



# Ramky Infrastructure Limited Annual Report 2015

# Corporate Information

## BOARD OF DIRECTORS

<b>Mr. A. Ayodhya Rami Reddy</b>	– Executive Chairman
<b>Mr. Y. R. Nagaraja</b>	– Managing Director
<b>Dr A. G. Ravindranath Reddy</b>	– Non-Executive Independent Director
<b>Mr. V. Murahari Reddy</b>	– Non-Executive Independent Director
<b>Mrs Allam Rama Devi</b>	– Non-Executive Independent Director
<b>Mr. Krishna Kumar Gangadharan</b>	– Non -Executive Director

### STATUTORY AUDITORS

M/s. Chaturvedi & Partners  
Chartered Accountants  
212A, Chiranjiv Tower, 43, Nehru Place,  
New Delhi - 110019.

### INTERNAL AUDITORS

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

### COST AUDITOR

Mr. R.Sreenivas Rao, Practicing Cost Accountant

### SECRETARIAL AUDITOR

Mr. Manoj Kumar Koyalkar, Practicing Company  
Secretary.

### REGISTERED OFFICE

Ramky Grandiose,  
15th 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: L74210TG1994PLC017356

### REGISTRAR AND SHARE TRANSFER AGENT

Karvy Computershare Private Limited  
Karvy Selenium, Tower B,  
Plot No 31 & 32,  
Gachibowli Financial District,  
Nanakramguda Hyderabad - 500032  
P : 91 40 67161500 (B) F : +91 40 23420814

### CHIEF FINANCIAL OFFICER

Mr. I.W.Vijaya Kumar

### COMPANY SECRETARY

Mr. V.Phani Bhushan

### BANKERS

State Bank of India  
Axis Bank Limited  
IDBI Bank Limited  
Yes Bank Limited  
Standard Chartered Bank  
ICICI Bank Limited  
Punjab National Bank  
State Bank of Hyderabad  
Kotak Mahindra Bank  
(Formally known as ING Vysya Bank Limited).

# NOTICE OF 21<sup>st</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the members of M/s. Ramky Infrastructure Limited will be held on **Wednesday, the 30th day of September, 2015 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:

## ORDINARY BUSINESS :

- To receive, consider and adopt:
  - the Audited Financial Statements of the Company for the financial year ended March 31, 2015, the Report of the Board of Directors and the Report of the Auditors thereon; and
  - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2015 and the Report of the Auditors thereon
- To appoint a director in place of Mr. A.Ayodhya Rami Reddy (DIN 00251430), who retires by rotation and being eligible offers himself for re-appointment.
- 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** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable rules, if any, M/s. Chaturvedi & Partners, Chartered Accountants (Firm Registration No. 307068E) be and are hereby appointed as the statutory auditor of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth 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:

- To appoint Mrs. A.Rama Devi as an 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) Mrs A.Rama Devi (DIN 07120218), 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 her 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.

**RESOLVED FURTHER THAT** Mr.Y.R.Nagaraja, Managing Director 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".

- To appoint Mr. Gangadharan Krishna Kumar as Non Executive 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** Mr. Gangadharan Krishna Kumar (DIN: 00090715) who has been appointed as an Additional Director of the Company by Board of Directors with effect from 13 November 2014 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr.Y.R.Nagaraja, Managing Director, 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".

- To fix remuneration of the cost auditor and to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 (3) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. R.Sreenivas Rao, Cost Accountant (Membership No. 6329) who was appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to Rs. 1,00,000/- (Rupees One lakh only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby confirmed and approved and the remuneration for the previous financial year be ratified and confirmed."

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

Hyderabad  
August 13, 2015

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

## REGISTERED OFFICE

Ramky Grandiose,  
15th 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: L74210TG1994PLC017356

## Notes:

1. An Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of items 4 to 6 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 24th September 2015 to 29th September, 2015 (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.
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 Karvy Selenium, Tower B, Plot No 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500032.
15. In terms of Sections 124 of the Companies Act, 2013 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 (Corresponding to Section 205A of the erstwhile Companies Act, 1956)
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 the provisions of section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the listing agreement, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, in respect of all resolutions set forth in this Notice.

The Company is also providing the facility for voting by way of physical ballot at the Annual General Meeting. Mr. Manoj Kumar Koyalkar, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process as well as the Ballot process at the Annual General Meeting in a fair and transparent manner.

**The procedure and instructions for e-voting are as follows:**

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned in the e-mail/covering letter. Your folio/DP Client ID will be your User-ID.

User - ID For shareholders holding shares in Demat Form:-

- a) For NSDL: - 8 Character DP ID followed by 8 Digits Client ID
- b) For CDSL: - 16 digits beneficiary
- c) ID for shareholders holding shares in

**Physical Form:-**

The share holders whose email id is not registered with the company and who intend to exercise their vote, may write to the company at investors@ramky.com or to the registrar and transfer agent M/s karvy computer share private limited so as to send the user id and password for e voting.

- iii) Please contact Karvy's toll free No. 1-800-34-54-001 for any support or clarifications in relation to E-Voting.
- iv) Shareholders can cast their vote online from 27th September, 2015 (9.00 AM) to 29th September, 2015 (5.00 PM). During this period, shareholders of the company holding shares either in dematerialized or physical form as on the cut-off date viz., 23rd September, 2015, may cast their vote electronically.
- v) After entering these details appropriately, click on "LOGIN".
- vi) In case of first login, shareholders holding shares in Demat/ Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID 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.
- vii) You need to login again with the new credentials

- viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name' viz Ramky Infrastructure Limited
- ix) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and cast your vote earlier for any company, then your existing login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/ AGAINST/ABSTAIN' for voting .Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder does not want to cast, select 'ABSTAIN'.
- xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xiii) Corporate/Institutional Members (corporate/FIs/FILs/Trust/ Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to mkoyalkar@gmail.com with copy to evoting@karvy.com. The file/scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."

The Members attending the meeting should note that those who are entitled to vote but have not exercised their right to vote through e-voting, may vote at the AGM through physical ballot for all the business specified in the accompanying Notice. The Members who have exercised their right to vote by e-voting may attend the AGM but shall not vote at the AGM. If a member casts vote by both modes, then voting done through e-voting shall prevail and the Ballot form shall be treated as invalid.

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.

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](http://www.ramkyinfrastructure.com).

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

### **Item No 4 :**

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 Mrs. A.Rama Devi as Independent Director of the Company for a period of 5 (five) years. The Company has also received notice pursuant to Section 160 of the Companies Act, 2013 from member proposing the appointment of aforesaid Independent Director. The Board of Directors believe that the association of the aforementioned Independent Director with the Company shall be beneficial to the progress of the Company and hence, the Board recommends the appointment of Mrs. A.Rama Devi as Independent Director as set out in Item Nos. 4 for the approval of the shareholders at the ensuing Annual General Meeting.

In the opinion of the Board, the Independent Director 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 Director are independent of the management.

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

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out in Item No. 4 of this Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

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 Mrs. A. Rama Devi seeking appointment as an independent director are provided at **Annexure A**.

The Board commends the resolution for the approval of the members of the Company.

### **Item No 5 :**

The Board of Directors at their meeting held on 13 November 2014 have appointed Mr. Gangadharan Krishna Kumar (DIN: 00090715) 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. Gangadharan Krishna Kumar (DIN: 00090715) as a Director (Non Executive). The Board of Directors propose the appointment of Mr. Gangadharan Krishna Kumar (DIN: 00090715) as the Director and recommend the resolution as set out in Item No. 5 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. 5 of this Notice.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board commends the resolution for the approval of the members of the Company.

### **Item No 6:**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Mr. R. Srinivasa Rao, Practicing Cost Accountant to conduct the audit of the cost records of the Company for the financial year ended March 31, 2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year 2015-16 and that of the previous year as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

The Board commends the resolution for the approval of the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives, are in any way concerned or interested financially or otherwise, in the said Resolution.

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

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

Hyderabad  
August 13, 2015

### **REGISTERED OFFICE**

Ramky Grandiose,  
15th 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: L74210TG1994PLC017356



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 21st Annual Report on the business and operations of your company for the financial year ended March 31, 2015.

## Financial Results

The standalone financial performance of the Company for the financial year ended March 31, 2015 is summarized below:

(₹ in Crores)

Particulars	2014-15	2013-14
Revenue from operations	1079.74	1755.09
Other Income	34.93	22.94
Total Income	1114.67	1778.03
Total Expenditure	1780.76	2401.46
Profit/(Loss) before taxes	(666.09)	(623.43)
Tax Expense/(Benefit)	(220.61)	(191.32)
Profit/(Loss) after Tax	(445.48)	(432.11)
Earnings per equity shares in ₹	(77.89)	(75.55)

## Review of Performance and state of the company's affairs

During the year under review, the company's performance was affected due to macro and micro industry concerns such as liquidity issues, delay in hand over of land for road projects, delay in receivables from the clients and other factors prevailing in the industry/sector. The company is making all measures to overcome those constraints by either terminating or foreclosure of the contracts, speeding up the execution of works which are on the verge of completion, making claims and claiming cost escalation or cost overruns wherever the contract agreements permits etc.

During the year under review, members will notice that the standalone revenues have declined by 38.48% to ₹ 1079.74 crores from ₹ 1755.09 crores of the previous year 2013-14, while the Loss after tax was at ₹ 445.58 crores from Loss after tax of ₹ 432.11 crores achieved during the previous year 2013-14.

During the year under review, members will notice that the consolidated revenues have declined by 31.54% to ₹ 1644.13 crores from ₹ 2401.70 crores of the previous year 2013-14, while the Loss after Tax was at ₹ 482.96 crores from Loss after tax of ₹ 414.85 crores achieved during the previous year 2013-14.

## Dividend and Transfer to Reserves

In view of the losses incurred in the financial year 2014-15, your Board of Directors has not recommended any dividend for the financial year 2014-15 and no amount has been transferred to General Reserve during the financial year 2014-15.

## Share Capital

During the period under review there is no change in the Authorised and paid up capital of the Company. The Authorised share capital is ₹ 70,00,00,000 and paid up share capital is ₹ 57,19,79,910.

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

## Directors & its board meetings:

The following persons were appointed as Additional Director of the Company during the year under report:

S.No	Name of the Director	Date of Appointment
1	Mr. G. Krishna Kumar	13.11.2014
2	Mrs A. Rama Devi	13.02.2015

## Proposed Appointments:

The following appointments to the Board are proposed:

Approval of the shareholders is being sought for the appointment of Mr. A.Ayodhya Rami Reddy as Director (executive Chairman) of the Company, who retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for re-appointment in accordance with the provisions of the Companies Act and pursuant to Articles of Association of the Company. Your Board recommends his re- appointment.

Mr. G. Krishna Kumar was inducted as an 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 (Non Executive ) 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.

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, Mrs.A.Rama Devi was appointed as Additional and Independent Directors of your Company up to 5 (five) consecutive years.

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. Rajiv Maliwal, Mr. V.Harish Kumar, Mr. Rajasekhara Reddy and Dr Archana Niranjan Hingorani, Directors of the company submitted their resignation vide letter dated 13 November 2014. The board of directors at their meeting held 13 November 2014 have accepted the same and placed on record its sincere appreciation for the services rendered to the company.

## Number of meetings of the board :

Six Board Meetings were held during the year ended on 31<sup>st</sup> March 2015. The gap between any two Board Meetings is within the period prescribed by the Companies Act, 2013.

## Declarations by Independent Directors:

The Company has received declarations from the Independent Director under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

## Board evaluation and assessment:

The company believes formal evaluation of the board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluation provides an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in;

- More effective board process
- Better collaboration and communication
- Greater clarity with regard to members roles and responsibilities
- Improved chairman - managing directors and board relations

#### **The evaluation process covers the following aspects**

- Self evaluation of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the non executive directors to the chairman
- Feedback on management support to the board.

#### **Familiarisation Programme for Independent Directors**

The Company shall through its Senior Managerial personnel familiarise the Independent Directors with the strategy, operations and functions of the Company. The Independent Directors will also be familiarised with their roles, rights and responsibilities and Orientation on Statutory Compliances as a Board Member.

On appointment of the Independent Directors, they will be asked to get familiarised about the Company's operations and businesses. An Interaction with the key executives of the Company is also facilitated to make them more familiar with the operations carried by the company. Detailed presentations on the business of the company are also made to the Directors. Direct meetings with the Chairman and the Managing Director are further facilitated for the new appointee to familiarize him/her about the Company/ its businesses and the group practices as the case may be and link is available at the website <http://ramkyinfrastructure.com>.

#### **Directors' Responsibility Statement**

Pursuant to the requirement under section 134 (3) and (5) of the Companies Act 2013, with respect to Directors' Responsibility Statement, your board of directors to the best of their knowledge and ability confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit/loss of the Company for that year;
- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

#### **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 Mr. Manoj Kumar Koyalkar, 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**

The Management Discussion and Analysis Report highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this 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 clause 32 of the listing agreement and in compliance with the provisions of companies act 2013 and the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting standard AS-23 on Accounting for Investments in Associates and 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.

A statement containing brief financial details of the subsidiaries for the financial year ended March 31, 2015 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.

#### **Statutory Auditors**

M/s.Chaturvedi & Partners, Chartered Accountants, New Delhi, Statutory Auditors are the auditors appointed under causal vacancy.

M/s Chaturvedi & Partners, Chartered Accountants, New Delhi bearing ICAI Registration No. 307068E 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 fourth Annual General Meeting of the Company held thereafter, subject to ratification of the appointment by the members at every AGM.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s Chaturvedi & Partners, 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 Ltd 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.

#### **Corporate Social Responsibility**

Ramky Infra has been pursuing CSR activities long before they were made mandatory under the companies act 2013. You are aware that the CSR activities are being carried under Ramky Foundation, a charitable trust



which looks after CSR activities. 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 Corporate Social Responsibility (CSR) Policy and Activities as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended to this annual report as Annexure - B and link to the CSR policy is available at the website <http://ramkyinfrastructure.com>.

#### **Particulars of Loans, Guarantees and Investments**

Details of loans and guarantees given and investments made under Section 186 of the Act are provided in the Notes to the Financial Statements.

#### **Cost Audit Report**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Notifications/Circulars issued by the Ministry of Corporate Affairs from time to time, the Board of Directors at their meeting dated 20 June 2014, appointed M/s. R.Srinivas Rao, Cost Accountants as the Cost Auditors of the Company for the financial year 2014 - 15. The Cost Audit Report will be filed within the stipulated period of 180 days from the closure of the financial year.

#### **Secretarial Audit Report**

Pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the company is required to obtain Secretarial Audit Report from Practising Company Secretary. Mr. Manoj Kumar Koyalkar, Practising company secretary was appointed to issue Secretarial Audit Report for the financial year 2014-15.

Secretarial Audit Report issued by Mr. Manoj Kumar Koyalkar, Practising company secretary in Form MR-3 for the financial year 2014-15 forms part to this report as Annexure - C. The said report contains observation as under

I further report that as on March 31, 2015, undisputed dues in respect Provident Fund, Employees State Insurance and Gratuity, have not been regularly deposited with the appropriate authorities and there have been delays in number of cases.

The company has incurred losses during this financial year and last financial year. Due to severe liquidity constraints, there have been delays in payment of the Provident Fund, Employees State Insurance dues and gratuity, the company has made provision for payment of statutory dues in the restructure package approved under JLF and the company will be able to address the crisis through restructure arrangement with existing lenders, the restructure package inter-alia includes for funding of such dues whereby we can clear the dues.

#### **Whistle Blower Policy/Vigil Mechanism**

Pursuant to the provisions of section 177 of the companies act, 2013 and the rules framed there under and pursuant to the applicable provision of clause 49 of the listing agreement entered with stock exchanges, the company has established a mechanism through which all stake holders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle blower policy which has been approved by the board of directors of the company has been hosted on the website of the company viz <http://ramkyinfrastructure.com>.

#### **Risk Management Policy**

The board of directors has formed a risk management committee to identify, evaluate, mitigate and monitor the risks associated with the business carried by the company. The committee reviews the risk management plan and ensures its effectiveness. A mechanism has been put in place which will be reviewed on regular intervals.

#### **Policy on Sexual Harassment**

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year ended 31st March, 2015, the Company has not received any complaints pertaining to Sexual Harassment.

#### **Particulars of Contracts or arrangements with related parties**

All the related party transactions that were entered during the financial years were in the ordinary course of business of the company and were on arm length basis. There were no materially significant related party transactions entered by the company during the year with the promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the company.

The policy on related party transactions as approved by the board of directors is hosted on the website of the company viz : <http://ramkyinfrastructure.com>.

Since all the related party transactions entered into by the company were in the ordinary course of business and were on arm length basis, the requirement of furnishing the requisite particulars in form AOC -2 is not applicable.

Material changes and commitments, if any, affecting the financial position of the company

There are no material changes and commitments affecting the financial position of the company which occurred between the end of the financial year to which the financial statements relate and the date of the report.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future

#### **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.

#### **Particulars of Employees**

A table containing the particulars in accordance with the provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as Annexure D to this Report.

A statement containing the name of every employee employed throughout the financial year and in receipt of remuneration of Rs 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as Annexure E to this Report.

#### **Extract of the Annual Return**

In accordance with Section 134 (3) (a) of the Act, an extract of the Annual Return in the prescribed format is appended as Annexure F to this Report.

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 Outgo

In accordance with the provisions of Section 134 of the Companies Act, 2013, 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 - Standalone and Consolidated financial reports:

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, 2015 have been subjected to an audit by the Statutory Auditors of the Company and a qualified report has been issued by them thereon

### Qualifications matters - Standalone and consolidated financials

1. With respect to the deferred tax assets amounting to ₹ 409.08 Crore :

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 realization of reasonable margin on existing contracts on hand and future contracts, the Management is confident of sufficient future taxable income for realization of deferred tax assets.

2. Impact of floods on one of the Company's project in Srinagar, Jammu and Kashmir

The Company has lodged an insurance claim in this regard and the management is confident of realising the insurance claim and therefore there will be no consequential material adjustment for loss of project materials and assets will be required.

3. The statutory auditors of the Company have also drawn Emphasis in their review report (Standalone and consolidated financials) with respect to

- a. Material uncertainties over the realisability of certain construction work in progress, trade receivables and loans and advances aggregating to ₹ 580.78 crores, which are subject matters of arbitration proceedings/ negotiations

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.

4. Other observations - Statutory Compliances:

- a. Delays caused in remitting the statutory dues towards Provident Fund, Employees State Insurance, Income tax deducted at source, Works contract Tax deducted at source, Sales tax and Service Tax to the concerned authorities is primarily due to non realization of trade receivables, retention and advances from clients and other authorities due to arbitrations/disputes due to which the company is facing severe liquidity crisis.

However we are able to address the crisis through restructure arrangement with existing lenders, the restructure package inter-alia includes for funding of such dues whereby we can clear the dues

- b. Defaulted in repayment of dues to bankers : The default in repayment of dues to the banks have been regularised post restructure arrangement with lenders of the company under JLF .

5. Emphasis matters in consolidated financials

- a. the uncertainty in connection with the charge sheet filed by Central Beuro of Investigation (CBI) and attachment order of the Enforcement Directorate in respect of certain assets of the company.

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.

- b. in respect of the insurance claim filed by the Company, towards loss caused by HUDHUD cyclone in Pharma City.

The Company has lodged an insurance claim in this regard and the management is confident of realising the insurance claim and therefore there will be no loss caused by HUDHUD cyclone in Pharma City.

- c. With respect of contract terminated/foreclosed by certain subsidiaries and no business being carried out by a subsidiary and no business in hand which affect the going concern assumption of those companies- notes of account is self-explanatory and therefore do not call for any further comments

- d. Revenue and receivables of ₹ 408.96 crores, recognised on the basis of fair value of consideration for construction services and the effective interest rate in the case of financial assets covered under service concession arrangements.

As per the Draft Guidance note on Service Concession Arrangements, the company has accounted for service concession arrangements for applicable BOT projects.

### 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**

	<b>Mr.Y.R.Nagaraja</b>	<b>Alla Ayodhya Rami Reddy</b>
	Managing Director	Executive Chairman
	(DIN:00009810)	(DIN: 00251430)
Hyderabad		
August 13, 2015		