

Annual Report 2013

Ramky Infrastructure Limited

What the world needs, we engineer...



Towards sustainable growth

Milestones in Ramky Infra's Growth

2013

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

Launched two DBFOT Road Projects ▶

2012

2011

◀ OHSAS & EMS Certification

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

2010

2009

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

ISO 9001:2008 Certification across RIL operations ▶

2008

2007

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

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

2006

2005

◀ First integrated Township Project Ramky Towers in, Hyderabad.

2012

Crosses ₹ 30,000 Million mark in Annual Revenue

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

2004

2003

◀ Launched first BOT inter-state bus terminal, Dehradun

2011

Crosses ₹ 20,000 Million mark in Annual Revenue

Geographical expansion to other states of India ▶

2001

1998

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

2008

Crosses ₹ 10,000 Million mark in Annual Revenue

Expands client portfolio by starting work with Government ▶

1997

1995

◀ Expanded operations to include water & waste water management

2005

Crosses ₹ 5,000 Million mark in Annual Revenue

Incorporation of Ramky Infra focusing on environmental projects ▶

1994

2003

Crosses ₹ 1,000 Million mark in Annual Revenue

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

Corporate Information

BOARD OF DIRECTORS

Mr. A. Ayodhya Rami Reddy

Executive Chairman

Mr. Y. R. Nagaraja

Managing Director

Mr. Rajiv Maliwal

Non-Executive Director

Dr. Archana Niranjana Hingorani

Non-Executive Director

Mr. Kamlesh Shivji Vikamsey

Non-Executive Independent Director

Mr. V. Harish Kumar

Non-Executive Independent Director

Mr. V. Murahari Reddy

Non-Executive Independent Director

Dr A. G. Ravindranath Reddy

Non-Executive Independent Director

Mr. Rajasekhara Reddy

Non-Executive Independent Director

JOINT STATUTORY AUDITORS

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

JOINT STATUTORY AUDITORS

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

INTERNAL AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

COMPANY SECRETARY

Mr. V. Phani Bhushan

BANKERS

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

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

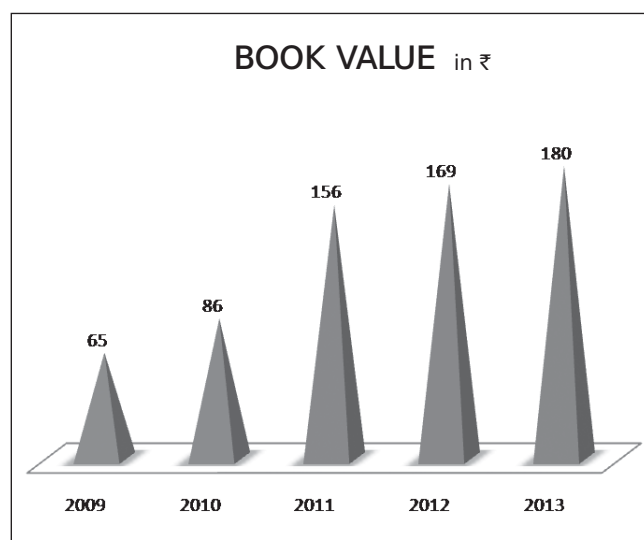
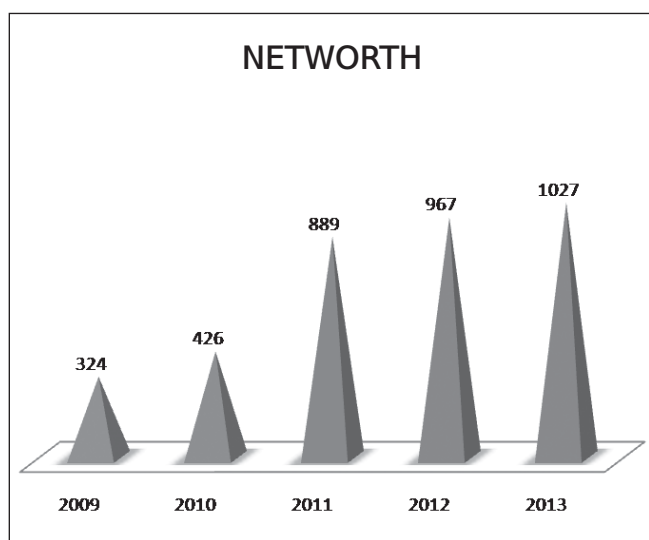
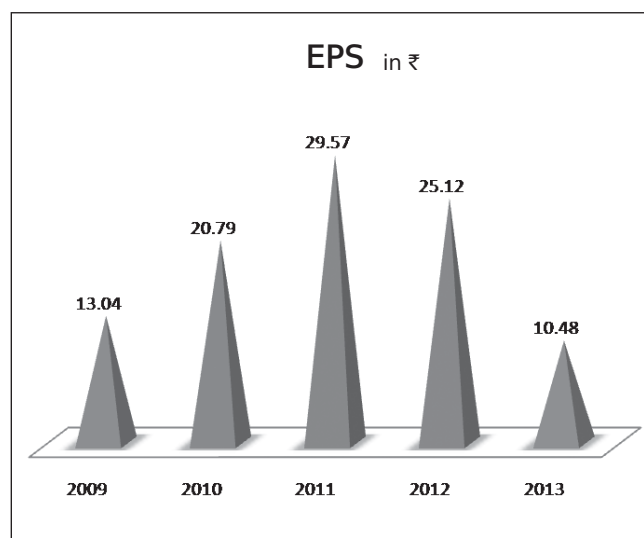
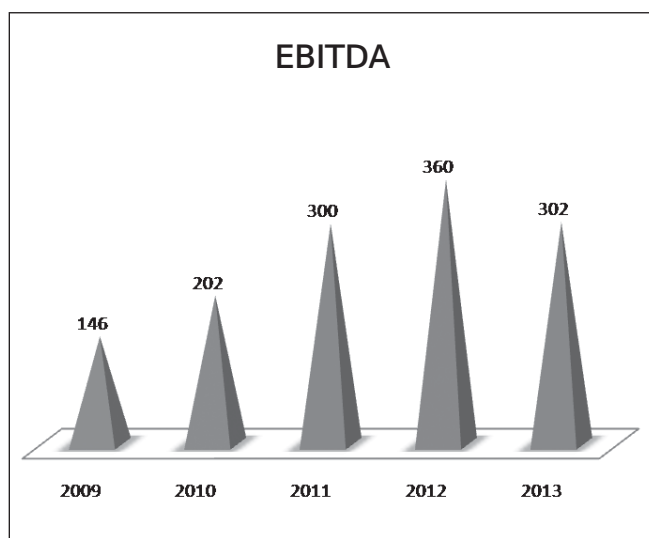
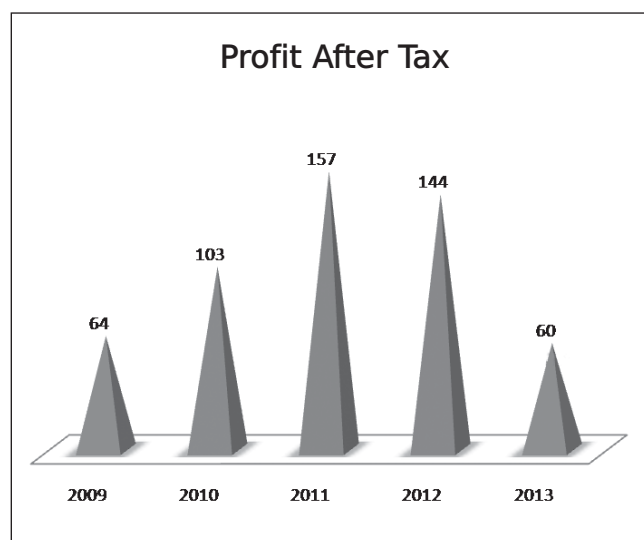
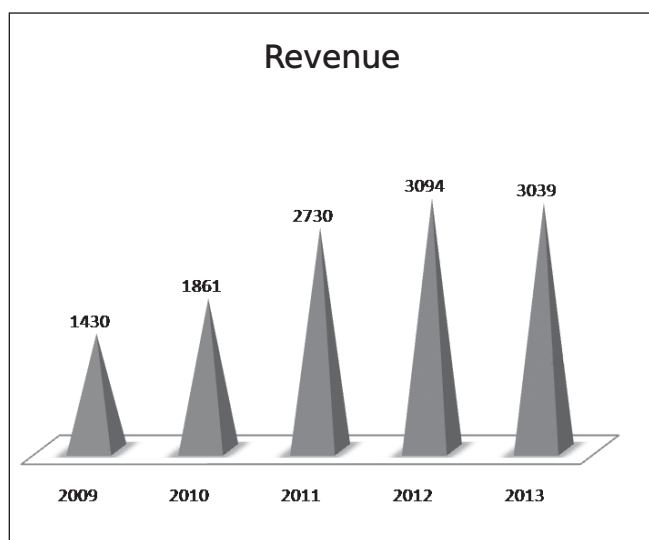
Standard Chartered Bank
IndusInd Bank Limited

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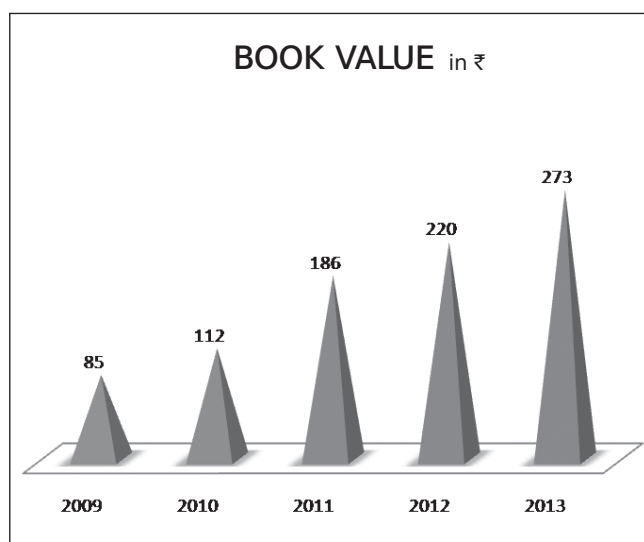
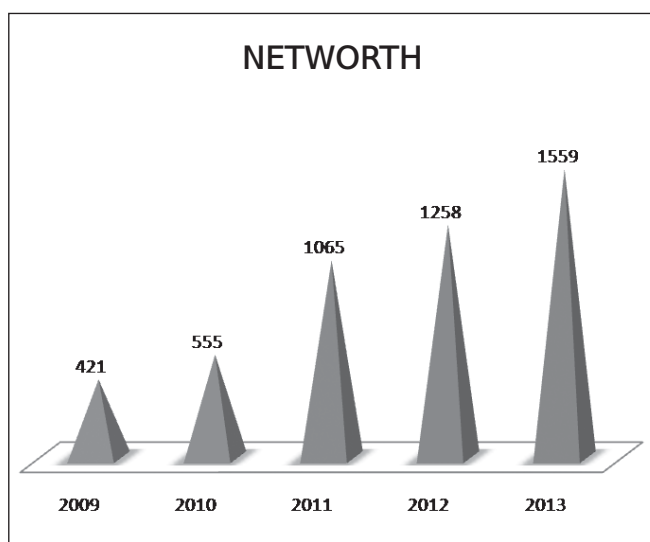
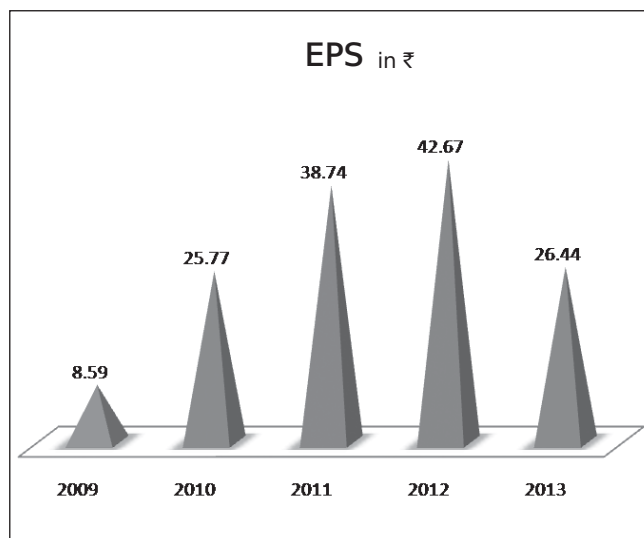
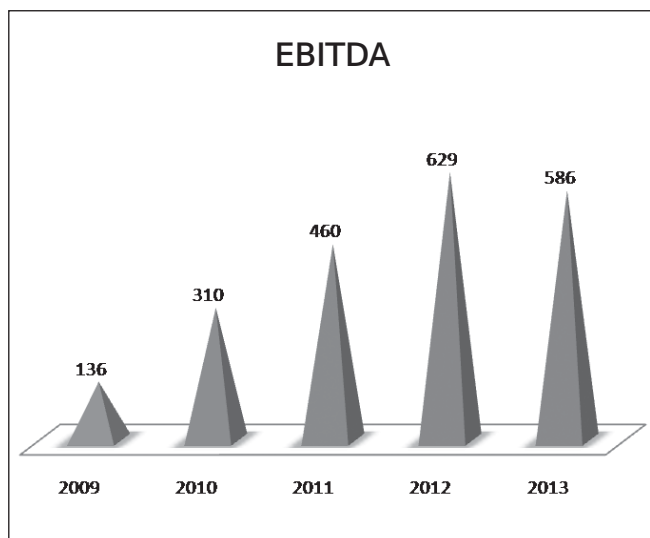
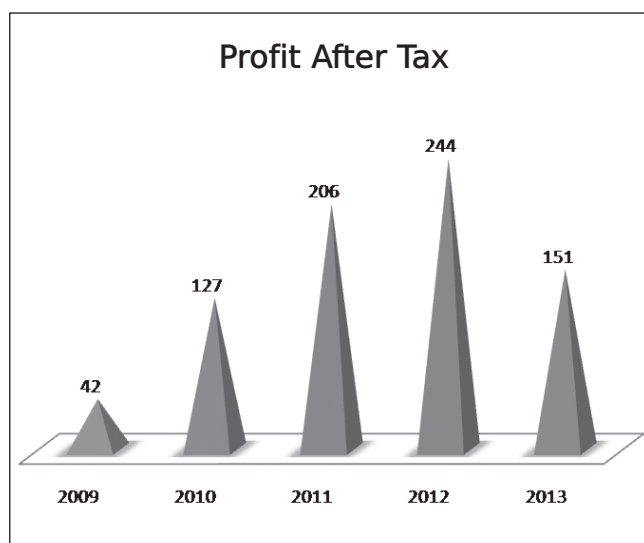
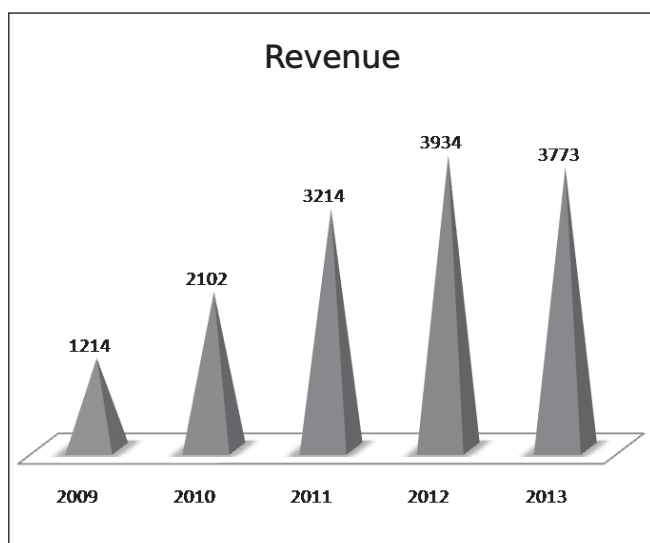
Financial Highlights on Standalone Basis

(₹ in Crores)



Financial Highlights on Consolidated Basis

(₹ in Crores)



Ramky Foundation promoting sustainable Livelihoods

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

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

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

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

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

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

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

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

EDUCATION



Bags Distribution



Note Books Distribution



Infrastructure Support



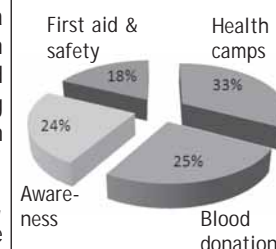
Play School

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

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

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

No. of Beneficiaries



EDUCATION



Children Medical Camp



Blood Donation Camp



Rural Health Centre



Health Awareness

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

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

- 1 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.
- 1 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.
- 1 Rural Mart in Narsaropeta, Guntur District to provide enabled environment to rural women to enhance their skills and knowledge for improved livelihoods and quality of life. At present rural mart is currently handling the work orders from various Government departments and the highest work order till date is ₹ 31.00 lakhs
- 1 Convergence of Agriculture in Maharashtra is a flagship project started in 2012. It envisages enabling rural poor to overcome poverty by developing sustaining means, so as to increase



Community Plantation

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

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

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

Chairman's Message

Dear Shareholder,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

With warm regards

Alla Ayodhya Rami Reddy
Executive Chairman

Notice of Nineteenth Annual General Meeting

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

ORDINARY BUSINESS

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

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

Hyderabad
May 27, 2013

Y.R. Nagaraja
Managing Director

Notes:

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