the year	541.71	481.78
Add: (Loss)/ Profit for the year	(432.11)	59.93
Balance at the end of the year	**109.60**	**541.71**
	537.74	**969.84**

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.3 Long - term borrowings		
Secured loans		
(refer to note 2.29)		
From banks:		
- Term loans	100.00	125.00
- Equipment and vehicle loans	8.98	16.70
From others:		
- Equipment and vehicle loans	23.85	47.71
	132.83	**189.41**
2.4 Other long-term liabilities		
Trade payables (refer note below)	8.36	10.11
Mobilisation and other advances	4.02	3.99
Other payables	8.78	20.12
	21.16	**34.22**
Note: Trade payables includes retention money payable of ₹ 1.78 crores (previous year: ₹1.10 crores).		
2.5 Long-term provisions		
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)	0.60	1.10
- Compensated absences	0.26	0.72
	67.42	**68.38**
2.6 Short-term borrowings		
(refer to note 2.29)		
Secured loans		
From banks:		
(a) Loans repayable on demand:		
- Cash credits	983.77	582.49
(b) Other than loans repayable on demand:		
- Buyers credit	1.49	24.14
- Working capital loans	77.00	230.00
	1,062.26	**836.63**
Unsecured loans		
- From others (corporate)	50.00	-
- From related parties (refer note 2.32)	25.20	25.20
	75.20	**25.20**
	1,137.46	**861.83**
2.7 Trade payables		
Trade payables:		
- due to micro and small enterprises (refer to note 2.35)	-	-
- due to other than micro and small enterprises	873.71	1,088.83
	873.71	**1,088.83**

Note:

Trade payables include retention money payable of ₹ 428.17 crores (previous year: ₹ 368.56 crores).

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.8 Other current liabilities		
Current maturities of long-term debts:		
(refer to note 2.29)		
From banks:		
- Term loans	25.00	25.00
- Equipment and vehicle loans	8.28	11.59
From others:		
- Equipment and vehicle loans	23.95	33.52
	57.23	**70.11**
Mobilisation and other advances	690.88	720.02
Security deposits received	11.89	25.07
Dues to statutory/government authorities	54.95	18.23
Capital creditors	2.66	2.70
Loans outstanding for repayment (refer to note 2.29)	80.72	24.96
Interest accrued and due on borrowings	7.09	5.58
Interest accrued but not due	9.77	6.75
Unclaimed dividend	0.03	0.01
Accrued salaries,wages and benefits	20.14	13.47
Provision for expenses	27.76	16.06
Other payables	5.51	8.11
	968.63	**911.07**
2.9 Short-term provisions		
Provision for tax for prior year (refer to note 2.31)	4.99	-
Provision for foreseeable loss	30.53	9.63
Provision for employee benefits:		
- Gratuity (refer to note 2.34)	0.13	0.40
- Compensated absences	1.70	2.95
	37.35	**12.98**

2.10 Fixed assets

(₹ in crores)

Description	Gross block				Accumulated depreciation and amortisation				Net block	
	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	As at 1 April 2013	Charge for the year	Deletions	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible assets:										
(Owned)										
Freehold land	1.93	-	-	1.93	-	-	-	-	1.93	1.93
Buildings	2.81	-	-	2.81	0.26	0.07	-	0.33	2.48	2.55
Plant and equipment	410.29	20.07	7.45	422.91	81.09	34.77	2.89	112.97	309.94	329.20
Furniture and fixtures	5.50	0.10	0.45	5.15	2.84	0.30	0.22	2.92	2.23	2.66
Vehicles:										
- Construction vehicles	67.08	1.37	-	68.45	23.19	7.16	-	30.35	38.10	43.89
- Other vehicles	15.43	0.45	0.11	15.77	4.92	1.40	0.03	6.29	9.48	10.51
	-	-	-	-	-	-	-	-	-	-
Office equipment	12.58	0.47	0.59	12.46	3.12	0.69	0.37	3.44	9.02	9.46
Computer equipment	10.00	0.07	0.30	9.77	6.61	1.41	0.30	7.72	2.05	3.39
Total tangible assets	**525.62**	**22.53**	**8.90**	**539.25**	**122.03**	**45.80**	**3.81**	**164.02**	**375.23**	**403.59**
Previous year	492.09	36.76	3.23	525.62	81.90	41.49	1.36	122.03	403.59	
Intangible assets:										
(Owned)										
Computer software	2.85	0.02	-	2.87	1.15	0.02	-	1.17	1.70	1.70
Total intangible assets	**2.85**	**0.02**	**-**	**2.87**	**1.15**	**0.02**	**-**	**1.17**	**1.70**	**1.70**
Previous year	2.58	0.27	-	2.85	0.70	0.45	-	1.15	1.70	

Note: Refer to note 2.29 for fixed assets pledged as securities against loans taken by the Company.

Notes to financial statements *(continued)*

(₹ in crores)

	Particulars	As at 31 March 2014	As at 31 March 2013
2.11	**Non-current investments**		
	Long-term investments at cost, unless otherwise specified		
	Unquoted investments: Trade		
	i) Investments in equity instruments of subsidiaries:		
	MDDA-Ramky IS Bus Terminal Limited (refer to note a below) 10,651,817 (previous year: 10,651,817) equity shares of ₹ 10 each, fully paid	14.26	14.26
	Ramky Elsamex Hyderabad Ring Road Limited (refer to note b below) 14,800,000 (previous year: 14,800,000) equity shares of ₹ 10 each, fully paid	14.80	14.80
	Ramky Engineering and Consulting Services (FZC) (refer to note j below) 87,926 (previous year: 87,926) equity shares of AED 100 each, fully paid	11.21	11.21
	Ramky Pharma City (India) Limited (refer to note c below) 9,180,000 (previous year: 9,180,000) equity shares of ₹ 10 each, fully paid	9.18	9.18
	Ramky-MIDC Agro Processing Park Limited (refer to note j below) 2,228,686 (previous year: 2,228,686) equity shares of ₹ 10 each, fully paid	6.59	6.59
	Ramky Multi Product Industrial Park Limited 5,000,000 (previous year: 5,000,000) equity shares of ₹ 10 each, fully paid	5.00	5.00
	Naya Raipur Gems and Jewellery SEZ Limited (refer to note j below) 840,684 (previous year: 840,684) equity shares of ₹10 each, fully paid	2.42	2.42
	Ramky Herbal and Medicinal Park (Chhattisgarh) Limited (refer to note j below) 513,897 (previous year: 513,897) equity shares of ₹ 10 each, fully paid	1.44	1.44
	Ramky Food Park (Chhattisgarh) Limited (refer to note j below) 436,397 (previous year: 436,397) equity shares of ₹ 10 each, fully paid	1.21	1.21
	Ramky Towers Limited (refer to note j below) 26,458 (previous year: 26,458) equity shares of ₹ 10 each, fully paid	0.18	0.18
	Ramky Food Park (Karnataka) Limited (refer to note j below) 54,665 (previous year: 54,665) equity shares of ₹ 10 each, fully paid	0.05	0.05
	Ramky Enclave Limited (refer to note j below) 44,505 (previous year: 44,505) equity shares of ₹ 10 each, fully paid	0.04	0.04
	Srinagar Banihal Expressway Limited (refer to note d below) 38,891 (previous year: 38,891) equity shares of ₹ 10 each, fully paid	0.04	0.04
	Sehore Kosmi Tollways Limited (refer to note f below) 12,020,000 (previous year : 12,020,000) equity shares of ₹ 10 each, fully paid	12.02	12.02
	Frank Lloyd Tech Management services Limited (refer to note j below) 76,000 (previous year : 76,000) equity share of ₹ 10 each, fully paid	0.08	0.08
	Agra Etawah Tollways Limited (refer to note g and j below) 50,000 (previous year: 50,000) equity shares of ₹ 10 each, fully paid	0.05	0.05
	Hospet Chitradurga Tollways Limited (refer to note h and j below) 17,022,000 (previous year: 17,022,000) equity shares of ₹ 10 each, fully paid	17.02	17.02
	Jabalpur Patan Shahpura Tollways Limited (refer to note j below) 50,000 (previous year: 50,000) equity shares of ₹ 10 each, fully paid	0.05	0.05
	Ramky Esco Limited (refer to note j below) 50,000 (previous year: 50,000) equity shares of ₹ 10 each, fully paid	0.05	0.05
	ii) Investments in equity instruments of associates:		
	Ramky Integrated Township Limited 18,241 (previous year: 18,241) equity shares of ₹ 10 each, fully paid	0.02	0.02
	Gwalior Bypass Project Limited (refer to note e and k below) 25,500 (previous year: 25,500) equity shares of ₹ 10 each, fully paid	0.02	0.02
	iii) Investments in equity instruments of jointly controlled entities:		
	N.A.M. Expressway Limited 116,755,000 (previous year: 116,755,000) equity shares of ₹ 10 each, fully paid	116.76	116.76
	Jorabat Shillong Expressway Limited 39,000,000 (previous year: 26,000,000) equity shares of ₹ 10 each, fully paid	39.00	26.00
	iv) Investments in equity instruments of others:		
	Delhi MSW Solutions Limited 5,000 (previous year: 5,000) equity shares of ₹ 10 each, fully paid	0.01	0.01
	Triteus Holdings Private Limited 40,000 (previous year: Nil) equity shares of ₹ 10 each, fully paid	0.04	-
	v) Investments in preference instruments of subsidiaries:		
	Ramky Elsamex Hyderabad Ring Road Limited (refer to note b below) 25,000,000 (previous year: 25,000,000) 10%, cumulative redeemable optional convertible preference shares of ₹ 10 each, fully paid	25.00	25.00

Notes to financial statements *(continued)*

(₹ in crores)

	Particulars	As at 31 March 2014	As at 31 March 2013
	Ramky Enclave Limited (refer to note i below) 78,000 (previous year: 78,000) 10%, cumulative convertible redeemable preference shares of ₹ 10 each, fully paid	19.50	19.50
	Ramky Multi Product Industrial Park Limited 1,500,000 (previous year : 1,500,000) 0.001%, cumulative convertible redeemable preference shares of ₹ 10 each, fully paid	15.00	15.00
	Ramky Multi Product Industrial Park Limited 4,000,000 (previous year : 4,000,000) 0.001%, cumulative non-convertible redeemable preference shares of ₹ 10 each, fully paid	40.00	40.00
	Naya Raipur Gems and Jewellery SEZ Limited (refer to note i below) 295,133 (previous year: 295,133) 0.001%, cumulative convertible redeemable preference shares of ₹10 each, fully paid	0.89	0.89
	Srinagar Banihal Expressway Limited 61,547,445 (previous year: 61,547,445) 0.001%, non-cumulative non-convertible redeemable preference shares ₹ 10 each, fully paid	61.55	61.55
	Frank Lloyd Tech Management Services Limited (refer to note i below) 5,499,140 (previous year: 5,499,140), 0.001%, non-cumulative non-convertible redeemable preference shares of ₹ 10 each, fully paid	5.50	5.50
vi)	**Investments in preference instruments of associates:**		
	Gwalior Bypass Project Limited (Refer to note k below) 2,240 (previous year: 2,240) 0.01%, cumulative redeemable preference shares of ₹ 100 each, fully paid	0.09	0.09
	Total non-current investments (i+ii+iii+iv+v+vi)	**419.07**	**406.03**
Aggregate book value of unquoted non-current investments		**419.07**	**406.03**

Notes :

a) 9,660,009 (previous year: 9,660,009) equity shares have been pledged in favour of Infrastructure Development Finance Company Limited for the loan availed by MDDA-Ramky IS Bus Terminal Limited.

b) 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 loans availed by Ramky Elsamex Hyderabad Ring Road Limited.

c) 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.

d) 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.

e) 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.

f) 6,130,200 (previous year: 6,130,200) equity shares have been pledged in favour of IDBI Trusteeship Services Limited for the loan availed by Sehore Kosmi Tollways Limited.

g) 25,500 (previous year: 25,500) equity shares have been pledged in favour of Oriental Bank of Commerce for the loan availed by Agra Etawah Tollways Limited.

h) 8,681,220 (previous year: 8,681,220) equity shares have been pledged in favour of Axis Bank Limited for the loan availed by Hospet Chitradurga Tollways Limited.

i) Preference shares of these companies have been pledged in favour of State Bank of India for the loan availed by the Company.

j) The following equity shares have been pledged in favour of State Bank of India for the loan availed by the Company:

Entity name	Number of shares as at	
	31 March 2014	31 March 2013
Agra Etawah Tollways Limited	24,494	-
Frank Lloyd Tech Management Services Limited	75,994	-
Hospet Chitradurga Tollways Limited	8,340,774	-
Naya Raipur Gems and Jewellery SEZ Limited	840,678	-
Ramky-MIDC Agro Processing Park Limited	2,228,680	-
Ramky Enclave Limited	44,500	-
Ramky Engineering and Consulting Services (FZC)	87,926	-
Ramky Food Park (Chhattisgarh) Limited	436,391	-
Ramky Food Park (Karnataka) Limited	54,659	-
Ramky Herbal and Medicinal Park (Chhattisgarh) Limited	513,891	-
Ramky Towers Limited	26,458	-
Ramky Esco Limited	49,994	-
Jabalpur Patan Shahpura Tollways Limited	49,994	-

k) Became an associate effective from 31 March 2014 due to further investment by other shareholders.

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.12 Long-term loans and advances		
Unsecured, considered good:		
Capital advances	11.47	26.16
Loans and advances to related parties*	22.03	92.92
Advances recoverable in cash or in kind or for value to be received	-	10.86
Security deposits	7.97	8.67
Other loans and advances:		
- Earnest money deposit	0.62	1.63
- Receivables from statutory/government authorities	38.73	44.68
- Receivables from income tax authority	32.35	32.35
- Prepaid expenses	2.05	4.72
	115.22	**221.99**
Unsecured, considered doubtful: (refer to note 2.38)		
Earnest money deposit	0.79	0.74
Advances recoverable in cash or in kind or for value to be received	25.42	14.46
	26.21	**15.20**
Provision for doubtful loans and advances:		
Earnest money deposit	(0.79)	(0.74)
Advances recoverable in cash or in kind or for value to be received	(25.42)	(14.46)
	(26.21)	**(15.20)**
	115.22	**221.99**
* Loans and advances in nature of loans to subsidiaries (refer to note 2.33).		
2.13 Other non-current assets		
Trade receivables:		
(refer note a below)		
Outstanding for period exceeding six months:		
- Unsecured, considered good	7.18	24.64
- Unsecured, considered doubtful	44.87	24.18
	52.05	**48.82**
Less: Provision for doubtful trade receivables (refer to note 2.38)	(44.87)	(24.18)
	7.18	**24.64**
Long-term bank deposits (refer note b below)	1.31	0.32
Interest accrued but not due	0.20	0.04
	8.69	**25.00**
Notes:		
a. Trade receivables before provision includes retention money receivable of ₹ 12.85 crores (previous year: ₹ 16.52 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 9.07 crores (previous year:₹ 8.08 crores).		
b. Long-term bank deposits represents margin money against bank guarantees and other commitments.		
2.14 Inventories		
(Valued at the lower of cost and net realisable value)		
Raw materials and components	304.43	316.11
Contract work-in-progress	671.95	639.58
	976.38	**955.69**

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.15 Trade receivables		
Outstanding for period exceeding six months:		
- Unsecured, considered good	335.72	468.26
- Unsecured, considered doubtful	135.67	8.65
	471.39	**476.91**
Less: Provision for doubtful trade receivables (refer to note 2.38)	(135.67)	(8.65)
	335.72	**468.26**
Other debts (unsecured)	608.21	1,020.35
	943.93	**1,488.61**
Notes:		
1. Trade receivables before provision includes retention money receivable of ₹ 561.30 crores (previous year ₹ 559.99 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 27.87 crores (previous year: ₹ 3.59 crores).		
2. Trade receivables includes retention money of ₹ 526.58 crores (previous year: ₹ 484.51 crores) not due for payment as per related terms of contracts/ work orders.		
2.16 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.61	0.46
Cheques on hand	12.36	-
Balances with banks:		
- in current accounts	33.62	38.95
- in deposit accounts*	7.40	-
	53.99	**39.41**
Other bank balances		
Deposits with maturity more than 3 months but less than 12 months*	21.56	30.87
Balances with bank for unclaimed dividend	0.03	0.01
	75.58	**70.29**
* Includes amount of ₹ 28.96 crores (previous year: ₹ 26.70 crores) held as margin money or security deposit against bank guarantees and other commitments.		
2.17 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to related parties*	105.25	62.46
Mobilisation and material advances	173.26	183.77
Advances recoverable in cash or in kind or for value to be received	247.05	213.49
Security deposits	2.57	3.34
Other loans and advances:		
- Earnest money deposit	9.10	8.74
- Advance tax (net of provision)	72.17	43.14
- Balances with statutory/government authorities	71.71	62.75
- Prepaid expenses	8.31	21.46
- Loans and advances to employees	2.54	2.85
- Other advances	2.68	5.60
	694.64	**607.60**
Unsecured, considered doubtful:		
Loans and advances to related parties*	8.84	-
Mobilisation and material advances	1.25	-
Advances recoverable in cash or in kind or for value to be received	17.83	-
	27.92	**-**
Provision for doubtful loans and advances: (refer to note 2.38)		
Loans and advances to related parties	(8.84)	-
Mobilisation and material advances	(1.25)	-
Advances recoverable in cash or in kind or for value to be received	(17.83)	-
	(27.92)	**-**
	694.64	**607.60**
* Loans and advances in nature of loans to subsidiaries, associates and jointly controlled entities before provision for doubtful loans and advances amounting to ₹ 110.98 crores (previous year: ₹ 59.38 crores) (refer to note 2.33). Balance of ₹ 3.11 crores (previous year: ₹ 3.08 crores) represents other advances to other related parties.		

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.18 Other current assets		
Claims recoverable [net of provision of ₹ 31.25 (previous year: ₹ Nil)] (refer to note 2.38)	4.69	-
Interest accrued but not due	12.66	16.16
	17.35	**16.16**

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
2.19 Other income		
Interest income	4.85	16.86
Dividend income	-	0.01
Other non-operating income:		
- Liabilities no longer required written back	6.06	-
- Profit on sale of fixed assets, net	-	0.69
- Profit on sale of non-current investments	-	0.57
- Foreign exchange gain (net)	0.09	2.18
- Excess provision for employee benefits written back	1.95	0.35
- Miscellaneous income	9.99	11.53
	22.94	**32.19**
2.20 Contract expenses		
Contract materials and supplies consumed	573.18	977.94
Sub-contractor expenses	702.29	999.82
Labour contract charges	274.47	308.63
Rates and taxes	86.32	121.58
Contract consultancy charges	3.14	5.79
Hire charges	42.27	58.93
Power and fuel	58.42	89.95
Contract recoveries	21.92	32.60
Transport expenses	15.49	31.12
Royalty	7.07	15.78
Site installation charges	13.59	18.45
Repairs and maintenance - plant and equipment	9.34	12.69
Consumables and other site expenses	13.03	19.15
	1,820.53	**2,692.43**
2.21 Employee benefits expense		
Salaries, wages and bonus	71.57	107.70
Contribution to provident fund and other funds	4.22	6.27
Managerial remuneration	0.46	3.85
Workmen and staff welfare expenses	2.97	6.52
Compensated absences	-	0.19
	79.22	**124.53**
2.22 Finance costs		
Interest expenses	179.23	151.43
Other borrowing costs	13.23	17.76
Loss on foreign currency transactions and translation	2.24	0.47
	194.70	**169.66**

Notes to financial statements *(continued)*

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
2.23 Other expenses		
Legal and professional charges (refer to note 2.25)	6.23	21.69
Rent (refer to note 2.26)	8.26	10.36
Security charges	9.98	11.83
Traveling and conveyance	2.94	5.34
Insurance	6.57	6.19
Electricity charges	4.41	5.56
Rates and taxes	7.51	4.62
Tender forms and registration charges	0.27	0.98
Communication expenses	1.86	3.98
Printing and stationery	0.96	2.05
Repairs and maintenance - others	2.48	3.73
Donations	0.31	0.62
Advertisement	0.10	0.75
Business promotion expenses	0.28	0.63
Provision for doubtful trade receivables (refer to note 2.38)	147.71	14.99
Provision for doubtful loans and advances (refer to note 2.38)	70.18	8.28
Provision for foreseeable loss, net	20.90	1.13
Loss on sale of fixed assets, net	1.10	-
Fixed assets written off	0.47	0.62
Miscellaneous expenses	1.04	1.01
	293.56	**104.36**

2.24 Commitments and contingent liabilities: (₹ in crores)

Particulars	As at 31 March 2014	As at 31March 2013
i) Commitments:		
(a) Equity commitments towards subsidiaries and jointly controlled entities	59.81	825.92
(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	20.10
ii) Contingent liabilities:		
(a) Performance Guarantees issued by banks:		
- On behalf of the subsidiaries, associate and others	189.24	205.44
(b) Corporate guarantees to banks and financial institutions against credit facilities extended to:		
- Subsidiaries, step-down subsidiary and jointly controlled entity	24.77	280.44
iii) Claims against the Company not acknowledged as debts in respect of:		
(a) Indirect tax and other matters	211.62	213.01
(b) Disputed claims from customers and vendors	32.86	32.58

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

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Audit fees	0.30	0.30
Other services	0.43	0.32
Out of pocket expenses	0.03	0.02
Total	**0.76**	**0.64**

2.26 Leases

The Company is obligated under cancellable operating lease agreements. Total rental expense for the period under cancellable leases was ₹ 8.26 crores (previous year: ₹ 10.36 crores) has been disclosed as 'Rent' in the statement of profit and loss.

2.27 Earnings/ (Loss) per share (EPS):

The computation of earnings/ (loss) per share is set out below:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit/ (loss) for the year attributable to equity shareholders(₹in crores)	(432.11)	59.93
Shares		
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/ (Loss) per equity share – par value of ₹ 10 per share		
Basic and diluted	**(75.55)**	**10.48**

2.28 Deferred tax:

Deferred tax asset/ (liability), net included in the balance sheet comprises the following: (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred tax assets		
Provision for doubtful receivables and advances	86.28	16.32
Accrued employee benefits	0.87	1.76
Unabsorbed depreciation and business losses	120.67	-
Other timing differences (Primarily on disallowances under Section 43B of the Income Tax Act, 1961)	19.56	7.71
Deferred tax liability		
Excess of depreciation allowable under Income tax law over depreciation provided in accounts	(28.18)	(28.69)
Deferred tax asset/ (liability), net	**199.20**	**(2.90)**

Note:

The Company has recognized deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year. Based on estimated realisation of reasonable margin on existing contracts on hand, the Management is confident of the virtual certainty of sufficient future taxable income for realisation of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22).

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

Secured borrowings:

a. Term loan from bank amounting to ₹131.25 crores (previous year ₹150 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. The Company has defaulted in repayment of fourth instalment as at 31 March 2014 amounting to ₹ 6.25 crores which was due on 8 February 2014 and was subsequently paid on 2 April 2014. The said amount is shown as loan outstanding for repayment under other current liabilities.

b. Equipment and vehicle loans from banks amounting to ₹18.76 (previous year: ₹ 28.29 crores) and from others amounting to ₹ 54.07 crores (previous year: ₹ 81.23 crores) are secured by way of hypothecation of the respective equipment/vehicles. These loans are repayable in 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. The Company has defaulted in repayment of various instalments from banks and others as at 31 March 2014 totally amounting to ₹ 1.50 crores and ₹ 6.27 crores respectively, of which instalments amounting to ₹ 1.31crores and ₹ 1.38 crores have been paid till date. The defaulted amount is shown as loan outstanding for repayment under other current liabilities.

c. Buyers credit from banks amounting to ₹ 12.54 crores (previous year: ₹ 24.14 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 1.30% p.a.to 1.35% p.a. The Company has defaulted in the repayment amounting to ₹ 11.05 crores which was due on 30 January 2014 and was subsequently paid on 3 April 2014. The said amount is shown as loan outstanding for repayment under other current liabilities.

Notes to financial statements *(continued)*

d. Cash credits from banks amounting to ₹ 530.82 crores (previous year: ₹ 582.49 crores) and working capital loans from banks amounting to ₹ 77.00 crores (previous year: ₹ 230.00 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 from a bank amounting to ₹ 474.25 crores (previous year: ₹ Nil) 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;

(ii) first charge on the entire unencumbered fixed assets of the company ranking pari-passu basis to all the working capital lenders;

(iii) Pledge of investments held by the Company in few subsidiaries (refer note 2.11); and

(iv) Loan is also secured by way of mortgage of undivided share of land with built up space of 227,320 SFT at Tower - B on Plot No. 31 (Part) and 31 in Sy Nos. 115/22, 115/24 & 115/25 belonging to Ramky Estates and Farms Limited (Group Company) situated at Financial District, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District.

During the year the Company has defaulted in the repayment of ₹ 21.30 crores which was due for repayment as on 31 March 2014 and was subsequently paid on 31 May 2014. The said amount is shown as loan outstanding for repayment under other current liabilities.

Cash credits are repayable on demand along with interest in the range of 13.00% p.a. to 15.20% p.a. (previous year: 10.20% p.a. to 14.50% 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 12.75% p.a. to 14.75% p.a. (previous year: 11.50% p.a. to 13.50% p.a.) payable on monthly basis.

e. Loan outstanding for repayment includes Letter of Credit devolved and Bank Guarantees invoked during the year amounting to ₹ 19.75 crores and ₹ 14.60 crores respectively which were due for repayment as on 31 March 2014 of which amount of ₹ 19.75 crores and ₹ 13.00 crores have been paid till date. Loan outstanding for repayment also includes working capital loan from a bank amounting to ₹ Nil (previous year: ₹ 24.96 crores) were secured by way of post-date cheques submitted by the Company. The Company has defaulted in the repayment of the working capital loan which was due on 2 March 2013 and repaid by 30 May 2013. The said loan carries interest rate in range of 12.50 % p.a. 12.60% p.a. payable on monthly basis.

Unsecured borrowings:

Unsecured loans from a corporate amounting to ₹ 50 crores (previous year: ₹ Nil) is repayable on 15 April 2014 along with interest rate applicable at 24% p.a. Unsecured loans from related parties amounting to ₹ 25.20 crores (previous year: ₹ 25.20 crores) 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 previous 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. At the time of search, the Company was not able to substantiate some transactions to the satisfaction of the Income Tax Department. While the transactions can be substantiated, to avoid dispute with the Income Tax department, the Company has accepted for additional disallowance of expenses and filed revised returns for the respective previous years with the Income Tax Department for amount contended. The resulting tax exposure of ₹ 10.78 crores (including penal interest of ₹ 2.84 crores) has been disclosed as tax expense relating to prior years in the audited financial statements.

2.32 Related party disclosures

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

Enterprise where control exists (Subsidiaries and step-down subsidiary)	▪ Ramky Pharma City (India) Limited ▪ MDDA-Ramky IS Bus Terminal Limited ▪ Ramky Food Park (Chattisgarh) Limited ▪ Naya Raipur Gems and Jewellery SEZ Limited ▪ Ramky Herbal and Medicinal Park (Chattisgarh) Limited ▪ Ramky - MIDC Agro Processing Park Limited ▪ Ramky Engineering and Consulting Services (FZC) ▪ Ramky Elsamex Hyderabad Ring Road Limited ▪ Ramky Towers Limited ▪ Ramky Enclave Limited ▪ Srinagar Banihal Expressway Limited ▪ Ramky Multi Product Industrial Park Limited ▪ Ramky Food Park (Karnataka) Limited ▪ Sehore KosmiTollways Limited ▪ Agra EtawahTollways Limited ▪ Hospet ChitradurgaTollways Limited ▪ Frank Lloyd Tech Management Services Limited ▪ Ramky Infrastructure Sociedad Anonima Cerradda ▪ Jabalpur Patan Shahpura Tollways Limited ▪ Ramky Esco Limited ▪ JNPC Pharma Innovation Limited ▪ Ramky Engineering and Consulting Services Gabon SA
Enterprises where joint control exists (Jointly controlled entities)	▪ N.A.M. Expressway Limited ▪ Jorabat Shillong Expressway Limited ▪ Ramky – SMC JV
Enterprises where significant influence exists (Associates)	▪ Ramky Integrated Township Limited ▪ Gwalior Bypass Project Limited (w.e.f. 31 March 2014) ▪ JNPC Pharma Innovation Limited (upto 22 November 2012)
Enterprises where Key Management Personnel have significant influence (Significant interest entities) (SIE)	▪ Ramky Enviro Engineers Limited ▪ Ramky Estates and Farms Limited ▪ Mumbai Waste Management Limited ▪ West Bengal Waste Management Limited ▪ Ramky Energy & Environment Limited ▪ Ramky Advisory Services Limited ▪ Delhi MSW Solutions Limited ▪ Smilax Laboratories Limited ▪ Ramky Foundation ▪ Dakshayani Academy ▪ Hyderabad Integrated MSW Limited ▪ Chhattisgarh Energy Consortium (India) Private Limited ▪ Ramky Wavoo Developers Private Limited
Key Management personnel (KMP)	▪ A Ayodhya Rami Reddy (Resigned on 25 February 2014) ▪ Y R Nagaraja

Notes to financial statements *(continued)*

Particulars of related party transactions (₹in crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	2013-14 Transactions during the year	2013-14 Amount receivable/ (payable) as at 31 March 2014	2012-13 Transactions during the year	2012-13 Amount receivable/ (payable) as at 31 March 2013
1	Ramky Pharma City (India) Limited	Subsidiary	Contract revenue	-	-	10.57	6.73
			Retention money receivable /(realised)	-	-	(5.97)	-
			Sale of investments	-	-	0.05	-
			Investment in equity shares	-	9.18	-	9.18
			Mobilisation advance received	2.22	(2.22)	-	-
2	MDDA-Ramky IS Bus Terminal Limited	Subsidiary	Contract revenue	-	15.32	-	21.93
			Retention money receivable	-	2.94	-	2.94
			Investments in equity shares	-	14.26	-	14.26
			Corporate guarantee given by the Company	-	9.75	-	9.75
3	Ramky Elsamex Hyderabad Ring Road Limited	Subsidiary	Contract revenue	0.62	0.53	-	3.07
			Retention money receivable /(realised)	(2.27)	2.92	(41.32)	5.19
			Loan given / (recovered)	-	-	(6.63)	-
			Interest income	-		0.23	
			Investment in equity shares	-	14.80	-	14.80
			Investment in preference shares	-	25.00	-	25.00
			Corporate guarantee given by the Company/ (cancelled)	(259.50)	-	-	259.50
4	Ramky Towers Limited	Subsidiary	Contract revenue	40.58	64.40	24.93	108.00
			Mobilisation advance received/ (adjusted against bills)	-	(0.51)	(0.06)	(0.51)
			Retention money receivable	0.82	37.66	1.05	36.84
			Investment in equity shares	-	0.18	-	0.18
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
			Corporate guarantee given by the Company/ (cancelled)	(50.00)	-	-	50.00
6	Ramky Engineering and Consultancy Services (FZC)	Subsidiary	Contract revenue	0.82	8.65	44.72	39.73
			Sale of assets	-	-	0.95	-
			Investment in equity shares	-	11.21	-	11.21
			Corporate guarantee given by the Company	-	69.31	-	69.31
7	Gwalior Bypass Project Limited	Associate	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
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

Notes to financial statements *(continued)*

(₹in crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	2013-14 Transactions during the year	2013-14 Amount receivable/ (payable) as at 31 March 2014	2012-13 Transactions during the year	2012-13 Amount receivable/ (payable) as at 31 March 2013
12	Srinagar Banihal Expressway Limited	Subsidiary	Contract revenue	176.10	4.58	99.71	14.52
			Retention money receivable	9.15	17.55	4.65	8.40
			Mobilisation advance received	50.00	(167.50)	-	(117.50)
			Investment in equity shares	-	0.04	-	0.04
			Investment in preference shares	-	61.55	20.00	61.55
13	Ramky Multi Product Industrial Park Limited	Subsidiary	Contract Revenue	19.20	18.82	-	-
			Loan given	0.25	12.05	3.80	11.80
			Interest income and interest accrued	1.53	2.67	1.20	1.30
			Investment in equity shares	-	5.00	-	5.00
			Investment in preference shares	-	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 revenue	36.87	3.75	43.16	3.66
			Mobilisation advance received / (adjusted against bills)	4.68	-	(3.32)	(4.68)
			Retention money receivable/ (realised)	(0.10)	-	0.08	0.10
			Investment in equity shares	-	12.02	11.02	12.02
			Loan given	9.98	9.98	-	-
			Conversion of preference shares into equity shares	-	-	11.02	-
16	Agra EtawahTollways Limited	Subsidiary	Contract revenue	-	11.25	12.50	11.25
			Loan given	-	8.84	8.84	8.84
			Investment in equity shares	-	0.05	-	0.05
			Corporate guarantee given by the Company	-	577.50	577.50	577.50
17	Hospet Chitradurga Tollways Limited	Subsidiary	Contract revenue	1.00	7.27	7.00	6.30
			Loan given	-	93.14	93.14	93.14
			Mobilisation advance received	-	(103.08)	103.08	(103.08)
			Investment in equity shares	-	17.02	16.97	17.02
			Corporate guarantee given by the Company	-	69.16	69.16	69.16
18	Frank Lloyd Tech Management Services Limited	Subsidiary	Consultancy charges paid	1.38	(0.13)	-	-
			Loan given/ (repaid)	(0.50)	-	-	0.50
			Interest income	-	-	0.45	-
			Loan converted into preference shares	-	-	5.50	-
			Investment in equity shares	-	0.08	-	0.08
			Investment in preference shares	-	5.50	5.50	5.50
19	Jabalpur Patan Shahpura Tollways Limited	Subsidiary	Investment in equity shares	-	0.05	0.05	0.05
			Other advances and deposits paid	0.01	0.01	-	-
20	RamkyEsco Limited	Subsidiary	Investment in equity shares	-	0.05	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	50.00
22	N.A.M.Expressway Limited	JCE	Contract revenue	137.16	29.29	289.21	29.99
			Mobilisation advance received/ (adjusted against bills)	19.45	(2.57)	(39.14)	(22.02)

Notes to financial statements *(continued)*

(₹in crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	2013-14 Transactions during the year	2013-14 Amount receivable/ (payable) as at 31 March 2014	2012-13 Transactions during the year	2012-13 Amount receivable/ (payable) as at 31 March 2013
			Loan given	9.00	9.00	51.00	28.52
			Loan received back	(28.52)		(65.48)	
			Interest income	0.10	8.79	9.33	8.70
			Retention money receivable /(realised)	6.81	12.19	(5.30)	5.38
			Investment in equity shares	-	116.76	-	116.76
23	Jorabat Shillong Expressway Limited	JCE	Mobilisation advance received	-	(0.68)	0.68	(0.68)
			Investment in equity shares	13.00	39.00	5.00	26.00
24	Ramky Integrated Township Limited	Associate	Capital advance paid/ (received back)	(10.65)	11.35	-	22.00
			Share application money converted into loan/ (received back)	(10.00)	-	10.00	10.00
			Interest income	0.11	-	1.20	1.40
			Investment in equity shares	-	0.02	-	0.02
25	Ramky Estates and Farms Limited	SIE	Contract revenue	9.01	20.51	10.88	19.23
			Retention money receivable /(realised)	0.34	2.81	(0.45)	2.47
			Rent paid	0.65	(0.61)	1.10	-
			Rent deposit/(adjusted against payable)	(0.03)	0.28	-	0.31
			Mobilisation advance received	1.80	(2.79)	0.99	(0.99)
			Capital advance paid/(refund received)	-	-	-	-
26	Ramky Enviro Engineers Limited	SIE	Contract revenue	13.83	3.74	45.34	11.64
			Sub-contract expenses	1.39	(0.48)	1.85	(0.18)
			Mobilisation advance paid / (recovered)	(0.22)	1.12	(0.08)	1.34
			Mobilisation advance received, net	9.72	(9.72)	-	-
			Retention money payable	0.28	(8.97)	(1.04)	(8.69)
			Retention money receivable	0.72	2.35	1.15	1.63
			Unsecured loan taken	-	-	44.00	-
			Interest paid	-		1.33	
			Unsecured loan repaid	-		(44.00)	
27	Mumbai Waste Management Limited	SIE	Contract revenue	-	0.36	-	0.36
28	Hyderabad Integrated MSW Limited	SIE	Contract revenue	0.60	0.63	2.27	0.06
			Retention money receivable/ (realised)	-	-	(0.12)	-
			Unsecured loan received and repaid	-	-	8.00	-
			Interest paid	-	(0.16)	0.71	(0.16)
29	West Bengal Waste Management Limited	SIE	Unsecured loan received	1.60	(10.00)	10.00	(10.00)
			Unsecured loan repaid	1.60		-	
			Interest paid	1.25	(1.85)	0.81	(0.73)
30	Ramky Advisory Services Limited	SIE	Consultancy charges paid	-	-	1.17	-
			Advance paid/ (recovered)	-	0.60	(0.86)	0.60
31	Delhi MSW Solutions Limited	SIE	Contract revenue	0.05	0.99	0.79	1.18
			Retention money receivable	0.01	0.66	0.06	0.65
			Unsecured loan received and repaid	-	-	17.00	-
			Interest paid	-	-	0.81	-
			Investment in equity shares	-	0.01	-	0.01

Notes to financial statements *(continued)*

Sl. No.	Name of the related party	Relationship	Nature of transactions	2013-14 Transactions during the year	2013-14 Amount receivable/ (payable) as at 31 March 2014	2012-13 Transactions during the year	2012-13 Amount receivable/ (payable) as at 31 March 2013
32	Chhattisgarh Energy Consortium (India) Private Limited	SIE	Unsecured loan taken	-	(15.20)	22.20	(15.20)
			Unsecured loan repaid	-		(7.00)	
			Interest paid	1.90	(3.58)	2.08	(1.87)
33	Smilax Laboratories Limited	SIE	Contract revenue	-	-	-	10.61
			Interest income on trade receivables	1.07	-	1.17	1.07
			Retention money receivable/ (realised)	(3.00)	-	-	3.00
			Mobilisation advance received	1.13	(0.11)	-	-
			Mobilisation advance repaid	1.02		-	
34	Ramky Foundation	SIE	Donation	0.18	-	0.51	-
35	Dakshayani Academy	SIE	Other advances	-	1.15	-	1.15
36	Ramky Wavoo Developers Private Limited	SIE	Contract revenue	9.46	6.85	3.37	4.89
			Mobilisation advance received/ (adjusted against bills)	(1.21)	(0.87)	2.08	(2.08)
			Retention money receivable	0.40	0.40	-	-
37	A Ayodhya Rami Reddy	KMP	Remuneration	0.22	-	2.44	(0.08)
38	Y R Nagaraja	KMP	Remuneration	0.24	(0.10)	1.41	(0.04)

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:

(₹ in crores)

Name of the entity	Relation ship	Balance as on 31 March 2014	Balance as on 31 March 2013	Maximum amount outstanding during 2013-14	Maximum amount outstanding during 2012-13
Ramky Multi Product Industrial Park Limited	Subsidiary	12.05	11.80	12.05	11.80
Sehore Kosmi Tollways Limited	Subsidiary	9.98	-	9.98	-
Hospet Chitradurga Tollways Limited	Subsidiary	93.14	93.14	93.14	93.14
Agra Etawah Tollways Limited*	Subsidiary	8.84	8.84	8.84	8.84
Ramky Integrated Township Limited	Associate	-	10.00	10.00	10.00
N.A.M.Expressway Limited	JCE	9.00	28.52	28.52	94.00
Ramky Elsamex Hyderabad Ring Road Limited	Subsidiary	-	-	-	6.63
Frank Lloyd Tech Management Services Limited	Subsidiary	-	-	-	5.20

In respect of the above loans the terms of agreement do not specify any repayment schedule.

* Provision made during the amounting to ₹ 8.84 crores (previous year: ₹ Nil)

2.34 Employee benefit plans

a) Liability for retiring gratuity benefit obligation as on 31 March 2014 is ₹ 0.75 crores (previous year: ₹ 1.89 crores) of which ₹ 0.02 crores (previous year: ₹ 0.39 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 0.73 crores (previous year: ₹ 1.50 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 2014.

b) Liability for cost of compensated absence as on 31 March 2014 is ₹ 1.96 crores (previous year: ₹ 3.67 crores). Cost of compensated liability is a non-funded liability.

c) Contribution towards employee provident fund for the year ended 31 March 2014 is ₹ 4.21 crores (previous year: ₹ 6.23 crores).

d) The liability for gratuity and cost of compensated absences has been actuarially determined and provided for in the books.

e) **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 2014	As at 31 March 2013
Opening defined benefit obligation	**1.89**	**2.43**
Current service cost	0.25	0.46
Interest cost	0.18	0.19
Actuarial loss	(0.99)	(0.95)
Past service cost	-	-
Benefits paid	(0.58)	(0.24)
Closing defined benefit obligation	**0.75**	**1.89**

Change in the fair value of plan assets (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Fair value of plan assets at the beginning of the year	**0.39**	**0.56**
Expected return on plan assets	0.01	0.05
Employer contributions	0.20	0.02
Benefits paid	(0.58)	(0.24)
Fair value of plan assets at the end of the year	**0.02**	**0.39**

Amount recognised in balance sheet (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Present value of funded obligations	0.75	1.89
Fair value of plan assets	0.02	(0.39)
Net Liability	**0.73**	**1.50**
Amounts in the balance sheet		
Short-term provision	0.13	0.40
Long-term provision	0.60	1.10

Note: The Company is expecting to contribute ₹ 0.13 crores to gratuity fund for the year ended 31 March 2014.

Expense recognised in statement of profit and loss (₹ in crores)

Particulars	For the year ended	
	31 March 2014	31 March 2013
Current service cost	0.25	0.46
Interest cost on benefit obligation	0.18	0.19
Expected return on plan assets	(0.01)	(0.05)
Past service cost	-	-
Net actuarial loss/(gain)	(0.99)	(0.95)
Net benefit expense / (provision written back)	**(0.57)**	**(0.35)**

Summary of actuarial assumptions

Particulars	For the year ended	
	31 March 2014	31 March 2013
Discount rate	**9.25%**	8.60%
Expected rate of return	**8.75%**	8.50%

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.

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

Notes to financial statements *(continued)*

Experience adjustment table for five years: (₹ in crores)

Particulars	Year ended				
	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Defined benefit obligation	0.75	1.89	2.43	1.46	0.45
Plan assets	0.02	0.39	0.56	0.45	0.39
Surplus/ (Deficit)	(0.73)	(1.50)	(1.87)	(1.01)	(0.06)
Experience adjustment on plan liabilities	(0.99)	(0.95)	0.33	0.71	(0.01)
Experience adjustment on plan assets	-	-	-	-	-

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 2014 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 2014	For the year ended 31 March 2013
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 2013-14. 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) and which were dismissed. The Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) for these assessment years. ITAT has set aside the CIT (Appeals) orders and directed the Assessing Officer to examine the deductions claimed by the Company.

However, during the financials year ended 31 March 2012, 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 related to taxes for earlier years the same had been classified as "Provision for earlier years income tax". The Company has not considered deduction under Section 80-IA (4) for provisioning purpose for subsequent years.

2.37 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	2013-14	2012-13
(i)	Contract revenue recognized	1,755.09	3,038.62
In case of contracts in progress as at the reporting date:			
(ii)	Aggregate amount of contract cost incurred and recognised profits (less recognised losses) up to the reporting date	9,559.93	10,040.79
(iii)	Advances received, net of recoveries from progressive bills	527.44	712.05
(iv)	Gross amount due from customers for contract works	333.56	826.49
(v)	Retention money	475.14	470.72

Notes to financial statements *(continued)*

2.38 During the year ended 31 March 2014, the Company has made an incriment provision of ₹ 169.90 crores, as a matter of abundant caution, to cover its currently perceived risks in relation to certain long outstanding/ non-moving receivables including retention money and amounts withheld by the customers, advances to suppliers and sub-contractors. These risks primarily arise from the uncertainties and stress in the macroeconomic environment. The Company will continue to monitor the risks and recoverability in relation to such balances on a quarterly basis, while simultaneously accelerating its recovery efforts.

2.39 During the year ended 31 March 2014, an amount of ₹ 77.63 crores (including amount pertaining to advances, retention money, contract work-in-progress and performance bank guarantees invoked) is receivable from customers against the contracts not been pursued on account of foreclosure by the Company/ disputes with customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and condition implicit in these contracts and the ongoing discussion based on which steps to recover are currently in process, is confident of recovering the amount as they are contractually tenable.

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	Joint Venture	Company's share of interest
Ramky – Elsamex JV		Somdatt Builders – Ramky JV	
31-Mar-14	90%	31-Mar-14	26%
31-Mar-13	90%	31-Mar-13	26%
Ramky – VSM JV		ZVS Ramky Progressive JV	
31-Mar-14	75%	31-Mar-14	20%
31-Mar-13	75%	31-Mar-13	20%
Srishti – Ramky JV		Ramky ECAIPL JV	
31-Mar-14	70%	31-Mar-14	76%
31-Mar-13	70%	31-Mar-13	76%
Ramky WPIL JV			
31-Mar-14	Based on work allocation		
31-Mar-13			

Interest in joint ventures:

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

(₹ in crores)

Jointly controlled entity	Company's share	Assets	Liabilities	Income	Expenses	Contingent liabilities
N.A.M. Expressway Limited						
31-Mar-14	50%	902.75	526.79	126.07	111.62	76.09
31-Mar-13	50%	761.58	454.96	282.17	256.62	168.60
Jorabat Shillong Expressway Limited						
31-Mar-14	50%	435.93	364.68	74.43	69.94	206.02
31-Mar-13	50%	362.88	309.12	153.51	136.10	174.59
Ramky – SMC JV						
31-Mar-14	70%	15.66	15.18	17.88	17.39	-
31-Mar-13	-	-	-	-	-	-

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

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Contract revenues	0.82	57.83
Traveling	-	(0.09)

Notes to financial statements *(continued)*

1.42 Value of imports on C.I.F. basis (on accrual basis) made: (₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Plant and equipment	6.74	2.98
Raw materials	-	-

2.43 Imported and indigenous material consumed

Materials	For the year ended 31 March 2014		For the year ended 31 March 2013	
	Value (₹ in crores)	% of total consumption	Value (₹ in crores)	% of total consumption
Imported	-	-	-	-
Indigenous	573.18	100%	977.94	100.00%
Total	**573.18**	**100.00%**	**977.94**	**100.00%**

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

(₹ in crores)

Particulars	Foreign currency	Foreign Currency as at 31 March		INR as at 31 March	
		2014	2013	2014	2013
Trade receivables	USD	0.15	0.36	8.68	19.65
Buyers credit and interest payable	USD	-	0.21	-	11.62
	EURO	0.02	0.17	1.50	11.68

2.45 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 2014:

Category	Currency	Cross Currency	Amounts	Buy / Sell	Purpose
Forward contract	-	-	-	-	-

As at 31 March 2013:

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

2.46 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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar. S. G
Partner
Membership No.: 216463

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

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

V Phani Bhushan
Company Secretary

Hyderabad
20 June 2014

Statement pursuant to general exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies

₹ in Crores

S. 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	1.28	44.51	44.51	-	8.55	0.97	0.31	0.65	-	India
2	Ramky Pharma City (India) Limited	INR	1	18.00	124.42	302.82	302.82	3.20	122.75	3.11	2.03	1.08	-	India
3	Ramky Engineering and Consulting Services (FZC)	AED	14.79	0.88	8.68	12.79	12.79	0.87	0.00	(1.02)	-	(1.02)	-	Sharjah
4	Ramky Elsamex Hyderabad Ring Road Limited	INR	1	45.00	(2.77)	314.58	314.58	-	63.00	0.73	-	0.73	-	India
5	Ramky Towers Limited	INR	1	0.05	40.18	243.00	243.00	-	65.96	1.48	2.96	(1.48)	-	India
6	Ramky Enclave Limited	INR	1	0.13	18.91	67.29	67.29	-	14.44	(0.18)	0.19	(0.37)	-	India
7	Ramky Food Park (Chattisgarh)Limited	INR	1	0.44	0.78	1.23	1.23	-	-	0.00	0.00	0.00	-	India
8	Ramky Herbal & Medicinal Park (Chattisgarh)Limited	INR	1	0.51	0.91	1.43	1.43	-	-	-	-	-	-	India
9	Naya Raipur Gems and Jewellery SEZ Limited	INR	1	1.14	2.12	3.30	3.30	-	-	0.05	0.02	0.03	-	India
10	Ramky-MIDC Agro Processing Park Limited	INR	1	2.23	4.33	6.56	6.56	-	-	-	-	-	-	India
11	Srinagar Banihal Expressway Limited	INR	1	61.60	0.10	627.89	627.89	-	-	(0.04)	0.00	(0.04)	-	India
12	Ramky Multi Product Industrial Park Limited	INR	1	10.50	49.50	94.13	94.13	-	-	(.01)	0.00	(0.01)	-	India
13	Ramky Food Park (Karnataka) Limited	INR	1	0.05	(0.01)	0.05	0.05	-	-	-	-	-	-	India
14	SehoreKosmiTollways Limited	INR	1	12.02	(1.97)	90.97	90.97	-	1.56	(1.90)	0.00	(1.90)	-	India
15	HospetChitradurgaTollways Limited	INR	1	17.02	(0.24)	118.17	118.17	-	-	(0.01)	-	(0.01)	-	India
16	Agra EtawahTollways Limited	INR	1	0.05	(0.04)	0.01	0.01	-	-	0.07	-	0.07	-	India
17	Frank Lloyd Tech Management Services Limited	INR	1	10.47	0.17	19.25	19.25	-	3.74	0.62	0.20	0.42	-	India
18	Jabalpur PatanShahpuraTollways Ltd	INR	1	0.05	(0.05)	0.00	0.00	-	-	(0.04)	-	(0.04)	-	India
19	RamkyEsco Ltd	INR	1	0.05	(0.01)	0.04	0.04	-	-	-	-	-	-	India

* Investment in subsidiary excluded from Investments ** Income from other sources not included in Turnover

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 associates (collectively referred to as the "Group"), which comprise the consolidated balance sheet as at 31 March 2014, 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 controls 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 qualified audit opinion.

Basis for Qualified Opinion

We draw attention to note 2.35 to the consolidated financial statements with regard to recognition of deferred tax asset on unabsorbed depreciation, business losses and other timing differences incurred by the Company during the year aggregating to ₹ 202.10 crores. Based on existing unexecuted orders on hand the Management is confident of the virtual certainty of sufficient future taxable income for realization of deferred tax assets as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" (AS 22). However, in our opinion, the requirements of virtual certainty criteria may not be met due to the lack of convincing supporting evidence that sufficient future taxable income will be available. Had the aforesaid deferred tax asset not been recognised, loss after tax and minority interest of the Group for the year ended 31 March 2014 would have been higher by ₹ 202.10 crores.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effect of the matter described in the Basis for Qualified Opinion paragraph,* and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates 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 2014;

(b) in the case of the consolidated statement of profit and loss, of the loss 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.

Emphasis of Matter

(a) Without qualifying our opinion, we draw attention to note 2.33 to the consolidated financial statements for the year ended 31 March 2014 in connection with the 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 2.34 to the consolidated financial statements, regarding the search and seizure operations carried out by the Income Tax Authorities on the certain entities of the Group during the previous year. The Group has during the year received the intimations for reassessment of income from the Income Tax department for filling the revised returns for the relevant assessment years, which has been filled by the Group. The additional tax liabilities accepted amounting to ₹ 12.84 crores have been recognised and disclosed as tax relating to prior years in the accompanying consolidated financial statements.

(c) Without qualifying our opinion, we draw attention to note 2.36 to the consolidated financial statements with regard to contracts not being pursued on account of foreclosure by the Company/ disputes with customers. As at 31 March 2014 an amount of ₹ 77.63 crores (including amount pertaining to advances, trade receivables, Contract work-in-progress and performance bank guarantee invoked by them) is receivable from these customers. The Management of the Group, keeping in view the long term nature of the contracts, terms and conditions implicit in these contracts and the ongoing discussions based on which steps to recover are currently in process, is confident of recovering the aforesaid amount as these are contractually tenable.

Other Matters

(a) The financial statements of certain subsidiaries, a jointly controlled entity and an associate for the year ended 31 March 2014 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 ₹ 277.06 crores (net of eliminations), net cash inflow of ₹ 5.92 crores for the year ended 31 March 2014 and total assets of ₹ 1,068.44 crores (net of eliminations) as at 31 March 2014 from aforementioned subsidiaries. The accompanying consolidated financial statements also include the Group's share of loss of ₹ 0.08 crores from the aforementioned associate for the year ended 31 March 2014. Further, the accompanying consolidated financial statements include the Group's share of revenue of ₹ 17.88 crores (net of eliminations), net cash inflow amounting to ₹ 2.53 crores for the year ended 31 March 2014 and total assets ₹ 7.08 crores (net of eliminations) as at 31 March 2014 from aforementioned jointly controlled entity.

(b) The financial statements of certain subsidiaries and jointly controlled entities for the year ended 31 March 2014 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 ₹ 333.59 crores (net of eliminations), net cash inflow of ₹ 2.89 crores for the year ended 31 March 2014 and total assets of ₹ 842.84 crores (net of eliminations) as at 31 March 2014 from aforementioned subsidiaries. Further, the accompanying consolidated financial statements include the Group's share of revenue of ₹ 200.43 crores (net of eliminations), net cash outflow amounting to ₹ 21.42 crores for the year ended 31 March 2014 and total assets ₹ 1,332.32 crores (net of eliminations) as at 31 March 2014 from aforementioned jointly controlled entities.

(c) The financial statements of an associate have not been subjected to audit either by us or by other auditors and therefore, the financial statements for the year ended 31 March 2014 of this associate have been furnished by the Management. The accompanying consolidated financial statements include the Group's share of loss of ₹ 5.33 crores from the aforementioned associate for the year ended 31 March 2014.

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

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar. S. G
Partner
Membership No.: 216463

Hyderabad
20 June 2014

Consolidated balance sheet

(₹ in crores)

Particulars	Note	As at 31 March 2014	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	57.20	57.20
Reserves and surplus	2.2	1,175.37	1,501.57
		1,232.57	**1,558.77**
Minority interest		117.29	214.73
Non-current liabilities			
Long-term borrowings	2.3	1,773.64	1,542.31
Deferred tax liabilities (net)	2.35	41.99	67.51
Other long-term liabilities	2.4	21.85	34.84
Long-term provisions	2.5	67.65	68.63
		1,905.13	**1,713.29**
Current liabilities			
Short-term borrowings	2.6	1,253.35	1,026.44
Trade payables	2.7	1,013.89	1,286.67
Other current liabilities	2.8	908.31	908.77
Short-term provisions	2.9	40.57	19.94
		3,216.12	**3,241.82**
		6,471.11	**6,728.61**
ASSETS			
Non-current assets			
Fixed assets:			
- Tangible assets	2.10	513.43	559.82
- Intangible assets	2.10	949.54	1.71
- Capital work-in-progress		23.43	2.64
- Intangible assets under development	2.10	3.65	804.60
		1,490.05	**1,368.77**
Non-current investments	2.11	110.96	107.26
Deferred tax assets (net)	2.35	200.83	1.93
Long-term loans and advances	2.12	159.37	154.78
Other non-current assets	2.13	1,055.61	1,214.92
Goodwill on consolidation		2.13	2.13
		3,018.95	**2,849.79**
Current assets			
Inventories	2.14	1,347.43	1,300.46
Trade receivables	2.15	996.34	1,535.88
Cash and bank balances	2.16	107.41	112.21
Short-term loans and advances	2.17	760.55	765.16
Other current assets	2.18	240.43	165.11
		3,452.16	**3,878.82**
		6,471.11	**6,728.61**
Significant accounting policies and Notes to consolidated financial statements	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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

Supreet Sachdev
Partner
Membership No.: 205385

for **Visweswara Rao & Associates**
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Firm Registration No.: 005774S

Mahidhar. S. G
Partner
Membership No.: 216463

Hyderabad
20 June 2014

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

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

V Phani Bhushan
Company Secretary

Consolidated statement of profit and loss

(₹ in crores)

Particulars	Note	For the year ended 31 March 2014	For the year ended 31 March 2013
Income:			
Revenue from operations	2.19	2,269.76	3,655.13
Other operating income	2.20	131.94	118.42
Other income	2.21	36.30	47.89
Total income		**2,438.00**	**3,821.44**
Expenses:			
Change in contract work-in-progress		(26.64)	(211.30)
Cost of traded materials consumed	2.22	1.60	0.10
Construction and development expenses	2.23	2,250.69	3,168.39
Employee benefits expense	2.24	89.57	141.97
Finance costs	2.25	380.42	294.19
Depreciation and amortization expense	2.10	68.84	59.85
Other expenses	2.26	306.38	136.30
Total expenses		**3,070.86**	**3,589.50**
(Loss)/ profit before tax		**(632.86)**	**231.94**
Tax expense:			
- Current tax		2.36	48.65
- Deferred tax	2.35	(224.42)	14.30
- Taxes for prior years	2.34	12.84	-
- Minimum alternate tax credit		(0.94)	(4.70)
		(210.16)	**58.25**
(Loss)/ profit for the year before minority interest and share of loss from associate companies		**(422.70)**	**173.69**
Minority interest		7.23	22.37
Transfer of profit/ (loss) on accounts of change in shareholding	2.11(b)	(15.16)	-
Share of loss from associate companies		0.08	0.06
(Loss)/ profit for the year		**(414.85)**	**151.26**
Earnings per equity share - par value of ₹ 10 per share			
- Basic and diluted	2.30	(72.53)	26.44
Significant accounting policies	1		
Notes to consolidated financial statements	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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar. S. G
Partner
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for and on behalf of the Board of Directors of
Ramky Infrastructure Limited

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Executive Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

V Phani Bhushan
Company Secretary

Hyderabad
20 June 2014

Consolidated cash flow statement

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flows from operating activities:		
(Loss)/ Profit before tax	**(632.86)**	**231.94**
Adjustments:		
Depreciation and amortization expense	68.84	59.85
Fixed assets written off	0.47	0.62
Interest expenses	358.61	268.63
Provision for doubtful trade receivables	147.71	14.99
Provision for foreseeable loss	20.90	1.13
Provision for doubtful loans and advances	74.04	21.65
(Profit)/Loss on sale of fixed assets, net	1.10	(0.01)
Profit on sale of non-current investments	-	(0.57)
Interest income	(17.81)	(23.81)
Liabilities no longer required written back	(6.06)	-
Dividend income	(1.85)	(0.01)
Unrealised loss/ (gain) on foreign currency translation	2.24	(1.71)
Operating profit before working capital changes	**15.33**	**572.70**
Increase in inventories	(35.12)	(276.53)
Decrease in trade receivables	349.18	37.08
Increase in loans and advances and other receivables	(23.04)	(81.63)
Decrease in liabilities and provisions	(311.70)	(64.40)
Cash (used in)/ generated from operations	(5.35)	187.22
Increase in receivables due to service concession arrangements	(337.89)	(240.82)
Income taxes paid, net	(45.34)	(65.02)
Net cash used in operating activities	**(388.58)**	**(118.62)**
Cash flows from investing activities:		
Purchase of fixed assets, net	(194.14)	(434.64)
(Increase)/Decrease in capital advances	14.73	(2.43)
Increase/ (Decrease) in capital creditors	(2.43)	5.04
Proceeds from sale of fixed assets	3.52	1.33
Purchase of non-current investments	(0.04)	(12.93)
Proceeds from sale of non-current investments	-	0.66
Decrease in bank balances to the extent not considered in cash and cash equivalents	7.27	17.38
Interest received	28.24	12.03
Dividend income	1.85	0.01
Net cash used in investing activities	**(141.00)**	**(413.55)**

Consolidated cash flow statement *(continued)*

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Cash flows from financing activities:		
Proceeds from government grants	55.04	140.15
Proceeds from minority shareholders	-	4.87
Proceeds from long-term borrowings	569.31	778.53
Repayment of long-term borrowings	(140.80)	(301.25)
Net proceeds from short-term borrowings	394.00	167.97
Interest paid	(344.83)	(249.98)
Net cash provided by financing activities	**532.72**	**540.29**
Net increase in cash and cash equivalents	3.14	8.12
Cash and cash equivalents at the beginning of the year (refer note below)	77.57	69.28
Effect of exchange gain on cash and cash equivalents	0.37	0.17
Cash and cash equivalents at the end of the year (refer note below)	**81.08**	**77.57**
Note:		
Cash and cash equivalents comprise:		
Cash and cash equivalents		
Cash on hand	1.90	1.03
Cheques on hand	12.36	-
Balances with banks:		
- in current accounts	52.24	67.58
- in deposit accounts*	14.58	8.96
	81.08	**77.57**

*Includes amount of ₹ 7.31 crores (previous year: ₹ Nil) 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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

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

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

Supreet Sachdev
Partner
Membership No.: 205385

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Partner
Membership No.: 216463

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

Hyderabad
20 June 2014

I W Vijaya Kumar
Chief Financial Officer

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:

- 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.
- The consolidated foreign subsidiary has been identified as non integral operations in accordance with the 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:
  - ✡ All assets and liabilities, both monetary and non-monetary, are translated using the closing rate.
  - ✡ Revenue items are translated at the respective monthly average rates.
  - ✡ The resulting net exchange difference is credited or debited to a foreign currency translation reserve.
  - ✡ Contingent liabilities are translated at the closing rate.
- 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.
- 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.
- 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.

- 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.
- 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 2014.
- 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.
- 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 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) **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 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/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 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.

1.12 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 organized 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 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 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.

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.1 Share capital		
Authorised capital		
70,000,000 (previous year : 70,000,000) equity shares of ₹ 10 each	70.00	70.00
	70.00	**70.00**
Issued, Subscribed and Paid-up		
57,197,791 (previous year : 57,197,791) equity shares of ₹ 10 each, fully paid-up	57.20	57.20
	57.20	**57.20**

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

Particulars	As at 31 March 2014	As at 31 March 2013
Equity Shares:		
(a) Number of shares:		
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	**57,197,791**	**57,197,791**
(b) Share capital: (₹ in crores)		
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	**57.20**	**57.20**

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

(a) 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.

(b) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing general meeting.

(c) 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 2014	As at 31 March 2013
Alla Ayodhya Rami Reddy:		
Number of equity shares	34,556,122	34,556,122
% of holding	60.42%	60.42%
SA1 Holding Infrastructure Company Private Limited:		
Number of equity shares	4,165,884	4,165,884
% of holding	7.28%	7.28%

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.2 Reserves and surplus		
Capital reserve on account of consolidation:		
Balance at the beginning of the year	91.30	87.54
Additions during the year (refer to note 2.11(a))	3.71	3.76
Balance at the end of the year	**95.01**	**91.30**
Capital reserve on account of government grants:		
Balance at the beginning of the year	140.15	-
Received during the year (refer note below)	55.04	140.15
Balance at the end of the year	**195.19**	**140.15**
Securities premium account:		
Balance at the beginning of the year	408.13	408.13
Movement during the year	-	-
Balance at the end of the year	**408.13**	**408.13**
General reserves:		
Balance at the beginning of the year	25.00	25.00
Transferred from surplus	-	-
Balance at the end of the year	**25.00**	**25.00**

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

		As at 31 March 2014	As at 31 March 2013
	Foreign exchange translation reserve:		
	Balance at the beginning of the year	18.56	13.14
	Translation of foreign entities with non-integral operations	36.36	5.42
	Balance at the end of the year	**54.92**	**18.56**
	Surplus in the statement of profit and loss:		
	Balance at the beginning of the year	818.43	667.17
	Net (loss)/ profit for the year	(414.85)	151.26
	Transfer of profit to other shareholders of a subsidiary due to change in shareholding (refer to note 2.11 (b))	(6.46)	-
	Balance at the end of the year	**397.12**	**818.43**
		1,175.37	**1,501.57**
	Note:		
	N.A.M.Expressway Limited (NAM), a jointly controlled entity, had received equity support of ₹ 58.96 crores (previous year: ₹ 141.04 crores) from the Central Government of India (CG) and ₹ 51.11 crores (previous year: ₹ 139.25 crores) from the Government of Andhra Pradesh (Govt of AP) as per the concession agreement and the Group's share amounts to ₹ 55.04 crores (previous year: ₹ 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.		
2.3	**Long-term borrowings**		
	Secured loans:		
	(refer to note 2.32)		
	From banks:		
	- Term loans	1,581.05	1,147.79
	- Equipment and vehicle loans	8.98	16.70
	From others:		
	- Term loans	159.48	328.78
	- Equipment and vehicle loans	23.85	47.71
	Unsecured loans:		
	(refer to note 2.32)		
	From others:		
	- Term loan from corporate	0.28	1.33
		1,773.64	**1,542.31**
2.4	**Other long-term liabilities**		
	Trade payables (refer note below)	8.36	10.11
	Mobilisation and other advances	4.02	3.99
	Other payables	9.47	20.74
		21.85	**34.84**
	Note: Trade payables includes retention money payable of ₹ 1.78 crores (previous year: ₹ 1.10 crores).		
2.5	**Long-term provisions**		
	Provision for earlier years income tax (refer to note 2.40)	66.56	66.56
	Provision for employee benefits:		
	- Gratuity (refer to note 2.39)	0.77	1.24
	- Compensated absences	0.32	0.83
		67.65	**68.63**
2.6	**Short-term borrowings**		
	Secured loans: (refer to note 2.32)		
	From banks:		
	(a) Loans repayable on demand:		
	- Cash credit	1,013.58	608.19
	(b) Other than loans repayable on demand:		
	- Buyers credit	1.49	24.14
	- Working capital loans	77.00	230.00
	Unsecured loans: (refer to note 2.32)		
	Loans repayable on demand:		
	- From related parties	110.19	39.15
	- From others (corporates)	51.09	124.96
		1,253.35	**1,026.44**

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.7 Trade payables		
Trade payables:		
- due to micro and small enterprises (refer to note 2.41)	-	-
- due to other than micro and small enterprises	1,013.89	1,286.67
	1,013.89	**1,286.67**
Note:		
Trade payables includes retention money payable of ₹ 445.36 crores (previous year: ₹ 389.67 crores).		
2.8 Other current liabilities		
Current maturities of long-term debts: (refer to note 2.32)		
Secured loans:		
From banks:		
- Term loans	74.12	44.80
- Equipment and vehicle loans	8.28	11.59
From others:		
- Term loans	20.00	57.79
- Equipment and vehicle loans	23.95	33.52
Unsecured loans:		
- Term loans from corporate	1.04	0.93
	127.39	**148.63**
Mobilisation and other advances	422.04	483.42
Advances from customers	86.37	111.79
Security deposits received	13.17	25.09
Dues to statutory/governments authorities	59.59	25.30
Loan outstanding for repayment (refer to note 2.32)	85.92	27.54
Capital creditors	6.10	8.53
Interest accrued and due on borrowings	18.61	17.58
Interest accrued but not due	15.09	11.88
Unclaimed dividend	0.03	0.01
Accrued salaries, wages and benefits	23.97	17.91
Provision for expenses	29.16	16.06
Other payables	20.87	15.03
	908.31	**908.77**
2.9 Short-term provisions		
Provision for taxation (net of advance tax)	8.17	6.93
Provision for foreseeable loss	30.53	9.63
Provision for employee benefits:		
- Gratuity (refer to note 2.39)	0.14	0.40
- Compensated absences	1.73	2.98
	40.57	**19.94**

Notes to the consolidated financial statements *(continued)*

2.10 Fixed assets **(₹ in crores)**

Description	Gross block						Accumulated depreciation and amortisation						Net block	
	As at 01 April 2013	Additions	Deletions/ adjustments	Foreign exchange adjustments	Adjustment on account of change in shareholding	As at 31 March 2014	As at 01 April 2013	Charge for the year	Deletions	Foreign exchange adjustments	Adjustment on account of change in shareholding	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible assets:														
(Owned)														
Freehold land	8.81	0.08	-	-	(0.06)	8.83	-	-	-	-	-	-	8.83	8.81
Buildings*	87.24	-	-	0.11	-	87.35	12.20	4.31	-	(0.06)	-	16.45	70.90	75.04
Plant and equipments	484.07	20.35	7.45	4.95	(4.01)	497.91	98.29	45.44	2.89	2.09	(1.15)	141.78	356.13	385.78
Furniture and fixtures	6.51	0.10	0.45	0.09	-	6.25	3.19	0.41	0.22	0.03	-	3.41	2.84	3.32
Vehicles:														
- Construction vehicles	67.08	1.37	-	-	-	68.45	23.19	7.16	-	-	-	30.35	38.10	43.89
- Other vehicles	27.71	0.50	0.11	2.09	-	30.19	10.67	4.82	0.03	1.20	-	16.66	13.53	17.04
Office equipment	21.80	0.50	0.59	0.11	-	21.82	5.36	1.40	0.37	0.10	-	6.49	15.33	16.44
Computer equipment	10.88	0.92	0.30	-	-	11.50	7.20	1.65	0.30	-	-	8.55	2.95	3.68
Roads and water supply	9.82	-	-	-	-	9.82	4.00	1.00	-	-	-	5.00	4.82	5.82
Total	**723.92**	**23.82**	**8.90**	**7.35**	**(4.07)**	**742.12**	**164.10**	**66.19**	**3.81**	**3.36**	**(1.15)**	**228.69**	**513.43**	**559.82**
Previous year	683.22	43.89	3.32	0.13	-	723.92	105.88	59.40	1.38	0.20	-	164.10	559.82	
Intangible assets:														
(Owned)														
Computer software	2.86	14.41	-	-	-	17.27	1.15	1.79	-	-	-	2.94	14.33	1.71
Concession intangibles	-	936.07	-	-	-	936.07	-	0.86	-	-	-	0.86	935.21	-
(refer to note 2.29)														
Total	**2.86**	**950.48**	**-**	**-**	**-**	**953.34**	**1.15**	**2.65**	**-**	**-**	**-**	**3.80**	**949.54**	**1.71**
Previous year	2.59	0.27	-	-	-	2.86	0.70	0.45	-	-	-	1.15	1.71	
Intangible assets under development:														
(Owned)														
Computer software	16.83	1.17	14.35	-	-	3.65	-	-	-	-	-	-	3.65	16.83
Concession intangibles	787.77	183.25	971.02	-	-	-	-	-	-	-	-	-	-	787.77
(refer to note 2.29)														
Total	**804.60**	**184.42**	**985.37**	**-**	**-**	**3.65**	**-**	**-**	**-**	**-**	**-**	**-**	**3.65**	**804.60**
Previous year	416.69	387.91	-	-	-	804.60	-	-	-	-	-	-	804.60	

*** refer to note 2.33.**

****Refer to note 2.32 for fixed assets pledged as securities against loans taken by the Group.**

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.11 Non-current investments		
Long-term investments at cost, unless otherwise specified		
I. Unquoted investments: Trade		
a) Investments in equity instruments of associates:		
Ramky Integrated Township Limited (refer to note a below)	94.75	91.12
18,241 (previous year: 18,241) equity shares of ₹10 each, fully paid		
Gwalior Bypass Project Limited (refer to note b below)	1.42	-
25,500 (previous year: Nil) equity shares of ₹ 10 each, fully paid		
b) Investments in equity instruments of others:		
Delhi MSW Solutions Limited	0.01	0.01
5,000 (previous year: 5,000) equity shares of ₹ 10 each, fully paid		
Triteus Holdings Private Limited	0.04	-
40,000 (previous year: Nil) equity shares of ₹ 10 each, fully paid		
InfraAsia Development (Vietnam) Limited (refer to note c below)	14.65	12.93
1,523,059 (previous year: 1,523,059) Class A equity shares of USD 1 each, fully paid		
100,000 (previous year: 100,000) Class B equity shares of USD 0.50 each, fully paid		
c) Investments in preference instruments of associate:		
Gwalior Bypass Project Limited (Refer to note b below)		
2,240 (previous year: Nil) 0.01%, cumulative redeemable preference shares of ₹ 100 each, fully paid	0.09	-
Total of unquoted investments (a+b+c)	**110.96**	**104.06**
II. Quoted investments - Other than trade; at cost		
d) Investment in mutual funds:		
Nil (previous year: 17,817.34) units in IDFC cash fund - Plan A -Growth (Defunct Plan) (refer to note 2.33)	-	3.20
	-	3.20
Total non-current investments (I+II)	**110.96**	**107.26**
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
- Aggregate market value	-	3.67
Aggregate book value of unquoted non-current investments	**110.96**	**104.06**

Notes :

a) Increase in the value of investment by ₹ 3.71 crores (previous year: ₹ 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 a premium. Correspondingly, an amount of ₹ 3.71 crores (previous year: ₹ 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 amounting to ₹ 0.08 crores (previous year: ₹ 0.06 crores).

b) Gwalior Bypass Project Limited became an associate effective from 31 March 2014 due to further investment by other shareholders. Hence same was classified as an associate on 31 March 2014. Movement in value of investment as at 31 March 2014 is as follows:

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Equity investment as at 1 April 2013	0.02	-
Group's share of profit/ (loss) recognised upto 31 March 2013	6.72	-
Group's share of profit/ (loss) for the current year	(5.33)	-
Investment as at 31 March 2014	**1.42**	**-**

Total profit recognised upto 31 March 2013 was ₹ 13.18 crores and out of which ₹ 6.46 crores transferred to majority shareholders of the subsidiary. Out of the loss recognised during the year ₹ 15.16 crores was transferred to majority shareholders of the subsidiary on account of change in shareholding of the subsidiary.

c) 1,623,059 (previous year: Nil) Class A and Class B equity shares of InfraAsia Development (Vietnam) Limited are pledged with investee for loan obtained from investee by Ramky Engineering and Consulting Services (FZC).

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.12 Long-term loans and advances		
Unsecured, considered good:		
Capital advances	11.47	26.20
Advances recoverable in cash or in kind or for value to be received	47.45	18.97
Security deposits	9.94	10.50
Other loans and advances:		
- Earnest money deposit	0.62	1.63
- Receivables from statutory/government authorities	38.73	44.68
- Receivables from income tax authority	32.35	32.35
- Prepaid expenses	2.05	4.72
- Minimum alternate tax credit entitlement	16.76	15.73
	159.37	**154.78**
Unsecured, considered doubtful:		
Earnest money deposit	0.79	0.74
Advances recoverable in cash or in kind or for value to be received	51.48	27.83
	52.28	**28.57**
Provision for doubtful loans and advances: (refer to note 2.37)		
Earnest money deposit	(0.79)	(0.74)
Advances recoverable in cash or in kind or for value to be received	(51.48)	(27.83)
	(52.28)	**(28.57)**
	159.37	**154.78**
2.13 Other non-current assets		
Trade receivables:		
(refer note a below)		
Outstanding for period exceeding six months:		
- Unsecured, considered good	7.18	24.64
- Unsecured, considered doubtful	44.87	24.18
	52.05	**48.82**
Less: Provision for doubtful trade receivables (refer to note 2.37)	(44.87)	(24.18)
	7.18	**24.64**
Long-term bank deposits (refer note b below)	1.36	0.32
Interest accrued but not due	0.20	0.04
Receivables under service concession arrangements (refer to note 2.29)	1,046.87	1,189.92
	1,055.61	**1,214.92**
Notes:		
a. Trade receivables before provision includes retention money receivable of ₹ 12.85 crores (previous year: ₹ 16.52 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 9.07 crores (previous year: ₹ 8.08 crores).		
b. Long-term bank deposits representing margin money against bank guarantees and other commitments.		
2.14 Inventories		
(Valued at the lower of cost and net realisable value)		
Raw materials and components	328.12	320.12
Contract work-in-progress	736.44	709.80
Properties under development (refer to note 2.33)	282.83	270.44
Traded goods	0.04	0.10
	1,347.43	**1,300.46**

(₹ in crores)

	Particulars	As at 31 March 2014	As at 31 March 2013
2.15	**Trade receivables**		
	Outstanding for period exceeding six months:		
	- Unsecured, considered good	451.78	509.40
	- Unsecured, considered doubtful	135.67	8.65
		587.45	**518.05**
	Less: Provision for doubtful trade receivables (refer to note 2.37)	(135.67)	(8.65)
		451.78	**509.40**
	Other debts (unsecured)	544.56	1,026.48
		996.34	**1,535.88**
	Notes:		
	1. Trade receivables before provision includes retention money receivable of ₹ 480.35 crores (previous year ₹ 495.24 crores). Provision for doubtful trade receivables includes provision for retention money receivables amounting to ₹ 27.87 crores (previous year: ₹ 3.59 crores).		
	2. Trade receivables includes retention money of ₹ 445.63 crores (previous year: ₹ 422.70 crores) not due for payment as per related terms of contracts/ work orders.		
2.16	**Cash and bank balances**		
	Cash and cash equivalents:		
	Cash on hand	1.90	1.03
	Cheques on hand	12.36	-
	Balances with banks:		
	- in current accounts	52.24	67.58
	- in deposit accounts*	14.58	**8.96**
		81.08	**77.57**
	Other bank balances:		
	Deposits with maturity more than 3 months but less than 12 months*	26.30	34.63
	Balances with bank for unclaimed dividend	0.03	0.01
		107.41	**112.21**
	*Includes amount of ₹ 33.61 crores (previous year: ₹ 30.12 crores) held as margin money or security deposit against bank guarantees and other commitments.		
2.17	**Short-term loans and advances**		
	(Unsecured, considered good)		
	Loans and advances to related parties*	124.68	131.78
	Mobilisation and material advances	180.98	211.93
	Advances recoverable in cash or in kind or for value to be received	250.93	235.14
	Advance towards purchase of industrial lands	11.74	11.53
	Security deposits	3.96	4.01
	Other loans and advances:		
	- Earnest money deposit	9.10	8.74
	- Advance tax (net of provision)	79.27	47.98
	- Balances with statutory/government authorities	72.85	62.75
	- Prepaid expenses	9.81	23.03
	- Loans and advances to employees	2.55	3.06
	- Other advances	14.68	25.21
		760.55	**765.16**
	Unsecured, considered doubtful:		
	Mobilisation and material advances	1.25	-
	Advances recoverable in cash or in kind or for value to be received	17.83	-
		19.08	**-**
	Provision for doubtful loans and advances: (refer to note 2.37)		
	Mobilisation and material advances	(1.25)	-
	Advances recoverable in cash or in kind or for value to be received	(17.83)	-
		(19.08)	**-**
		760.55	**765.16**
	* Loans and advances to related parties includes unsecured loan of ₹ 99.80 crores (previous year: ₹ 112.34 crores). Balance of ₹ 24.88 crores (previous year: ₹ 19.44 crores) represents mobilisation and other advances paid against services.		

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
2.18 Other current assets		
Interest accrued but not due	5.63	16.22
Investment in mutual funds - IDFC cash fund - Plan A -Growth (Defunct Plan) (refer to note 2.33)	3.20	-
Receivables under service concession arrangements (refer to note 2.29)	226.91	148.89
Claims recoverable [net of provision of ₹ 31.25 (previous year: ₹ Nil)] (refer to note 2.37)	4.69	-
	240.43	**165.11**

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
2.19 Revenue from operations		
Revenue from construction activities	2,047.52	3,451.01
Revenue from sale of residential flats and industrial lands	137.72	151.35
Sale of traded goods	1.63	0.12
Operating and maintenance income	82.89	52.65
	2,269.76	**3,655.13**
2.20 Other operating income		
Interest on receivables under service concession arrangements	127.60	115.20
Scrap sale	4.34	3.22
	131.94	**118.42**
2.21 Other income		
Interest income	17.81	23.81
Dividend income	1.85	0.01
Other non-operating income:		
- Liabilities no longer required written back	6.06	-
- Profit on sale of fixed assets, net	-	0.01
- Profit on sale of non-current investments	-	0.57
- Foreign exchange gain, net	-	14.64
- Excess provision for employee benefits written back	1.75	0.37
- Miscellaneous income	8.83	8.48
	36.30	**47.89**
2.22 Cost of traded materials consumed		
Opening stock	0.10	0.14
Add: Purchases	1.54	0.06
Less: Closing stock	(0.04)	(0.10)
	1.60	**0.10**
2.23 Construction and development expenses		
Contract materials and supplies consumed	583.29	1,024.70
Sub-contractor expenses	703.09	1,024.05
Development expenses	359.27	323.33
Labour contract charges	274.19	302.52
Rate and taxes	87.18	122.51
Contract consultancy charges	2.27	46.32
Power and fuel	58.79	90.35
Hire charges	42.28	58.93
Operating and maintenance expenses	59.87	38.11
Contract recoveries	21.92	32.60
Transportation charges	15.50	38.46
Royalty	7.07	15.78
Site installation charges	12.69	18.45
Repairs and maintenance - plant and machinery	9.34	13.13
Consumables and other site expenses	13.94	19.15
	2,250.69	**3,168.39**

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
2.24 Employee benefits expense		
Salaries, wages and bonus	80.78	125.64
Contribution to provident fund and other funds	4.41	6.64
Workmen and staff welfare expenses	4.38	9.42
Compensated absences	-	0.27
	89.57	**141.97**
2.25 Finance costs		
Interest expenses	358.61	268.63
Other borrowing costs	19.57	25.09
Loss on foreign currency transactions and translation	2.24	0.47
	380.42	**294.19**
2.26 Other expenses		
Legal and professional charges	7.38	23.14
Rent (refer to note 2.31)	9.66	12.57
Security charges	10.58	13.31
Traveling and conveyance	3.90	8.52
Insurance	7.70	7.86
Electricity charges	4.64	6.06
Rates and taxes	7.79	5.51
Tender forms and registration charges	0.29	1.00
Communication expenses	2.41	4.54
Printing and stationary	1.02	2.25
Repairs and maintenance - others	2.97	4.41
Donations	0.72	0.70
Advertisement	0.72	1.93
Business promotion expenses	0.30	0.86
Provision for doubtful trade receivables (refer to note 2.37)	147.71	14.99
Provision for doubtful loans and advances (refer to note 2.37)	74.04	21.65
Provision for foreseeable loss, net	20.90	1.13
Loss on sale of fixed assets, net	1.10	-
Fixed assets written off	0.47	0.62
Miscellaneous expenses	2.08	5.25
	306.38	**136.30**

2.27 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 2013-14	% Holding 2012-13
Subsidiaries:			
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%
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%	100%
Ramky Esco Limited	India	100%	100%
Step-subsidiaries:			
Ramky Infrastructure Sociedad Anonima Cerradda	Peru	99%	99%
JNPC Pharma Innovation Limited	India	100%	100%
Ramky Engineering and Consulting Services Gabon SA	Gabon	100%	100%
Jointly controlled entities:			
Jorabat Shillong Expressway Limited	India	50%	50%
N.A.M. Expressway Limited	India	50%	50%
Ramky – SMC JV	India	70%	-
Associates:			
Ramky Integrated Township Limited*	India	28.82%	29.19%
Gwalior Bypass Project Limited**	India	26.01%	51%

* Reduction in shareholding is on account of further investment by other shareholders (refer note 2.11 (a))

** Became an associate effective from 31 March 2014 due to further investment by other shareholders.

2.28 Contingent Liabilities (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	166.43	261.64
ii) Performance Guarantees issued by banks:		
- On behalf of others	7.16	15.97
iii) Claims against the Group not acknowledged as debts in respect of:		
(a) Indirect tax and other matters	215.19	215.50
(b) Disputed claims from customers and vendors (refer to note 2.29)	88.00	36.04

2.29 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. 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.

c. Gwalior Bypass Project Limited (GBPL) (became associate effective from 31 March 2014):

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.

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.

II. The following is the toll based service concession arrangement. 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.

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 and Central Government.

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.

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.

Notes to the consolidated financial statements *(continued)*

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	As at 31 March 2014	As at 31 March 2013
Margin on the construction services recognised in respect of financial assets	30.48	28.48
Carrying amounts of financial assets included under Receivables against service concession arrangements	1,273.78	1,338.81
Revenue recognised on financial asset including interest income on the basis of effective interest method	584.01	382.15

Note: GBPL became an associate effective from 31 March 2014 due to further investment by other shareholders. Due to which carrying amount of financial asset reinstated on 31 March 2014 was ₹ 587.58 crores.

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	As at 31 March 2014	As at 31 March 2013
Margin on the construction services recognized in respect of intangible assets for the year	11.31	28.78
Revenue recognised on intangible asset	132.64	335.73

Carrying value of concession intangibles included under intangible assets under development:

Particulars	2013-14	2012-13
At the beginning of the year	787.77	411.24
Add: Additions during the year	132.64	335.73
Add: Borrowing costs capitalised	50.61	40.80
Less: Capitalised during the year	(936.07)	-
Less: Deletions during the year	(34.95)	-
Concession intangibles under development	**-**	**787.77**

Notes:

a. <u>Agra Etawah Tollways Limited (AETL):</u>

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.

However, AETL vide its letter dated 13 Sept 2013 served the termination notice to NHAI. NHAI vide its letter dated 24 January 2014 has considered the proposal for mutual termination of Concession Agreement by signing a Settlement and close agreement on 20 May 2014. Accordingly, concession intangible assets under development lying in books on 31 March 2014 amounting to ₹ 20.01 crores was deleted from fixed assets as at 31 March 2014.

b. <u>Hospet Chitradurga Tollways Limited (HCTL):</u>

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.

However, HCTL has served a termination notice to NHAI on 5 December 2013 due to delay in availability of land and other statutory clearances, which resulted in increase in the project cost against bid provisions. In turn, NHAI, also served termination notice on 31 December 2013, citing reasons of default on part of HCTL. However, NHAI has assured during the discussions that in order to avoid termination of Contract, a nominee contractor will be appointed by NHAI for completion of contract and discussions on the same are still ongoing with the NHAI. Hence, expenditure incurred by HCTL till 31 December 2013 towards development of the project amounting to ₹ 14.90 crores was transferred from concession intangibles under development to capital work-in-progress as at 31 March 2014.

NHAI has also invoked the performed bank guarantee (PBG) given as per Concession Agreement (CA) amounting to ₹ 51.68 crores. Consequently, HCTL has approached the High Court of Delhi seeking injunction against the invocation of PBG by NHAI. The High Court by its order dated 2 January 2014 restrained the NHAI from invoking the PBG till further orders subject to the Concessionaire keeping the PBG alive. As the matter is still pending in high court PBG invoked is shown as contingent liability on 31 March 2014.

c. **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. Due to delay in achieving the financial closure, MPRDC has terminated the Concession Agreement. Hence, expenditure incurred upto 31 March 2014 amounting to ₹ 0.04 crores was deleted from concession intangibles under development.

2.30 Earnings per share (EPS)

The computation of earnings per share is set out below:

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Net profit/(Loss) for the year attributable to equity shareholders (₹ in crores)	(414.85)	151.26
Shares		
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/ (Loss) per equity share – par value of ₹ 10 per share		
Basic and diluted	(72.53)	26.44

2.31 Leases

The Group is obligated under non-cancellable and cancellable operating lease agreements. Total rental expense under non-cancellable operating leases was ₹ 0.22 crores (previous year: ₹ 0.47 crores) and under cancellable leases was ₹ 9.44 crores (previous year: ₹ 12.10 crores) and these lease rentals have been disclosed as 'rent' in the statement of profit and loss.

2.32 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:

a. Term loan from bank amounting to ₹131.25 crores (previous year ₹150.00 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. The Company has defaulted in repayment of fourth instalment as at 31 March 2014 amounting to ₹ 6.25 crores which was due on 8 February 2014 and was subsequently paid on 2 April 2014. The said amount is shown as loan outstanding for repayment under other current liabilities.

b. Equipment and vehicle loans from banks amounting to ₹18.76 (previous year: ₹ 28.29 crores) and from others amounting to ₹ 54.07 crores (previous year: ₹ 81.23 crores) are secured by way of hypothecation of the respective equipment/vehicles. These loans are repayable in 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. The Company has defaulted in repayment of various instalments from banks and others as at 31 March 2014 totally amounting to ₹ 1.50 crores and ₹ 6.27 crores respectively, of which instalments amounting to ₹ 1.31crores and ₹ 1.38 crores have been paid till date. The defaulted amount is shown as loan outstanding for repayment under other current liabilities.

c. Buyers credit from banks amounting to ₹ 12.54 crores (previous year: ₹ 24.14 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 1.30% p.a.to 1.35% p.a. (previous year in the range of 1.94% p.a. to 3.30 % p.a.). The Company has defaulted in the repayment amounting to ₹ 11.05 crores which was due on 30 January 2014 and was subsequently paid on 3 April 2014. The said amount is shown as loan outstanding for repayment under other current liabilities.

d. Cash credits from banks amounting to ₹ 530.82 crores (previous year: ₹ 582.49 crores) and working capital loans from banks amounting to ₹ 77.00 crores (previous year: ₹ 230.00 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 from a bank amounting to ₹ 474.25 crores (previous year: ₹ Nil) 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;

(ii) first charge on the entire unencumbered fixed assets of the company ranking pari-passu basis to all the working capital lenders;

(iii) Pledge of investments held by the Company in few subsidiaries and

(iv) Loan is also secured by way of mortgage of undivided share of land with built up space of 227,320 SFT at Tower - B on Plot No. 31 (Part) and 31 in Sy Nos. 115/22, 115/24 & 115/25 belonging to Ramky Estates and Farms Limited (Group Company) situated at Financial District, Nanakramguda Village, Serilingampally Mandal, Ranga Reddy District.

During the year the Company has defaulted in the repayment of ₹ 21.30 crores which was due for repayment as on 31 March 2014 and was subsequently paid on 31 May 2014. The said amount is shown as loan outstanding for repayment under other current liabilities.

Cash credits are repayable on demand along with interest in the range of 13.00% p.a. to 15.20% p.a. (previous year: 10.20% p.a. to 14.50% 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 12.75% p.a. to 14.75% p.a. (previous year: 11.50% p.a. to 13.50% p.a.) payable on monthly basis.

e. Loan outstanding for repayment includes Letter of Credit devolved and Bank Guarantees invoked during the year amounting to ₹ 19.75 crores (previous year: ₹ Nil) and ₹ 14.60 crores (previous year: ₹ Nil) respectively which were due for repayment as on 31 March 2014 of which amount of ₹ 19.75 crores and ₹ 13.00 crores have been paid till date. Loan outstanding for repayment also includes working capital loan from a bank amounting to ₹ Nil (previous year: ₹ 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 and repaid by 30 May 2013. 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 a corporate amounting to ₹ 50 crores (previous year: ₹ Nil) is repayable on 15 April 2014 along with interest rate applicable at 24% p.a. Unsecured loans from related parties amounting to ₹ 25.20 crores (previous year: ₹ 25.20 crores) 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:

a. Term loan amounting to ₹ 1.60 crores (previous year: ₹ Nil) and ₹ 5.52 crores (previous year: ₹ 2.70 crores) obtained by MDDA-Ramky IS Bus Terminal Limited from a bank and financial institutions respectively are 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 lenders all the book debts, operating cash flows, commissions, revenues and receivables, bank accounts of the subsidiary, both present and future; (c) first charge on all intangibles including but not limited to goodwill, uncalled capital, present and future; and (d) first charge on unencumbered assets of the subsidiary. Loan taken from a financial institution is repayable in 102 unequal monthly instalments started from February 2006 and interest rate applicable is 11.00% p.a. Loan taken from a bank is repayable in 11 equal monthly instalments of ₹ 0.17 crores from March 2014 and interest rate applicable is 12.50% p.a. Loan from other financial intuition is repayable in 26 equal monthly instalments of ₹ 0.19 crores from April 2014 and interest rate applicable is 14.00% p.a. payable on monthly basis.

b. Term loan amounting to ₹ 51.14 crores (previous year: ₹ 56.05 crores) obtained by Ramky Pharma City (India) Limited (RPCIL) from a financial institution is 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; (e) a first charge on the Trust and Retention Account, Debt Service Reserve Accounts (DSRA) of the subsidiary wherever maintained; and (f) Corporate Guarantees from Smilax Laboratories Limited and Ramky Estates and Farms Limited and personal guarantees from some directors of these companies. Loan is repayable in 4 unequal quarterly instalments starts from October 2015 along with interest rate of 13.50% p.a; and the subsidiary shall mandatorily prepay the loan, in part or in full, from the proceeds of sale of any assets of the subsidiary and proceeds from sale of shares held by group companies.

c. Cash credit amounting to ₹ 11.50 crores (previous year: ₹ 10.74 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.

d. Term loan amounting to ₹ Nil (previous year: ₹ 6.25 crores) obtained by Ramky Enclave Limited from bank was 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 was repayable in 7 equal quarterly instalments starting from 24 July 2011 along with interest rate of 15% p.a.

e. Term loans amounting to ₹ 163.10 crores (previous year: ₹ 173.27 crores) and ₹ 96.06 crores (previous year: ₹ 110.31 crores) obtained by Ramky Elsamex Hyderabad Ring Road Limited (REHRRL) 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 starting from December 2010 to February 2022 along with interest rate ranging from 11.65% p.a. to 12.75% p.a. REHRRL has defaulted in payment of loan to a bank amounting to ₹ Nil (previous year: ₹ 1.33 crores) and a financial institution amounting to ₹ 2.92 crores (previous year: ₹ 1.25 crores).

f. Term loans amounting to ₹ 542.98 crores (previous year: ₹ 263.00 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 12.95% p.a. to 13.50% p.a.

g. Term loans amounting to ₹ 458.94 crores (previous year: ₹ 349.24 crores) obtained by N.A.M. Expressway Limited (NAMEL) 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 starting from March 2015 to December 2025 along with interest rate ranging from 11.75% p.a. to 13.00% p.a. During the year NAMEL has defaulted in repayment of loans aggregating to ₹ 1.80 crores and default is continuing at the balance sheet date.

h. Term loans amounting ₹ 315.73 crores (previous year: ₹ 215.50 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 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.

i. Term loan amounting to ₹ 49.62 crores (previous year: ₹ 27.41 crores) and ₹ 17.38 crores (previous year: ₹ 9.59 crores) obtained by Sehore Kosmi Tollways Limited from banks and financial institutions 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 starting from December 2014 to December 2026 along with interest rate of 12.25% p.a.

j. Term loan amounting to ₹ 12.31 crores (previous year: Nil) from others by Ramky Engineering and Consulting Services FZC are secured by way of investments pleased with investee loan is repayable is on 15 December 2015. Interest is payable at 6% p.a.

k. Term loans amounting to ₹ Nil (previous year: ₹ 9.25 crores) and ₹ Nil (previous year: ₹ 209.17 crores) obtained by Gwalior Bypass Project Limited (became associate effective from 31 March 2014) from bank 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. Loans 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.

l. Cash credit amounting to ₹ 18.31 crores (previous year: ₹ 14.96 crores) obtained by Ramky Engineering Consulting Services Gabon S.A. from banks is secured by way of lien on fixed deposits and promissory notes. Loan is also secured by way of corporate Guarantees from Ramky Engineering and Consulting Services FZC and the Company. Bank overdraft is repayable on demand along with the interest rate in the range of 8% p.a to 9.75% p.a payable on monthly basis.

Unsecured borrowings:

a. Unsecured working capital loans amounting to ₹ 21.46 crores (previous year: ₹ 13.95 crores) obtained by Ramky Enclave Limited from a related party is repayable on demand and the loan is interest free.

b. Unsecured term loan amounting to ₹ 1.80 crores (previous year: ₹ 2.26 crores) obtained by Frank Lloyd Tech Management Services Limited (FLTMSL) from a corporate is repayable in 12 unequal quarterly instalments started from September 2012 to June 2015 along with interest rate of 11.63% p.a. The FLTMSL has defaulted in payment of instalments of ₹ 0.24 crores each which were due on 01 December 2013 and 01 March 2014 and the defaults are continuing at the balance sheet date.

c. Unsecured working capital loans from a related party obtained by Ramky Towers Limited is amounting to ₹ 63.53 crores (previous year: Nil) and others ₹ 1.09 crores (previous year: Nil) are repayable on demand and the loan is interest free.

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

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

2.33 During the previous year Ramky Pharma City (India) Limited (“RPCIL”) (a Subsidiary of Ramky Infrastructure Limited), had received a provisional attachment order under Section 5 (1) of the Prevention of Money Laundering Act, 2002 (‘the Act’) from Enforcement Directorate (“ED”) 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, which during the current quarter has been transferred in name of ED. The Adjudicating Authority (the “AA”) has through his order dated 6 June 2013 confirmed the provisional attachment order. On 24 July 2013 the Company has filed an appeal before the Appellate Tribunal contesting the order passed by the AA. In the meantime the office of Joint director, Enforcement Directorate, Hyderabad Zonal office had served a notice dated 3 October 2013 for taking possession of the referred properties under Section 8(4) of the Act. RPCIL has contested the said Order before the Appellate Tribunal. The Appellate Tribunal has considered the appeal and stayed the proceeding till the next date of hearing. 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. Since the mutual funds has been transferred in the name of ED, same has been classified under other current assets in consolidated financial statements.

2.34 During the previous 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 and survey on its subsidiaries premises. At the time of search, the Group was not able to substantiate some transactions to the satisfaction of the Income Tax Department. While the transactions can be substantiated, to avoid dispute with the Income Tax department, the Group has accepted for additional disallowance of expenses and filed revised returns for the respective previous years with the Income Tax Department for amount contended. The resulting tax exposure of ₹ 12. 84 crores (including penal interest of ₹ 3.92 crores) has been disclosed as tax expense relating to prior years in the consolidated financial statements.

2.35 Deferred taxation

Deferred tax asset, net included in the balance sheet comprises the following: (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Deferred tax assets		
Unabsorbed depreciation and business losses	123.14	2.94
Accrued employee benefits	0.93	1.80
Provision for doubtful advances and receivables	86.28	16.32
Other timing differences (Primarily on disallowances under Section 43B of the Income Tax Act, 1961)	19.64	7.80
	229.99	**28.86**
Deferred tax liability		
Excess of depreciation allowable under Income tax law over depreciation provided in books of account	(36.10)	(34.71)
On account of financial asset (receivable) and concession intangible asset recognised (refer note 2.29)	(35.05)	(59.73)
	(71.15)	**(94.44)**
Net deferred tax (liabilities) / assets	**158.84**	**(65.58)**
Break up of net deferred tax asset is as follows:		
Deferred tax assets (net)	200.83	1.93
Deferred tax liabilities (net)	41.99	67.51

Note:

The Company has recognised deferred tax asset on unabsorbed depreciation, business losses and other timing difference incurred by the Company during the year aggregating to ₹ 202.10 crores. Based on estimated realisation of reasonable margin on existing contracts on hand, the Management is confident of the virtual certainty of sufficient future taxable income for realisation of deferred tax assets as enunciated in Accounting Standard 22 “Accounting for Taxes on Income” (AS 22).

2.36 As at 31 March 2014, an amount of ₹ 77.63 crores (including amount pertaining to advances, trade receivables, contract work-in-progress and performance bank guarantees invoked) is receivable from customers against the contracts not been pursued on account of foreclosure by the Company/ disputes with customers. The Management of the Company, keeping in view the long term nature of the contracts, terms and condition implicit in these contracts and the ongoing discussion based on which steps to recover are currently in process, is confident of recovering the amount as they are contractually tenable.

2.37 During the year ended 31 March 2014, the Group has made a provision of ₹ 169.90 crores, as a matter of abundant caution, to cover its currently perceived risks in relation to certain long outstanding/ non-moving receivables including retention money and amounts withheld by the customers, advances to suppliers and sub-contractors. These risks primarily arise from the uncertainties and stress in the macroeconomic environment. The Group will continue to monitor the risks and recoverability in relation to such balances on a quarterly basis, while simultaneously accelerating its recovery efforts.

2.38 Related party disclosures

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

Enterprises where joint control exists (Jointly controlled entities) (Co-venture)	▪ Jorabat Shillong Expressway Limited ▪ N.A.M. Expressway Limited ▪ Ramky – SMC JV
Enterprises where significant influence exists (Associate)	▪ Ramky Integrated Township Limited ▪ Gwalior Bypass Project Limited (w.e.f. 31 March 2014)
Enterprises where principal shareholders/management personnel have control or (Significant interest entities)(SIE)	▪ Ramky Enviro Engineers Limited ▪ Ramky Estates and Farms Limited ▪ Mumbai Waste Management Limited ▪ West Bengal Waste Management Limited ▪ Ramky Foundation ▪ Delhi MSW Solutions Limited ▪ Chhattisgarh Energy Consortium (India) Private Limited ▪ Smilax Laboratories Limited ▪ Ramky Advisory Services Limited ▪ Dakshayani Academy ▪ Hyderabad Integrated MSW Limited ▪ Ramky Wavoo Developers Private Limited ▪ Ramky Finance & Investment Private Limited ▪ Visakha Solvents limited ▪ East Coast Industries (India) Private Limited ▪ Tridax Laboratories Limited ▪ Tamil Nadu Waste Management Limited ▪ Evergreen Cleantech Management (India) Limited
Key Management Personnel (KMP)	▪ A Ayodhya Rami Reddy (Resigned on 25 February 2014) ▪ Y R Nagraja

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	2013-14 Transactions during the year	2013-14 Amount receivable/ (payable) as at 31 March 2014	2012-13 Transactions during the year	2012-13 Amount receivable/ (payable) as at 31 March 2013
1	Ramky Enviro Engineers Limited	SIE	Contract revenue	13.83	3.74	45.34	11.64
			Operation and maintenance income	3.32	-	1.72	-
			Sub-contract expenses	1.39	(0.48)	1.85	(0.18)
			Operation and maintenance expenditure	55.28	(24.51)	37.33	(18.18)
			Mobilisation advance paid / (recovered against bills)	(0.22)	1.12	(0.11)	1.34
			Advance received against services/(repaid)	12.23	(12.28)	(0.18)	(0.05)
			Retention money payable	0.28	(9.15)	(1.22)	(8.87)
			Retention money receivable	0.72	2.35	1.15	1.63
			Unsecured loan received and repaid	24.00	-	44.00	-
			Interest paid	0.03	(0.03)	1.33	-
			Investment in equity share capital of a subsidiary	0.01	(0.01)	-	-
			Investment in preference share capital of a subsidiary	-	(4.07)	4.07	(4.07)
2	Ramky Estates and Farms Limited	SIE	Contract revenue	9.01	20.51	10.88	19.23
			Sub-contract expenses	4.26	-	5.33	(4.76)
			Rent paid	0.65	(0.61)	1.10	-
			Retention money receivable / (realised)	0.34	2.81	(0.45)	2.47
			Retention money payable	0.22	(0.63)	(0.28)	(0.41)
			Rent deposit/(adjusted against payable)	(0.03)	0.28	(0.04)	0.31
			Mobilisation advance Received	2.01	(3.00)	0.99	(0.99)
			Mobilisation advance paid / (recovered against bills)	8.98	16.77	(1.96)	25.75
			Inter-corporate deposit given	36.42	95.30	54.34	85.58
			Inter-corporate deposit received back	(38.10)		(37.81)	
			Interest income	12.67		10.19	
			Inter-corporate deposit taken	7.64	(21.45)	18.70	(13.96)
			Inter-corporate deposit repaid	(2.80)		5.11	
			Interest paid	2.94		0.41	
			Revenue from services	1.20	-	-	-
			Investment in equity share capital of a subsidiary	-	(6.88)	-	(6.88)
			Investment in preference share capital of a subsidiary	-	(0.80)	0.80	(0.80)
3	Mumbai Waste Management Limited	SIE	Contract revenue	-	0.36	-	0.36
4	West Bengal Waste Management Limited	SIE	Unsecured loan received	-	(10.00)	10.00	(10.00)
			Interest paid	1.25	(1.85)	0.81	(0.73)
5	Hyderabad Integrated MSW Limited	SIE	Contract revenue	0.60	0.63	2.27	0.06
			Retention money receivable/ (realised)	-	-	(0.12)	-
			Unsecured loan received and repaid	-	-	8.00	-
			Interest paid	-	(0.16)	0.71	(0.16)
6	Ramky Finance & Investment Private Limited	SIE	Unsecured loan received	58.00	(63.54)	-	-
			Unsecured loan repaid	1.82		-	
			Interest paid	8.18		-	
			Reimbursement of expenses	-	-	1.37	1.37
7	Ramky Foundation	SIE	Donation	0.57	-	0.57	-
8	Ramky Advisory Services Limited	SIE	Consultancy charges paid	-	-	1.17	-
			Advance paid / (recovered)	-	0.60	(0.86)	0.60
9	Evergreen Cleantech Facilities Management (India) Limited	SIE	Operation and maintenance expenditure	2.22	(0.30)	3.13	(0.37)
			Mobilisation advance paid / (recovered against bills)	0.05	0.05	(0.10)	-
10	Visakha Solvents Limited	SIE	Operations and maintenance income	0.13	0.37	0.17	0.41
11	Dakshayani Academy	SIE	Other advance	-	1.15	-	1.15

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Sl. No.	Name of the related party	Relationship	Nature of transactions	2013-14 Transactions during the year	2013-14 Amount receivable/ (payable) as at 31 March 2014	2012-13 Transactions during the year	2012-13 Amount receivable/ (payable) as at 31 March 2013
12	Delhi MSW Solutions Limited	SIE	Contract revenue	0.05	0.99	0.79	1.18
			Retention money receivable	0.01	0.66	0.06	0.65
			Unsecured loan received and repaid	-	-	17.00	-
			Interest paid	-	-	0.81	-
			Investment in equity shares	-	0.01	-	0.01
13	Chattisgarh Energy Consortium (India) Private Limited	SIE	Unsecured loan taken	-	(15.20)	22.20	(15.20)
			Unsecured loan repaid	-		(7.00)	
			Interest paid	1.90	(3.58)	2.08	(1.87)
14	East Coast Industries (India) Private Limited	SIE	Operation and maintenance income	0.06	3.99	0.05	3.93
15	Tridax Laboratories Limited	SIE	Operation and maintenance income	0.16	10.30	0.12	10.14
16	Tamil Nadu Waste Management Limited	SIE	Purchase of land	0.04	(0.04)	-	-
17	Smilax Laboratories Limited	SIE	Contract revenue	2.04	29.87	2.20	51.15
			Sale of traded goods	1.47		0.06	
			Retention money receivable/ (realised)	(3.00)	-	-	3.00
			Inter-corporate deposit given	-	-	-	2.50
			Inter-corporate deposit received back	(2.50)		-	
			Interest income	0.25		0.29	
			Interest received on trade receivables	1.07	0.09	1.17	1.07
			Equity investment in a subsidiary	-	(0.02)	-	(0.02)
			Revenue from services	0.09	0.05	-	-
			Mobilisation advance received, net	0.11	(0.11)	-	-
			Payment towards land cancellation	48.78	-	-	-
18	Ramky Wavoo Developers Private Limited	SIE	Contract revenue	9.46	6.85	3.37	4.89
			Mobilisation advance received (adjusted against bills)	(1.21)	(0.87)	2.08	(2.08)
			Retention Money receivable	0.40	0.40	-	-
19	N.A.M Expressway Limited	Co-venture	Contract revenue	68.58	14.65	144.61	15.00
			Mobilisation advance received/(recovered against bills)	9.72	(1.29)	(19.57)	(11.01)
			Loan given	4.50	4.50	25.50	14.26
			Loan received back	(14.26)		(32.74)	
			Interest income	0.05	4.40	4.67	4.35
			Retention money receivable/(realised)	3.41	6.10	(2.65)	2.69
20	Jorabat Shillong Expressway Limited	Co-venture	Mobilisation advance received	-	(0.34)	0.34	(0.34)
21	Ramky Integrated Township Limited	Associate	Capital advance paid/ (received back)	(10.65)	11.35	-	22.00
			Share application money converted into loan/(loan received back)	(10.00)	-	10.00	10.00
			Interest income	0.11	-	1.20	1.40
			Investment in equity shares	-	0.02	-	0.02
22	Mr. A Ayodhya Rami Reddy	KMP	Remuneration	0.22	-	2.44	(0.08)
23	Mr. Y R Nagaraja	KMP	Remuneration	0.33	(0.10)	1.41	(0.04)
			Advance received for property	0.55	(0.21)	-	-

Notes to the consolidated financial statements *(continued)*

2.39 Employee benefit plans

a) Liability for retiring gratuity as on 31 March 2014 is ₹ 1.02 crores (previous year: ₹ 2.11 crores) of which ₹ 0.11 crores (previous year: ₹ 0.47 crores) is funded with the Life Insurance Corporation of India. The balance of ₹ 0.91 crores (previous year: ₹ 1.64 crores) is included in provision for gratuity.

b) Liability for cost of compensated absence as on 31 March 2014 is ₹ 2.05 crores (previous year: ₹ 3.81 crores). Cost of compensated liability is a non-funded liability.

c) Contribution towards employee provident fund for the year ended 31 March 2014 is ₹ 4.39 crores (previous year: ₹ 6.34 crores).

d) The liability for gratuity and cost of compensated absences has been actuarially determined and provided for in the books.

e) **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 2014	As at 31 March 2013
Opening defined benefit obligation	**2.11**	**2.70**
Current service cost	0.27	0.50
Interest cost	0.20	0.21
Actuarial loss	(0.98)	(1.02)
Past service cost	-	-
Benefits paid	(0.58)	(0.28)
Closing defined benefit obligation	**1.02**	**2.11**

Change in the fair value of plan assets (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Fair value of plan assets at the beginning of the year	**0.47**	**0.66**
Expected return on plan assets	0.02	0.06
Employer contributions	0.20	0.03
Benefits paid	(0.58)	(0.28)
Fair value of plan assets at the end of the year	**0.11**	**0.47**

Amount recognised in balance sheet (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Present value of funded obligation	**1.02**	2.11
Fair value of plan assets	(0.11)	(0.47)
Net liability	**0.91**	**1.64**
Amounts in the balance sheet		
Short-term provisions	0.14	0.40
Long-term provisions	0.77	1.24

Expense recognised in statement of profit and loss (₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Current service cost	0.27	0.50
Interest cost on benefit obligation	0.20	0.21
Expected return on plan assets	(0.02)	(0.06)
Past service cost	-	-
Net actuarial loss	(0.98)	(1.02)
Net benefit expense / (provision written back)	**(0.53)**	**(0.37)**

Summary of actuarial assumptions

Particulars	For the year ended	
	31 March 2014	31 March 2013
Discount rate	8.00% - 9.25%	8.00% - 8.60%
Expected rate of return	8.75%	8.50%

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.

2.40 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 2013-14. 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) and which were dismissed. The Company has filed an appeal with Income Tax Appellate Tribunal (ITAT) for these assessment years. ITAT has set aside the CIT (Appeals) orders and directed the Assessing Officer to examine the deductions claimed by the Company.

However, during the financial year ended 31 March 2012, 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 related to taxes for earlier years the same had been classified as "Provision for earlier years income tax". The Company has not considered deduction under Section 80-IA (4) for provisioning purpose for subsequent years.

2.41 Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at 31 March 2014 and 31 March 2013.

2.42 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 2014 and year ended 31 March 2013 as under:

(a) Information about business segments for the year ended 31 March 2014 as per AS-17 (₹ in crores)

Particulars	Construction business	Developer business	Others	Eliminations	Total
Revenue					
External	1,462.37	803.39	4.00	-	2,269.76
Inter-segment	343.30	-	1.38	(344.68)	-
Total	**1,805.67**	**803.39**	**5.38**	**(344.68)**	**2,269.76**
Result					
Segment result	(455.70)	202.93	0.33	-	(252.44)
Less: Finance cost					380.42
Loss before tax					**(632.86)**
Less: Tax expense					(210.16)
Loss after tax					**(422.70)**
Minority interest					7.23
Transfer of profit/ (loss) on accounts of change in shareholding					(15.16)
Share of loss from associate companies					0.08
Loss for the year					**(414.85)**
Other information					
Segment assets	3,301.05	3,020.61	36.36		6,358.02
Unallocable assets					113.09
Segment liabilities	3,050.46	2,050.85	19.96		5,121.25
Unallocable liabilities					-
Capital expenditure	29.18	185.02	-		214.20
Depreciation (included in segment expense)	58.04	10.80	-		68.84
Non cash expenses (other than depreciation included in segment expense)	242.60	3.86	-		246.46

Notes to the consolidated financial statements *(continued)*

(b) 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
Revenue					
External	2,849.27	805.74	0.12	-	3,655.13
Inter-segment	376.97	-	-	(376.97)	-
Total	**3,226.24**	**805.74**	**0.12**	**(376.97)**	**3,655.13**
Result					
Segment result	283.05	243.14	(0.06)	-	526.13
Less: Finance cost					294.19
Profit before tax					231.94
Less: Tax expense					58.25
Profit after tax					**173.69**
Minority interest					22.37
Share of loss from associates					0.06
Profit for year					**151.26**
Other information					
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	43.97	390.67	-		434.64
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

(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.

2.43 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 Company has 70% interest in Ramky – SMC JV, which is engaged in construction of underground drainage system in turnkey 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 percentage 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.

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 2014 and 31 March 2013 are given below:

Balance sheet (₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Liabilities and provisions:		
Long-term borrowings	764.54	564.75
Deferred tax liability (net)	15.91	19.21
Short-term borrowings	4.50	28.26
Trade payables	87.48	141.45
Other current liabilities	34.22	10.41
	906.65	**764.08**

Notes to the consolidated financial statements *(continued)*

(₹ in crores)

Particulars	As at 31 March 2014	As at 31 March 2013
Assets:		
Fixed assets	898.14	729.01
Other non-current assets	288.67	343.93
Inventories	2.60	-
Trade receivable	8.59	-
Cash and bank balances	4.59	23.47
Short-term loans and advances	22.07	28.04
Other current assets	129.68	0.01
	1,354.34	**1,124.46**
Net assets	**447.69**	**360.38**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**282.11**	**343.19**

Statement of profit and loss

(₹ in crores)

Particulars	For the year ended 31 March 2014	For the year ended 31 March 2013
Income		
Revenue from operations	186.64	407.77
Other operating income	31.67	27.89
Other income	0.07	0.02
	218.38	**435.68**
Expenditure		
Development costs	166.86	369.38
Finance costs	34.41	20.42
Depreciation and amortization expense	0.65	-
Other expenses	0.18	0.13
	202.10	**389.93**
Profit before tax	**16.28**	**45.75**
Tax expense/ (benefit)	(3.15)	2.79
Profit after taxation	**19.43**	**42.96**

2.44 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. LLP**
Chartered Accountants
Firm Registration No.: 101248W

Supreet Sachdev
Partner
Membership No.: 205385

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

Mahidhar. S. G
Partner
Membership No.: 216463

Hyderabad
20 June 2014

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

A Ayodhya Rami Reddy
Executive Chairman

Y R Nagaraja
Managing Director

I W Vijaya Kumar
Chief Financial Officer

V Phani Bhushan
Company Secretary

Ramky Infrastructure Limited

Regd.office: Ramky Grandiose, 10th Floor, Sy No 136/2 & 4, Gachibowli, Hyderabad – 500 032

Phone: 040-23015000, Fax : 040-23015444, Email : investors@ramky.com

Website: www.ramkyinfrastructure.com, CIN: L74210TG1994PLC017356

ATTENDANCE SLIP

20th Annual General Meeting – September 30, 2014

Please fill this Attendance slip and hand It over
at the Entrance of the Meeting Hall

DP ID*		Folio No	
Client ID*		No.of Shares held	

I Certify that I am member /Proxy for the member of the company,I hereby record my presence at the **20th Annual General Meeting of the Company held on September 30, 2014 at 3.00 P.M at AVASA Hotels, Plot No: 15, 24, 25 & 26, Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad- 500081.**

(Signature of Member / Proxy)

Note : Please fill in the attendance slip and hand it over at the entrance of the meeting.

Persons attending the Annual General Meeting are required to bring their copies of Annual Reports as the practice of distribution of copies of the Report at the meeting has been discontinued.

* Applicable for Investors holding shares in electronic form

Notes

Ramky Infrastructure Limited

Regd.office: Ramky Grandiose, 10th Floor, Sy No 136/2 & 4, Gachibowli, Hyderabad – 500 032
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PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No. / Client ID:	
DP ID:	

I/ We being the member(s) of ______________________shares of the above named Company hereby appoint:

1.	Name:	E-mail id:
	Address:	
		Signature:
	or failing him/her	
2.	Name:	E-mail id:
	Address:	
		Signature:
	or failing him/her	
3.	Name:	E-mail id:
	Address:	
		Signature:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the20th Annual General Meeting of the Company to be held on **Tuesday, 30th September 2014 at 3.00 p.m at AVASA Hotels, Plot No: 15, 24, 25 & 26, Sector - 1, Survey No: 64, Huda Techno Enclave, Madhapur, Hyderabad- 500081** and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	For	Against
	Ordinary Business		
1	Consider and adopt Financial Statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors' thereon		
2	Appointment of Dr Archana Niranjan Hingorani as a director retiring by rotation.		
3	Appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants as Statutory Auditors of the company		
	Special Business		
4	To appoint Dr A. G. Ravindranath Reddy as Independent Director of the company		
5	To appoint Mr. Rajasekhara Reddy as Independent Director of the company		
6	To appoint Mr. V.Harish Kumar as Independent Director of the company		
7	To appoint Mr. V.Murahari Reddy as Independent Director of the company		
8	To create charge/mortgage assets and undertakings of the Company under Section 180(1)(a) of the Companies Act,2013.		
9	To limit the borrowings up to ₹ 7500 Crores under Section 180(1)(c) of the Companies Act,2013		
10	To appointment Mr. A.Ayodhya Rami Reddy as Director of the company.		
11	To appoint Mr. A.Ayodhya Rami Reddy as Executive Chairman of the company for a period of 3 years effective from 20th June 2014		

Signed this .... day of .... 2014.

Affix
Revenue
Stamp

Signature of Member .... Signature of Proxy holder(s) ....

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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

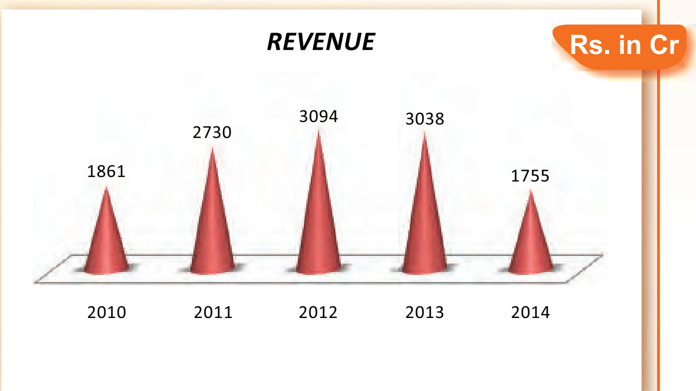
Important Notes:

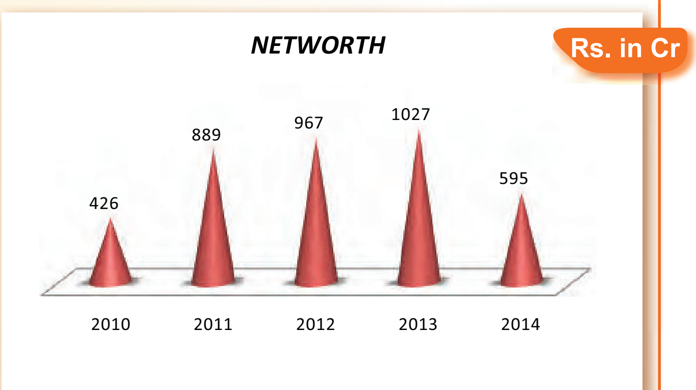
1) Upon registration of the above particulars, all the communication will be sent to the e-mail ID registered in Folio/DP & Client ID.
2) The form is also available on the website of the company www.ramkyinfrastructure.com
3) Shareholders are requested to keep company informed as and when there is any 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.

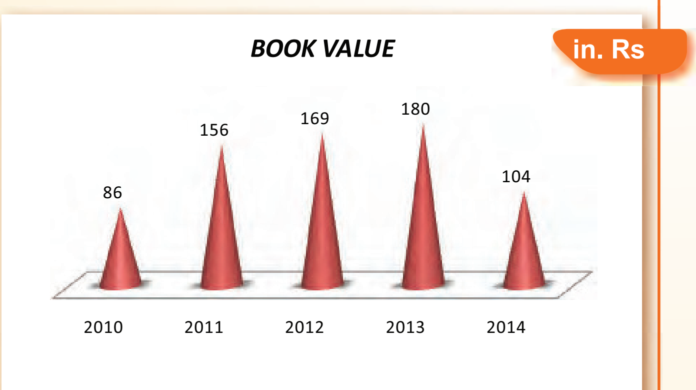
Notes

Financial Highlights

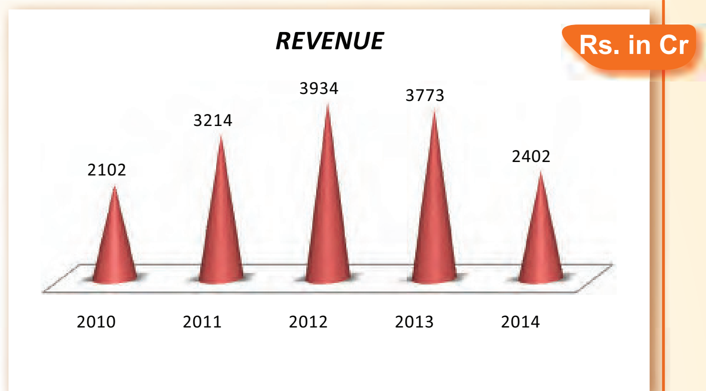
Standalone

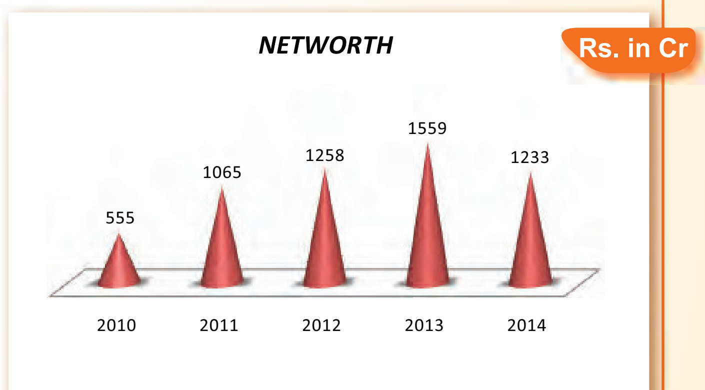


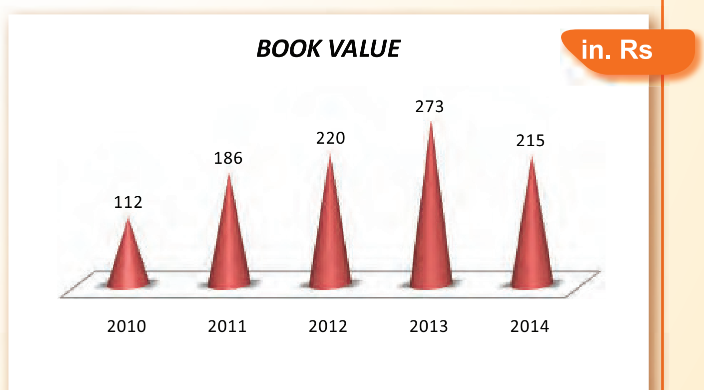




Consolidated







Towards sustainable growth

If undelivered, please return to:

Ramky Infrastructure Limited

CIN: L74210TG1994PLC017356
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