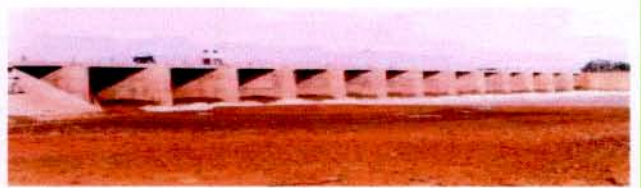




Towards Sustainable Growth

RAMKY INFRASTRUCTURE LIMITED



ANNUAL REPORT – 2007-08

Regd. Office: 6-3-1089/G/10 & 11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500 082, A.P.

Phone No. 040-23310091 (30 LINES) Fax No. 040-23302353

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Ramky Infrastructure Limited

6-3-1089/G/10&11, 1st Floor Gulmohar Avenue, Rajbhavan Road,
Somajiguda, Hyderabad – 500082

BOARD OF DIRECTORS

Mr. A. Ayodhya Rami Reddy	---	Chairman
Mr. Y. R. Nagaraja	---	Managing Director
Mr. Ravi Kant	---	Director
Mr. Rajiv Maliwal	---	Director
Ms. Archana Niranjan Hingorani	---	Director
Mr. Kamlesh Shivji Vikamsey	---	Independent Director
Mr. V. Harish Kumar	---	Independent Director
Mr. V. Murahari Reddy	---	Independent Director
Mr. P. V. Narasimham	---	Independent Director
Dr. P. G. Sastry	---	Independent Director

STATUTORY AUDITORS

M/s. Visweswara Rao & Associates
“SRI” Plot No.512A1, Road No.31
Jubilee Hills, Hyderabad – 500033
Phone: +91-40 – 23546705

REGISTERED OFFICE

6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue
Rajbhavan Road, Somajiguda
Hyderabad – 500082
Phone: 040-23306773
Fax : 040-23305726

COMPANY SECRETARY

Mr. D. Trivikram – GM-Legal & Company Secretary

BANKERS

State Bank of India
Development Credit Bank Limited
ING Vysya Bank Ltd.
Standard Chartered Bank
ICICI Bank Limited
IndusInd Bank Limited
Punjab National Bank

State Bank of Hyderabad
UCO Bank Limited
Axis Bank Limited
Yes Bank Limited
Indian Bank
IDBI Bank Limited

Ramky Infrastructure Limited

Regd. Office: 6-3-1089/G/10&11, 1st Floor Gulmohar Avenue, Rajbhavan Road,
Somajiguda, Hyderabad – 500082

Notice of Fourteenth Annual General Meeting

Notice is hereby given that the Fourteenth Annual General Meeting of the members of Ramky Infrastructure Limited will be held on Tuesday, the 30 September 2008 at registered office at 6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500082 at 1530 hrs. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Report of Directors, P&L Account for the year ended 31 March 2008 and Balance Sheet as at that date and the report of Auditors thereon.
2. To appoint a director in place of Mr. Ravi Kant, 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 statutory auditors and fix their remuneration and for this purpose to consider and if thought fit to pass with or without modifications, the following as an ordinary resolution*

“RESOLVED THAT M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad be and are hereby appointed as auditors of the company to hold office until the conclusion of the next annual general meeting of the company at a remuneration to be fixed by the Board of Directors of the Company.”

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

“RESOLVED THAT M/s BSR & Co, Chartered Accountants, Hyderabad 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 to be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

6. *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. V. Murahari Reddy, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

7. *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 V. Harish Kumar, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

8. *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, Dr. P. G. Sastry, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

9. *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. P. V. Narasimham, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retirement by rotation.”

10. *To consider and if thought fit to pass with or without modification the following resolution as a Special resolution*

“RESOLVED THAT pursuant to provisions of Section 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded for the payment of remuneration to Mr. A. Ayodhya Rami Reddy, Executive Chairman by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances upto a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e. upto 31 March 2010”

“FURTHER RESOLVED THAT Mr. A. Ayodhya Rami Reddy be paid the above remuneration subject to a limit of rupees ninety (90) lakhs per annum towards Salary, Dearness Allowance, Perquisites, and other allowances and upto 1% of the Net Profits as Commission for the FY 2008-09 and shall be reviewed and revised by the Board of Directors or any committee of the Board on yearly basis subject to the overall limits of 5% of the Net Profits of the Company”

“FURTHER RESOLVED THAT in the event of the absence or inadequacy of profits in any year during his tenure, Mr. A. Ayodhya Rami Reddy shall be paid a minimum remuneration as provided in Schedule XIII of the Companies Act, 1956, as in force in relevant year and such remuneration shall be paid either monthly or quarterly or half yearly or otherwise as may be agreed to between Mr. A. Ayodhya Rami Reddy and the Board of Directors or any committee of the Board.

“FURTHER RESOLVED THAT the Board of Directors or any Committee of the Board be and is hereby authorised to do all such acts and deeds that are required for giving effect to the above resolutions”

11. *To consider and if thought fit to pass with or without modification the following resolution as a Special resolution*

“RESOLVED THAT pursuant to provisions of Section 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded for the payment of remuneration to Mr. Y. R. Nagaraja, Managing Director by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances upto a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e. upto 31 March 2010”

“FURTHER RESOLVED THAT Mr. Y. R. Nagaraja be paid the above remuneration subject to a limit of rupees sixty (60) lakhs per annum towards Salary, Dearness Allowance, Perquisites, and other allowances for the FY 2008-09 and shall be reviewed and revised by the Board of Directors or any committee of the Board on yearly basis subject to the overall limits of 5% of the Net Profits of the Company”

“FURTHER RESOLVED THAT in the event of the absence or inadequacy of profits in any year during his tenure, Mr. Y. R. Nagaraja shall be paid a minimum remuneration as provided in Schedule XIII of the Companies Act, 1956, as in force in relevant year and such remuneration shall be paid either monthly or quarterly or half yearly or otherwise as may be agreed to between Mr. Y. R. Nagaraja and the Board of Directors or any committee of the Board.

“FURTHER RESOLVED THAT the Board of Directors or any Committee of the Board be and is hereby authorised to do all such acts and deeds that are required for giving effect to the above resolutions”

12. *To consider and if thought fit to pass with or without modification the following resolution as a Special resolution*

“RESOLVED THAT pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded for the alteration of existing Article No. 76 of the Articles of Association of the Company by substituting with the following:

The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or Committee of the Board authorised by it in that behalf and except in the presence of at least one Director and either Secretary or such other person as the Board may appoint for the purpose, and such Director and Secretary or such other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in his/her presence

By Order of the Board,
For Ramky Infrastructure Limited

Dated: 26.06.2008
Place : Hyderabad.

(D. Trivikram)
GM-Legal & Company Secretary

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself/herself. The proxy, so appointed, need not be a member of the company. In order to be effective, the proxy forms duly completed and signed should reach the registered office the company at least 48 hours before the commencement of the meeting.
2. An Explanatory Statement under section 173(2) of the Companies Act, 1956 is annexed hereto.

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

[Item No. 6](#)

Mr. V. Murahari Reddy was appointed as an Additional Director effective from 26 October 2007. As per the provisions of Section 260 of the Companies Act, 1956, his term of office expires at the ensuing Annual General Meeting. A Notice under section 257 of the Act, proposing the appointment of Mr. V. Murahari Reddy as a Director, liable to retire by rotation, has been received from a member together with the requisite deposit of Rs.500/-.

Member's approval for the appointment is required by way of ordinary resolution.

None of the Directors except Mr. V. Murahari Reddy is in any way concerned or interested in the said resolution.

Your Directors commend the resolution for your approval.

[Item No. 7](#)

Mr. V. Harish Kumar was appointed as an Additional Director effective from 26 October 2007. As per the provisions of Section 260 of the Companies Act, 1956, his term of office expires at the ensuing Annual General Meeting. A Notice under section 257 of the Act, proposing the appointment of Mr. V. Harish Kumar as a Director, liable to retire by rotation, has been received from a member together with the requisite deposit of Rs.500/-.

Member's approval for the appointment is required by way of ordinary resolution.

None of the Directors except Mr. V. Harish Kumar is in any way concerned or interested in the said resolution.

Your Directors commend the resolution for your approval.

[Item No. 8:](#)

Dr. P. G. Sastry was appointed as an Additional Director effective from 26 October 2007. As per the provisions of Section 260 of the Companies Act, 1956, his term of office expires at the ensuing Annual General Meeting. A Notice under section 257 of the Act, proposing the appointment of Dr. P.G. Sastry as a Director, liable to retire by rotation, has been received from a member together with the requisite deposit of Rs.500/-.

Member's approval for the appointment is required by way of ordinary resolution.

None of the Directors except Dr. P. G. Sastry is in any way concerned or interested in the said resolution.

Your Directors commend the resolution for your approval.

Item No. 9:

Mr. P. V. Narasimham was appointed as an Additional Director effective from 26 October 2007. As per the provisions of Section 260 of the Companies Act, 1956, his term of office expires at the ensuing Annual General Meeting. A Notice under section 257 of the Act, proposing the appointment of Mr. P. V. Narasimham as a Director, liable to retire by rotation, has been received from a member together with the requisite deposit of Rs.500/-.

Member's approval for the appointment is required by way of ordinary resolution.

None of the Directors except Mr. P. V. Narasimham is in any way concerned or interested in the said resolution.

Your Directors commend the resolution for your approval.

Item No. 10:

The company has recorded a significant growth under the able guidance and stewardship of Mr. A. Ayodhya Rami Reddy, Executive Chairman. It was felt appropriate to revise the current remuneration of Mr. A. Ayodhya Rami Reddy, to commensurate with the operations and performance of the Company. The remuneration Committee of the Board in its meeting held on 26 June 2008 has reviewed and recommended a overall remuneration by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances upto a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e. upto 31 March 2010.

It also recommended (i) subject to a limit of rupees ninety (90) lakhs per annum towards Salary, Dearness Allowance, Perquisites, and other allowances and upto 1% of the Net Profits as Commission for the FY 2008-09 and the same shall be reviewed and revised by the Board of Directors or any committee of the Board on yearly basis subject to the overall limits of 5% of the Net Profits of the Company (ii) in the event of the absence or inadequacy of profits in any year during his tenure, Mr. A. Ayodhya Rami Reddy shall be paid a minimum remuneration as provided in Schedule XIII of the Companies Act, 1956, as in force in relevant year and such remuneration shall be paid either monthly or quarterly or half yearly or otherwise as may be agreed to between Mr. A. Ayodhya Rami Reddy and the Board of Directors or any committee of the Board.

The Board has accepted the recommendations of the committee and has proposed the revision of remuneration as mentioned above for the approval of the members in accordance with the provisions of Section 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.

This may be treated as an abstract of the terms and conditions of the revised remuneration to Mr. A. Ayodhya Rami Reddy in terms of Section 302 of the Companies Act, 1956. None of the directors are interested in the above transaction except Mr. A. Ayodhya Rami Reddy.

Your Directors commend the resolution for your approval.

Item No. 11:

Mr. Y. R. Nagaraja has contributed significantly to the growth of the company. It was felt appropriate to revise the current remuneration of Mr. Y. R. Nagaraja, to commensurate with the operations and performance of the Company. The remuneration Committee of the Board in its meeting held on 26 June 2008 has reviewed and recommended a overall remuneration by way of Salary, Dearness Allowance, Perquisites, Commission and other allowances upto a maximum amount equivalent to 5% of the net profits of the Company for the remaining period of his tenure i.e. upto 31 March 2010.

It also recommended (i) subject to a limit of rupees sixty (60) lakhs per annum towards Salary, Dearness Allowance, Perquisites, and other allowances for the FY 2008-09 and the same shall be reviewed and revised by the Board of Directors or any committee of the Board on yearly basis subject to the overall limits of 5% of the Net Profits of the Company (ii) in the event of the absence or inadequacy of profits in any year during his tenure, Mr. Y. R. Nagaraja shall be paid a minimum remuneration as provided in Schedule XIII of the Companies Act, 1956, as in force in relevant year and such remuneration shall be paid either monthly or quarterly or half yearly or otherwise as may be agreed to between Mr. Y. R. Nagaraja and the Board of Directors or any committee of the Board.

The Board has accepted the recommendations of the committee and has proposed the revision of remuneration as mentioned above for the approval of the members in accordance with the provisions of Section 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956.

This may be treated as an abstract of the terms and conditions of the revised remuneration to Mr. Y. R. Nagaraja in terms of Section 302 of the Companies Act, 1956. None of the directors are interested in the above transaction except Mr. Y. R. Nagaraja.

Your Directors commend the resolution for your approval.

Item No. 12:

The existing Article No.76 requires two directors and secretary or any authorised person to sign the document wherever the Common Seal of the company is affixed. It is proposed to amend the Article No.76 to incorporate the proposal to have one director and Secretary or any other person authorised by the Board / Committee to sign the document wherever the common seal of the company is affixed to facilitate the administrative / operational conveniences.

Any amendment to Articles of Association is required the consent of members by passing a special resolution in terms of Section 31 of the Companies Act, 1956. Therefore, the resolution proposing amendment to the said article is placed for your approval. None of the directors are interested in the above transaction.

By Order of the Board,
For Ramky Infrastructure Limited

Dated: 26.06.2008
Place : Hyderabad.

(D. Trivikram)
GM-Legal & Company Secretary

Profiles of New Directors proposed to be appointed

Mr. V. Murahari Reddy holds a bachelor's degree in civil engineering (honours) from S.V. University Tirupati. 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.

Mr. V. Harish Kumar holds a bachelor's degree in commerce, a post graduate diploma in direct taxes and a bachelor's degree in law from the Osmania University, Hyderabad. Previously 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.

Dr. P.G. Sastry, 70 years, holds a bachelor's degree in civil engineering (honours) and masters in civil engineering from the Indian Institute of Technology, Kharagpur as well as a doctorate in engineering from Technical University, Dresden, Germany. Previously he has served as the chairman of the Environmental Appraisal Committee, Ministry of Environment and Forests, Government of India and has also been the Principal of the Mahatma Gandhi Institute of Technology, Hyderabad as well as the Jayaprakash Narayan College of Engineering, Mahabubnagar, Andhra Pradesh. He was a training specialist of the World Bank Aided Hydrology Project. He was an Alaxendar Von Humboldt post doctoral fellow on Global competition who carried out ground water modeling. He was also a visiting professor at the Ohio Agriculture Research and Development Centre of the Ohio State University. Presently, he is the Dean, Administration and Academic of Srinidhi Institute of Science and Technology and has been recently designated as an Advisor to Andhra Pradesh Government on Technical Education.

Mr. P.V. Narasimham holds a masters degree in economics from the Andhra University, Waltair. He has served as Chairman and Managing director of the Industrial Finance Corporation of India and has been associated with the Reserve Bank of India and the Industrial Development Bank of India in various capacities. Presently, he is the Director General of K.J. Somaiya Institute of Management Studies and Research, Mumbai. He served as nominee director on several companies.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 14th Report on the business and operations of your Company for the financial year ended March 31, 2008.

The performance of the Company for the financial year ended 31 March 2008 is summarized below:

FINANCIAL RESULTS

(Rs. in million)

Particulars	Year ended 31 March 2008	Year ended 31 March 2007
Gross Turnover	10560.43	7154.40
Profit before Interest, Depreciation, Extraordinary items & Tax (PBIDT)	1038.89	767.01
Interest & Finance Charges	285.23	193.08
Depreciation	51.54	40.05
Profit Before Tax	702.12	533.88
Provision for Tax	180.65	126.24
Profit after Tax (PAT)	521.46	407.64
Balance brought forward from previous year	774.61	377.99
Profit available for appropriation	1296.07	785.63
Appropriations		
Transfer to General Reserve	Nil	Nil
Proposed Dividend on existing shares	Nil	Nil
Short provision of previous year	Nil	Nil
Corporate Dividend Tax	0.11	Nil
Current year	Nil	Nil
Short provision for previous year	5.74	11.02
Total	5.85	11.02
Balance carried to Balance Sheet	1290.22	774.61

REVIEW OF PERFORMANCE

Your Company achieved a gross turnover of Rs. 10560.43 million for the year ended 31 March 2008 as against Rs. 7154.40 million for the previous financial year registering an incremental turnover of Rs. 3406.03 million and recording a growth rate of 47.61% over the previous year.

The Earnings before Interest Depreciation, Taxes and Amortization (EBIDTA) at Rs. 1038.89 million are 10.09% on the Gross turnover excluding increase in WIP & other income for the year under review as against 10.78% for the previous financial year and this rate of profit compares well with those of the peers in the industry.

CORPORATE EVENTS

I. Share Capital

Allotment of Share Capital

Your company has made the following allotments during the year

1. Allotment of 39,984 cumulative, convertible, participating preference shares of a face value of Rs.10/- each, carrying a coupon of 0.001% per annum as bonus Shares to Sabre Abraaj Infrastructure Company Private Limited on 07 December 2007.
2. Allotment of 26,635 cumulative, convertible, participating preference shares of a face value of Rs.10/- each, carrying a coupon of 0.001% per annum as bonus Shares to IL&FS Trust Company Limited Account-IL&FS Private Equity Trust-Tara India Fund III on 07 December 2007.
3. 4,11,83,345 equity shares of Rs.10/- each were allotted as bonus shares in the ratio of 5:1 i.e. Five equity shares for every one equity share held, to all the shareholders of the company on the record as on 07 December,2007 being the Record Date.

Conversion of Preference shares and Differential Equity

1. 11,55,169 cumulative, convertible, participating preference shares of a face value of Rs.10/- each, carrying a coupon of 0.001% per annum were converted into equal number of equity shares i.e. 11,55,169 equity shares by (i) Sabre Abraaj Infrastructure Company Private Limited and (ii) IL&FS Trust Company Limited Account-IL&FS Private Equity Trust-Tara India Fund III, on 07 December 2007.
2. 2,000 Differential equity shares were converted into equal number of equity shares i.e. 2,000 equity shares by (i) Sabre Abraaj Infrastructure Company Private Limited and (ii) IL&FS Trust Company Limited Account-IL&FS Private Equity Trust-Tara India Fund III, on 07 December 2007.

After the above allotment of equity bonus shares and conversion of Cumulative, Convertible, Participating Preference Shares and Differential Equity shares, paid up Equity Capital of the company has increased from Rs. 7,07,95,000 to Rs. 49,42,00,140.

II. ISO Certification

Your Company was certified by TUV NORD, Germany on the quality management system based on 9001: 2000 standards. The scope of certification includes Design, Development, Engineering, Procurement and Construction of Projects in the sectors of Buildings, Water and Waste Water, Irrigation, Roads and Infrastructure development.

III. IPO Program

Your company has filed the DRHP with SEBI on 17 December 2007 for a proposed IPO size of Rs.400 Crores. The company is yet to receive the final observations of SEBI.

IV. Admission of equity shares into depository mode

4,94,20,014 paid up equity shares of Rs.10/- each of the company were admitted in the depository mode by both the depositories i.e. (i) National Securities Depository Limited and (ii) Central Depository Services (India) Limited.

DIVIDEND

Even though your company has shown commendable performance in terms of Profit after tax, in order to conserve the resources to finance the growth of the company, your Directors do not recommend any dividend on the Equity Shares.

SUBSIDIARIES

The concept of Public Private Partnership (PPP) has gained momentum with the Government realizing that the private sector has a greater role to play in the infrastructure development of the country. As a consequence many of the projects have been drafted as BOOT or BOT projects resulting in private sector seeking additional resources for investment. To meet the challenges in evolving scenario, the following subsidiaries were formed separately as SPVs incorporated for executing each such BOOT / BOT project. The nature of projects being executed by these subsidiaries is discussed hereunder.

Name of the Project

Name of Subsidiary

1) Pharmacity – Vizag

Ramky Pharma City (India) Limited

- An Integrated Industrial Park for bulk drug and chemical manufacturers, being developed on 2200 acres of land at Vishakapatnam. The project is a perpetual BOO project in a joint venture with Andhra Pradesh Industrial Infrastructure Corporation, which owns 11% of RPCIL. RIL holds 51% in this subsidiary.

2) Inter-state Bus Terminus, Deharaduun

MDDA-Ramky IS Bus Terminal Limited

- This project is India's first privately operated bus terminal. The project, conceived as a BOT project (20 years concession period extendable by another 10 years) has 2 components viz. the terminal and a commercial complex. The terminal is already operational and the commercial complex is under development. This is a 100% subsidiary of Ramky Infrastructure Ltd.

3) Gwalior – Bypass Road Project

Gwalior Bypass Projects Limited

- RIL holds 51% in this subsidiary. The other consortium partner is M/s Era Constructions Ltd. This is a BOOT (Annuity) project for development of Gwalior Bypass Road project in Madhya Pradesh.

4) Business Development & Consultancy, Sharjah, U.A.E

Ramky Engineering & Consulting Services (FZC)

- This subsidiary company is engaged in providing Business Consultancy Services to RIL. RIL holds 98% in this subsidiary.

5) Gachibowli Housing Project Ramky Towers Limited

- The Company has executed a development agreement with Andhra Pradesh Housing Board (APHB), which is the rightful owner of the land situated at Gachibowli in Hyderabad. The said development agreement contains development of said land and erecting therein building units together with all necessary infrastructure and transfer and assign its rights and obligations with regard to designing and planning, development of necessary infrastructure, provision of necessary services, operation & maintenance of infrastructure, administration and management of the project. RIL holds 51% in this subsidiary.

6) Warangal Housing Project Ramky Enclave Limited

- The Company has executed a development agreement with Andhra Pradesh Housing Board (APHB), which is the rightful owner of the land situated at Warangal, measuring approximately 32.69 acres. The said development agreement contains the development of said land and erecting therein building units together with all necessary infrastructure and transfer and assign to the Company its rights and obligations with regards to designing and planning, financing, marketing, development of necessary infrastructure, provision of necessary services, operation & maintenance of infrastructure, administration and management of the project. RIL holds 89.01% in this subsidiary

7) Food Park Project Ramky Food Park (Chattisgarh) Limited

- The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Food Park, comprising (i) Industrial units (ii) Physical Infrastructure (iii) Common Facilities and Special Infrastructure and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with CSIDC on Build Operate and Transfer (BOT) basis, with the right to grant sub-leases, licenses and sub-authorization for development and operation and maintenance of the Food Park and to determine, demand, collect, retain and appropriate, enforce and revise the charges and prices. RIL holds 100% in this subsidiary

**8) Herbal and Medicinal Project Ramky Herbal and Medicinal
(Chattisgarh) Limited**

- The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Herbal and Medicinal Park, comprising (i) Industrial units (ii) Physical Infrastructure (iii) Common Facilities and Special Infrastructure and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with CSIDC on Build Operate and Transfer (BOT) basis, with the right to grant sub-leases, licenses and sub-authorization for development and operation and maintenance of the Herbal and Medicinal Park and to determine, demand, collect, retain and appropriate, enforce and revise the charges and prices. RIL holds 100% in this subsidiary

9) Gems and Jewellery Project

**Naya Raipur Gems and Jewellery SEZ
Limited**

- The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Gems and Jewellery SEZ, comprising (i) Industrial units (ii) Physical Infrastructure (iii) Common Facilities and Special Infrastructure and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with CSIDC on Build Operate and Transfer (BOT) basis, with the right to grant sub-leases, licenses and sub-authorization for development and operation and maintenance of the Gems and Jewellery SEZ and to determine, demand, collect, retain and appropriate, enforce and revise the charges and prices. RIL holds 100% in this subsidiary

10) Ring Road Project

**Ramky Elsamex Hyderabad Ring Road
Limited**

- The project of the company consists of to 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, India, for the package from Tukuguda to Shamshabad from Km 121.00 to Km 133.63 on Build, Operate and Transfer (BOT) (Annuity) Basis. RIL holds 74% in this subsidiary

11) Agro Processing SEZ

**Ramky MIDC Agro Processing SEZ
Limited**

- The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Agro Processing SEZ, comprising (i) Industrial Units (ii) Common Infrastructure and Utilities (iii) Common Facilities and Amenities and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with MIDC on the build, own, operate and transfer ("BOOT") basis, with the right to grant subleases, licenses and sub-authorizations for development and operation and maintenance of the SEZ and to determine, demand, collect, retain and appropriate, enforce and revise the Charges and Prices. RIL holds 100% in this subsidiary

PUBLIC DEPOSITS

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet for the year ended 31 March 2008.

DIRECTORS

The following table depicts the changes in Board of Directors as on the date of Report.

Sl.No.	Name	Appointment	Vacations	Resignations
01	Mr. Ravi Kant	In terms of Section 257 effective from 29 Sept 2007	29 Sept 2007 as Additional Director	
02	Mr. Rajiv Maliwal	In terms of Section 257 effective from 29 Sept 2007	29 Sept 2007 as Additional Director	
03	Ms. Archana Niranjani Hingorani	In terms of Section 257 effective from 29 Sept 2007	29 Sept 2007 as Additional Director	
04	Mr. Kamlesh Shivji Vikamsey	In terms of Section 257 effective from 29 Sept 2007	29 Sept 2007 as Additional Director	
05	Mr. V. Harish Kumar	As additional Director effective from 26 Oct 2007	In the ensuing Annual General Meeting in terms of Section 260.	
06	Mr. V. Murahari Reddy	As additional Director effective from 26 Oct 2007	In the ensuing Annual General Meeting in terms of Section 260.	
07	Dr. P. G. Sastry	As additional Director effective from 26 Oct 2007	In the ensuing Annual General Meeting in terms of Section 260.	
08	Mr. P.V. Narasimham	As additional Director effective from 26 Oct 2007	In the ensuing Annual General Meeting in terms of Section 260.	
09	Mr. Anuj Kumar	As Alternate Director to Mr. Rajiv Maliwal effective from 21 Mar 2008	In terms of Section 313, effective from 26 June 2008	
11	Mr. G. Krishna Kumar	As Alternate Director to Ms. Archana Niranjani Hingorani effective from 21 Mar 2008	In terms of Section 313, effective from 26 June 2008	
12	Mr. Ajay Kumar Mishra			Effective from 22 June 2007

The company is in receipt of the nominations proposing (i) Mr. V. Harish Kumar (ii) Dr. P.G. Sastry (iii) Mr. P. V. Narasimham and (iv) Mr. Murahari Reddy for appointment as directors under Section 257 of the Companies Act, 1956. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

As a good corporate governance measure, brief particulars of the directors who are re-appointed / appointed pursuant to Section 257 of the Companies Act, 1956 are provided in the Explanatory Statement to the Notice calling Annual General Meeting.

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 31st March 2007 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 Directors have prepared the annual accounts of the Company on a 'going concern' basis.

CORPORATE GOVERNANCE

Pursuant to the provisions of Section 292A of the Companies Act, 1956, a report on the Corporate Governance, which, *inter alia*, includes the composition and constitution of Audit Committee, is featuring as a part of Annual Report. Your company will continue to adhere in letter and spirit to the good corporate governance policies.

AUDITORS

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

Your company proposes to appoint M/s BSR & Co, Chartered Accountants, Hyderabad as Joint Statutory Auditors of the Company till the next Annual General Meeting. The Company has received their willingness for appointment as Joint statutory auditors of the Company and a Certificate under Section 224 (1B) of the Companies Act, 1956.

STATUTORY INFORMATION

Particulars of employees who were in receipt of remuneration of Rs.24,00,000 or more per annum or Rs.2,00,000 or more per month are furnished in Annexure ‘ A ‘

Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure: Conservation of Energy, which is an on going process in the Company’s construction activities, is not furnished as the relative rule is not applicable to your company.

There is no information to be furnished regarding Technology Absorption as your company has not undertaken any research and development activity in any manufacturing activity not 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 to be more and more competitive in the prevailing environment that cannot be quantified.

MANAGEMENT DISCUSSION & ANALYSIS

A report on Management Discussion & Analysis is set out as Annexure -B to this Report

INDUSTRIAL RELATIONS

The company enjoyed cordial relations with the employees during the year under review and the Management appreciates the employees of all cadres for their dedicated services to the Company, and expects continued support, higher level of productivity for achieving the targets set for the future.

ACKNOWLEDGEMENTS

The 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 expects the same in future as well for sustaining the growth rates achieved in the past.

For and on behalf of the Board

Place: Hyderabad
Date: June 26, 2007

(A. Ayodhya Rami Reddy)
Chairman

ANNEXURE 'A' TO DIRECTORS REPORT

Sl.No.	Name	Designation/nature of Duty	Qualifications	Exp (Yrs.)	Date of joining	Nature of employment	Gross Remuneration (in Rs.)	Age	Previous Employment/ position held
(i) Employed throughout the Financial Year									
01	Mr. A. Ayodhya Rami Reddy	Chairman	ME (Civil)	22	15/04/1994	Overall Management, Direction & Leadership to company.	66 Lakhs	45	R K Construction s / Partner
02	Mr. Y. R. Nagaraja	Managing Director	BE (Civil)	22	15/04/1994	Over all management, direction and leadership to company	30 Lakhs	44	Navega Engineers Private Limited / Design and structural engineer
(ii) Employed for a part of the Financial Year									
			////////// ///	NIL	////// /	////////// //			

Note: Gross remuneration includes salary and perquisites

For and on behalf of the Board

Place: Hyderabad
Date: June 26, 2007

(A. Ayodhya Rami Reddy)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

INFRASTRUCTURE – INDUSTRY OVERVIEW

In a country like India, with low infrastructure base and a rapid GDP growth rate, the need for massive investments in the infrastructure sector is obvious, to sustain the economic development of the country.

Various agencies have estimated the required investment in the Indian Infrastructure Sector anywhere between USD 320 Billion to USD 490 Billion in the next five years. These envisaged investments are required in key sub sectors of infrastructure such as Roads, Airports, Railways, Ports, Urban Infrastructure, Power, Oil & Gas Sector etc. Construction activity accounts for 40% to 50% of the total infrastructure investments.

Hence, the construction industry in India is witnessing rapid growth powered by large investments in the key infrastructure sectors.

SECTORAL OVERVIEW

❖ Buildings – Standing Tall:

Buildings, both residential & commercial are a part of urban infrastructure. Due to rising per capita incomes of households and the increased investment in the industry, the demand for both housing and office space is racing ahead.

As per a study of OECD, during the five years period between FY 02 to FY 06, India has achieved the highest growth rate in employment among all the BRIC Countries. India's services sector is booming particularly in IT, ITES, Telecom, Retail, Aviation, Hospitality etc. leading to ample employment opportunities to the young and educated / semi educated people. This is also leading to rapid urbanization and faster development of suburbs around the major cities and creation of satellite townships. This in turn, combined with increased disposable incomes, has led to increase in demand for residential properties. Also the companies operating in the above service sectors are building last commercial properties like office buildings, Software / BPO development centers, shops & malls, hotels etc.

The Government had already announced the SEZ policy and accordingly several SEZ projects have taken off.

❖ Water – a river bed of opportunities:

As per several environmental experts and strategic thinkers, water will be the most scarce and crucial resource for all the countries in the next 20 to 25 years, due to global warming and depleting soil water levels. As per some estimates, the per capita availability of water in India will come down to 1000 Cu Mtr. in the next 20 years from the current 1800 Cu Mtr per person. Though currently Government supplies water at low or no cost, the quality of water is a long way to go. In the rural areas, a vast population still does not have access to any potable water.

After examining the global success stories of private participation in the water sector, the Govt of India with a view to attract private investment in to the water sector has taken several initiatives like granting of “*infrastructure status*” in water supply and sewerage. The National Water Policy, 2002 also encourages private participation in the sector. Also several multilateral agencies like World Bank and Asian Development Bank have started lending / financing huge amounts for the water related projects. All these has opened up enormous opportunities for the private sector both as developer and contractor, in the virgin territory of water.

The construction opportunities in the Waste Water Sector like sewage treatment plants from the local authorities or effluent treatment plants from the private developers / concessionaries are ever increasing, as the society’s and the industries’ needs are largely untapped till now. Growing awareness of a clean society is giving the impetus for more and more projects in this line either on Public Private Partnership basis or Contract Basis. The company foresees great potential and limited competition in this area.

❖ Roads - Highways to prosperity :

India is having the second largest road network in the world. However most of the roads lack in terms of quality, & multi-laning. However the Governments National Highway Development Programme (NHDP) and Golden Quadrilateral have given the necessary push up for modernizing the road sector in India. This has further given inspiration for the State Highways, Express Ways and other important roads to modernize themselves. Accordingly, over and above the National Highways Authority of India, several State Governments, Local Authorities are spending vast money either on constructing new roads like Outer Ring Roads in major cities, link roads between interior towns or for modernizing & multi-laning the existing roads.

Hence RIL has major interest and stakes in the road sector, though the company is quite selective in undertaking the road projects. The company is mainly either undertaking the contract leg of the road projects being developed by on BOT basis through SPV companies like Hyderabad Outer Ring Road (Shamshabad to Thukuguda phase) or major State Government road projects like Betul - Khandwa road project in Madhya Pradesh or road projects in major cities like widening and modernizing the roads in Ahmedabad City for the Ahmedabad Municipal Corporation.

❖ Irrigation - a ray of hope for farmers :

A very low percentage of India’s agriculture land is covered by irrigation facilities and the balance vast portion of land is rain fed, leaving the farmers to the vagaries of weather. Though, India’s services sector and industry sector are growing at or above double digit growth rate, the agriculture sector is still growing only a meager 3% to 4% due to several reasons like, small holdings, lack of technology and non-availability of irrigation facilities. Two-thirds of the country’s population depends on agriculture, though the agriculture sector accounts for less than 1/3rd of the country’s GDP. To address these problems, several State Governments have embarked on huge investments for irrigation projects. The state of Andhra Pradesh alone is envisaging an investment of about Rs.400 billion in the irrigation projects in the next five years.

❖ Power & Rural Electrification – light at the end of the tunnel :

The Government has initiated an ambitious programme to cover all villages for rural electrification under Rajiv Gandhi Gramin Vidhyaktikaran Yojana. The Government of India has also taken several initiatives to assist State Electricity Boards in their distribution network under Accelerated Power Development and Reforms Programme (APDRP). Also the Government has announced or awarded several fast track mega power generation projects. Also power trading in India is just taking off. All this will necessitate to transmit power inter region as well as intra region in the country. Hence the Power Transmission Sector in India is experiencing strong growth and is likely to continue for several years.

❖ Opportunities and Threats:

Ramky Infrastructure Ltd is a diversified and proven infrastructure player with interest covering various sub sectors of infrastructure, with a Pan India presence.

Though the company's niche area continues to be Water & Waste Water projects, it has also executed and delivered several large and fast track projects in other areas like, building construction, irrigation works and roads. Of late, the company has also undertaken several large projects in industrial construction and rural electrification.

The company through its subsidiaries has undertaken prestigious PPP projects in areas like industrial township, transport terminals, roads and residential / commercial complexes.

As stated earlier, the estimated investment in the infrastructure sector in the next five years is likely to be between USD 320 billion to USD 490 billion. Also, the Govt is opening up more sectors for public private partnership. Due to increased demand for residential and commercial space, the private investments in the real estate sector are galloping. On the other hand, there are only limited players with proven infrastructure construction and development capabilities of the order of the Ramky Infrastructure Ltd. To capitalize on these opportunities, Ramky Infrastructure is leveraging its resources to undertake large projects and in the process to realize better margins.

Though Ramky Infrastructure operates in the high growth and sunrise infrastructure industry, it faces potential threats in terms of non-availability of skilled manpower, demand supply gap of construction materials in the country and short supply of high end machinery. To overcome these problems, the company is undertaking several innovative measures like, tie-up with National Academy of Construction (NAC) for training various graduates with a view to absorb them in the company. The company is also exploring the possibilities of bulk import of certain construction materials and machinery.

The double digit inflation and the measures that could be unleashed by the RBI & Govt to control inflation could hamper the overall growth rate of the Indian Economy. Also if there is pressure on the tax revenues of Govt in future, the public investment in infrastructure sector could possibly be scaled down.

RIL – A Fast track Company:

Revenues:

During the FY 2007-08 RIL has achieved the milestone of crossing INR 10000 Million turnover for the first time and PAT of above INR 500 Million. The turnover of the company for FY 07-08 of INR 10292 Million has grown by 47.46% YoY, compared to INR 7111 Million during the FY 06-07. The main sectors which have contributed to the increase in top line during the financial year are Buildings and Water & Waste Water. These two sectors together contribute more than 50% of turnover. Also RIL currently has a closing order book of around INR 50000 million.

Profits:

The Earnings before Interest Depreciation, Taxes and Amortization (EBIDTA) for FY07-08 at Rs.1039 million is 10.09% of the Gross turnover for the FY07-08 under review as against 10.78% for the financial year 06-07. The marginal reduction in EBIDTA margin for FY07-08 compared to FY06-07 is on account of high inflation particularly in the prices of steel, pipes, electro mechanical items during Q4. Though price escalation clauses are there in many contracts, full neutralization is not possible where price escalation clause is based on a formula or RBI price index.

The PAT for the FY07-08 is 5.01% of revenue, compared to 5.57% for FY06-07.

The PAT for FY07-08 has decreased by 56 basis points compared to previous financial year due to increase in salaries w.e.f. 01.04.07, a 2% increase in provision for income tax as a % and on account of high inflation particularly in the prices of steel, pipes, electro mechanical items during Q4.

The effective tax provision for the FY 07-08 is 25.74% of PBT, compared to 23.64% for FY06-07. This is due to gradual reduction in 80 IA profits/phasing out of 80IA projects.

In Q4 the prices of certain items like steel have increased by almost 60-70% for a short period. Though price escalation clauses are there in many contracts, full neutralization is not possible where price escalation clause is based on a formula or RBI price index.

Employee costs as a % of turnover for FY 08 is 2.73% compared 2.58% for FY 07, a 15 basis point increase mainly due to increase in salaries during FY 07-08.

Loan Funds:

The total secured loans by way of working capital cash credit, project specific term loans and hire purchase loans for fixed assets as on 31.3.08 is Rs.263.9 Crores compared to Rs.123.4 Crores as on 31.3.07. Hence during the financial year, there is a net increase of Rs. 140.5 Crores in the loan funds. This increased borrowing has financed the increased working capital needs, necessitated by a rapid growth in the turnover during the year.

However, as on 31.3.08, the debt equity ratio is comfortable at 1.02 times of net worth. However the debt equity ratio for the previous financial year as on 31.3.07 is 0.6 times of net worth. Hence though the utilization of loan funds in absolute terms has gone up during the financial year, the debt equity ratio for the year still remains in the comfort zone. The borrowings have increased substantially as the proposed IPO of the company could not take place during the financial year under review.

Net Worth:

The net worth of the company as on 31.3.08 is Rs.259.05 Crores, compared to Rs.207.49 Crores on 31.3.07 showing a jump of Rs.51.56 Crores. The main contributor to this increase in net worth is solely retained and carried forward profits generated during the year.

Current Assets & Current Liabilities:

The gross current assets as on 31.3.08 are Rs.923.55 Crores compared to Rs.552.32 Crores as on 31.3.07. The current liabilities and provisions as on 31.3.08 is Rs.496.80 Crore compared to Rs.317.16 Crores as on 31.3.07. Hence the net current assets at the end of the financial year 07-08 are Rs. 426.75 Crores compared to Rs.235.15 Crores during the previous financial year, showing an increase of Rs. 191.6 Crores in the net current assets during the year. The net current assets as a percentage of turnover as on 31.3.08 is 36.65% compared 33% during the previous financial year. This increase in the net current assets is mainly on account of increase in Sundry Debtors and increase in loans & advances during the year.

The loans & advances during the year have gone up approximately by Rs. 134.91 Crore due to an increase of Rs.131 Crores in other advances and deposits, of which a large increase is on account of share application money pending allotment with the subsidiary companies.

The Sundry Debtors during the financial year have gone up approximately by Rs.208 Crores, of which a substantial increase is on account of uncertified bills as on 31.3.08.

Fixed Assets:

The gross fixed assets as on 31.3.08 is Rs.81.16 Crore compared to Rs.57.86 Crore as on 31.3.07, showing an additional asset acquisition of Rs.23.3 crores during the financial year under review. The company is making conscious efforts to increase the fixed asset base so as to increase the element of mechanization in the execution of projects to reduce manpower cost and for speedier completion of projects.

The strong order book position coupled with thrust given by the Government for Infrastructure sector augurs a bright future for your company as one of the major companies involved in the infrastructure development.

The company is consciously focusing its new projects with only high value contracts so as to increase the focus and improve the operating margins. The company is also focusing towards creating a balance of revenues to be generated from the Public Private Partnership segments which are scheduled to commence from the current year.

The company is consciously making efforts to accept new projects only with in built clauses for price escalation, to protect the margins, in view of high inflation.

Water and Waste Water projects continue to be the core competence of the Company. RIL has become a formidable player in the Water & Water related infrastructure construction, by its focused efforts in this area over more than a decade.

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

- Construction of 172 MLD STP with USAB process & Main pumping Station at Nagole, Hyderabad.
- Construction of 100 MLD STP Based on UASB Technology at Jalandhar under Satluj Action Plan.
- Designing, Construction, erection and Commissioning 80 MLD STP including O&M at Airoli, Navi Mumbai which has been commissioned successfully during the year.
- Construction of Treatment Storage & Disposal facility at Nimbua, Punjab.
- Construction of Treatment Storage & disposal Facility for HWMP at Hyderabad
- Also the company has received major WTP / STP project from Kamathe-(Cidco), Mumbai on which the work has commenced recently.
- Distribution Pipe line Network including Filtration plants, Sumps, ESRs, pump houses & quarters for Porbandar District group water supply scheme based on Mahi-Narmada Pipe line, Porbandhar.
- Designing Providing, Constructing, Erecting & Commissioning, Start-up and Performance Run followed by 5 years of O & M of 45.7 MLD Capacity STP based on Cyclic Activated Sludge Process/Sequential batch reactor Process on DBOT basis, Madurai.
- Providing 5 MLD Water Supply Scheme from Hemavathi canal to Antharasanahally I & II Phases, Sathymanagala & Vasanthanarasapura Industrial Areas around Tumkur city
- Regional Water Supply Schemes of 120 villages of Matasukh-Farrood-Jayal-Jhareli on single responsibility turnkey basis i.e., Design, Build & Operation & Maintenance for 5 years, Ajmer

Buildings Sector stands tall in RIL both in terms of volume and for the diversity & versatility.

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

- Construction of State Guest house at kadapa
- Construction of Mini Vidhansoudha Building in Mysore
- Construction of Hostel Building for Karnataka Backward Classes Department.
- Construction of Married Accommodation dwelling houses at Air Force Station, Bangalore, North, South & Central.
- Construction of Married Accommodation at Amritsar Military Station, Amritsar
- Construction of Malda Food park at Malda WB
- Construction of WBPDC's office premises Salt lake city, Kolkata

- Construction of Married Accommodation for Majors including allied internal and external services – Lucknow UP
- Construction of Brigadier/Captain/OR quarters at Shahjanpur UP
- IT building for Purvankara Projects Ltd at Hyderabad
- Building project for Purvankara Projects Ltd at Chennai
- Commercial Building project for Ramky Wavoo Developers at Chennai
- Residential cum commercial building project for Ramky Towers Ltd at Gachibowli Hyderabad
- Residential project at Warangal for Ramky Enclave Ltd
- Office Building project at Nanakramguda, Financial District, Hyderabad for Shriram / Ramky Estates
- Construction of Building for School of Life Sciences including Air Conditioning Works, Extension of Second floor on boy's hostel, SIP Building, Type A & Type B quarters and teaching Flats,P3 Faculty, Hostel Building(two wings) and Central Kitchen, Hyderabad University
- Civil Works for the Construction of Independent Houses (Structure part including Plaster) for 89 Row Houses, 52 Semi Detached and 26 Bungalows, Sahara India Commercial Corporation Limited, Ahmedabad
- Construction of Commercial Complex - Phase - II [Wing-A] Makkaji Chowk, Mysore
- Construction of Garment Park (Phase-II) Project, West Bengal
- Construction of Mallickghat Flower Market, Kolkata
- Supplying , Providing & Construction of proposed Residential Apartment Complex – Scintilla, Yelahanka New Town

RIL is steadily improving its pre-qualifications and capabilities in the Road Sector to undertake large projects and multilane projects.

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

- Construction of Road between Satna & Amarpatnam and Rewa Semiria in MP.
- Construction of Road between Betul and Kandawa in MP.
- Govindgarh – Churhat (SH – 52) & Rewa Sirmour – Dhabhore Road Project
- Short term improvement & routine maintenance of Ahmedabad Vadodara Expressway NE-1 including ROB's & its approaches (KM 0.00 to 93.302) in the state of Gujarat
- Construction of BRTS Corridor & Development of Road (Package IIA : Panipech to Laxmi Mandir Junction on Tonk Road via Government Hostel (8.50 km), Jaipur

The Irrigation Division of the company, though in a nascent stage, has substantially improved its performance during the period under review. The Irrigation Sector is showing further promise in view of the substantial out lays in this sector by various state governments, particularly governments of Andhra Pradesh & Karnataka in Southern India where the company is undertaking major irrigation projects. During the year and the period till now the irrigation sector has received several major projects of the value of Rs.100 Crore and above each.

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

- Construction of CM&CD works for DBM-71 branch canal in Warangal District, AP.
- Formation of Reservoir across Bahuda River near Dinnemeedipalli, AP.
- Construction of Upper Tunga Project Canal at Rattiahalli – Karnataka (total 4 packages)
- Construction of New Barrage across Kumaradhara River near Puttur.
- Earth work and Construction of CD works of UTP Main canal – Shimoga
- Modernisation - Godavari Delta System - Eastern Delta - Mandapeta Canal & its distributory system , East Godavari District, AP
- Modernisation - Krishna Western Delta System - Guntur District - Krishna Western bank canal from Km 45.200 to Km 86.600 & branches & its distributaries, Guntur, AP
- Modenization - Krishna Western Delta System - Guntur District - Vellaturu Channel from Km.0.00 to Km 23.699 & branches & its distributaries including, Guntur, AP
- Detailed Investigation & preparation of Designs,Drawings,Estimats,Land Plan Schedules & excavation of Gravity Canal including FE,Construction of Sluices,Cross Masonry & Cross Drainage works lining etc., complete for the reach from Km.0.500 to Km.15.00 (KARJALLI) which is taking off from the right flank of the proposed barrage A/c River Pranahitha near Tummididi Hetti (V),Koutala (M),Adilabad District

The Company has taken a conscious decision to foray into power sector to encash the increasing opportunities in Power Transmission and Rural electrification due to massive investments envisaged in this regard under Rajiv Gandhi Gramin Vidhyktikaran Yojana and Accelerated Power Development and Reforms Programme (APDRP).

The Company is executing major projects for rural electrification in Seoni, Jbhalpur and Damoh in the state of Madhya Pradesh.

Internal Control Systems :

RIL has an Internal Monitoring and Assessment Department (IMAT), which draws up an extensive program of internal audit for its various projects and offices, having periodic review and monitoring of compliance of SOP, systems and progress and suggesting measures for improvement. Internal Audit is also being carried out by an external agency M/s K.P.Rao & Associates, Chartered Accountants. RIL is already an ISO 9001:2000 certified company for its west zone operations and has obtained the same certification for the entire company during the year. RIL is expected to be ERP enabled by March-09 through Oracle Ili. The roll out has started at Corporate Office and selected projects of East Zone. RIL is investing considerable time, money and efforts to upgrade the company's systems.

New Vistas to move up on value chain:

RIL is geared to take advantage of the widening window in Public-Private-Partnership (PPP) of central and state governments, either directly or through subsidiary companies, by leveraging its project execution capabilities, financial strength and management expertise by actively foraying into projects on BOT/ BOOT basis in sectors like roads, industrial parks, transport terminals, water related projects etc. Thus RIL is making concerted and conscious efforts to move up on the value chain by reducing its dependence on cash contracts and increasing the share of high value added and high margin BOT/ BOOT projects. In this direction, RIL in consortium with Elsamex SA has bagged a prestigious BOT (Annuity) project for Outer Ring Road in Hyderabad City, for the package from Tukuguda to Shamshabad amounting to INR 4000 Million on which the EPC work has commenced during FY 07-08 under Ramky Elsamex JV.

The Company is already implementing an Integrated Industrial Park for bulk drug and chemical manufacturers, being developed on approximate 2200 acres of land at Vishakapatnam, through another subsidiary company namely, Ramky Pharma City (India) Limited.

The company through its subsidiary MDDA-Ramky IS Bus Terminal Limited, has completed and operationalized the Phase I of Inter-state Bus Terminus at Deharadun, which is a BOT (Toll) project and India's first private bus terminus. The Phase II of the project i.e Commercial development is under implementation.

During 07-08, the company has incorporated another SPV company namely, Ramky Towers Ltd for implementing a high end residential cum commercial project on an 17 acres land at Gachibowli in Hyderabad, against which your company has received EPC contract for some towers and the construction work under same is progressing well.

The company has also incorporated a SPV company by name Ramky Enclave Limited for undertaking a major residential cum commercial project in a 32 acre land situated in the Warangal city of Andhra Pradesh.

The company has also incorporated three SPV companies for undertaking three industrial parks on PPP basis, food park / Jems & Jewellery work / Herbal park in the state of Chattisgarh.

The company has also incorporated another SPV company for undertaking an industrial park for food processing industry at Lathur.

Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied.

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 the growth of the corporate world and will result in the growth of country's economy.

2. Board of Directors

The Company has an Executive Chairman. The Chairman and the Managing Director manage the day-to-day affairs of the Company. The Board of Directors of the Company has a combination of Executive and Non-Executive directors.

a) Composition and category of directors as on March 31, 2008

<u>Category</u>	<u>No. of Directors</u>
Promoter Directors	03
Non-Executive Non-Independent Directors*	04
Non-Executive Independent Directors	05
Total	12

(*) Includes two (2) Alternate Directors.

b) Attendance of each director at the Board meetings held during the year 2007-08 and at the last Annual General Meeting

<u>Name of the Director</u>	<u>Meetings held during the year</u>	<u>Meetings attended</u>	<u>Last AGM</u>
Mr. A. Ayodhya Rami Reddy	06	06	Present
Mr. Y. R. Nagaraja	06	06	Present
Mr. Ravi Kant	06	06	Present
Mr. Rajiv Maliwal	06	05	-
Ms. Archana Niranjana Hingorani	06	04	-
Mr. Kamlesh Shivji Vikamsey	06	06	-
Mr. V. Murahari Reddy*	06	03	-
Mr. V. Harish Kumar*	06	04	-
Dr. P.G. Sastry*	06	04	-
Mr. P. V. Narasimham*	06	04	-
Mr. Anuj Kumar**	06	01	-
Mr. K. Krishna Kumar**	06	01	-

(*) appointed as Additional Directors w.e.f. October 26, 2007

(**) appointed as Alternate Directors w.e.f. 21 March 2008

c) No. of other Boards/Board Committees in which the Directors are either Member or Chairman during the year 2007-08

Name of the Director	Board		Committee	
	Chairman	Member	Chairman	Member
Mr. A. Ayodhya Rami Reddy	-	10	-	-
Mr. Y. R. Nagaraja	-	07	-	-
Mr. Ravi Kant	-	09	-	-
Mr. Rajiv Maliwal	-	03	-	-
Ms. Archana Niranjana Hingorani	-	20	-	-
Mr. Kamlesh Shivji Vikamsey	-	07	-	-
Mr. V. Murahari Reddy	-	-	-	-
Mr. V. Harish Kumar	-	02	-	-
Dr. P. G. Sastry	-	01	-	-
Mr. P. V. Narasimham	1	07	-	-
Mr. Anuj Kumar	-	-	-	-
Mr. K. Krishna Kumar	-	-	-	-

d) No. of Board Meetings held and dates on which they were held during the year 2007-08

Quarter	No. of Meetings	Dates on which held
April – June	01	22 June 2007
July – September	01	21 September 2007
October – December	03	7 December 2007
Jan 08 – March 08	01	21 March 2008
Total	06	

3. Audit Committee

The Audit Committee was constituted in terms of Section 292A of the Companies Act, 1956 on July 30, 2005. The Company Secretary acts as Secretary of the Committee. The committee was re-constituted on December 7, 2007.

i) Brief description of terms of reference

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

1. 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.
2. 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.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. 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
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management

- d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 7. Reviewing 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.
 8. Discussion with internal auditors any significant findings and follow up there on.
 9. Reviewing 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.
 10. 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.
 11. 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.
 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): 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

1. Mr. Kamlesh Shivji Vikamsey – Chairman
2. Mr. Rajiv Maliwal – Member
3. Mr. V. Harish Kumar – Member
4. Dr. P.G.Sastry – Member
5. Dr. Archana Niranjana Hingorani

iii) Meetings and attendance during the year 2007-08

<i>Name of the Member</i>	<i>Meetings held during the year</i>	<i>Meetings attended</i>
Mr. Kamlesh Shivji Vikamsey	3	3
Mr. Rajiv Maliwal	3	2
Mr. V. Harish Kumar*	3	1
Dr. P.G.Sastry*	3	1
Dr. Archana Niranjana Hingorani	3	1

(*) Appointed as a member effective from 26 October 2007.

The Chairman of the Audit Committee had attended the Last AGM and had addressed the queries of shareholders.

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 shall also determine 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

1. Mr. Kamlesh Shivji Vikamsey – Chairman
2. Mr. Rajiv Maliwal – Member
3. Mr. V. Harish Kumar – Member
4. V. Murahari Reddy – Member
5. Dr. Archana Niranjana Hingorani

c) Meetings and Attendance during the year 2007-08

<i>Name of the Member</i>	<i>Meetings held during the year</i>	<i>Meetings attended</i>
Mr. Kamlesh Shivji Vikamsey**	1	1
Mr. Rajiv Maliwal	1	1
Mr. V. Harish Kumar**	1	-
Mr. V. Murahari Reddy**	1	-
Dr. Archana Niranjana Hingorani	1	1
Mr. Ravi Kant*	1	1

(*) Ceased to be a member effective from 07 December 2007.

(**) Inducted as a member effective from 07 December 2007.

d) Remuneration Policy

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

e) Details of remuneration to the directors

(In Rs.)

Particulars	Executive Directors		Non-executive Directors
	Mr. A. Ayodhya Rami Reddy	Mr. Y. R. Nagaraja	
Salary	66,00,000	30,00,000	0
Commission	0	0	0
PF Contribution	0	1,18,200	0
Superannuation	0	0	0
Gratuity	0	0	0
Sitting Fee	0	0	2,55,000
Total	66,00,000	31,18,200	2,55,000

5. Investors Grievance Committee

Sl.No.	Name of the Director	Position	Status
Constitution Constituted under the Provisions of Clause 49 of the Listing Agreement.			
01	Mr. V. Harish Kumar	Chairman	Independent
02	Dr. P.G. Sastry	Member	Independent
03	Mr. Ravi Kant	Member	Non-Independent

Powers of the Committee: The Committee shall specifically look into the redressal of shareholder and investors complaints which, *inter alia*, includes

1. Transfer of shares,
2. Non-receipt of Balance-sheet
3. Non-receipt of declared dividends
4. Non-receipt of refund orders

6 General Body Meetings

a) Details of last three AGMs

The information about the last three general body meetings is shown below in a tabular form.

Annual General Meeting	Venue	Time & Date	Number of Special Resolutions passed
11	6-3-1089/G, 10 & 11, 1 st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500 082	10.00 am 30 September 2005	NIL
12	6-3-1089/G, 10 & 11, 1 st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500 082	10.00 a.m. 29 September 2006	NIL
13	6-3-1089/G, 10 & 11, 1 st Floor, Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500 082	10.00 a.m. 29 September 2007	03

b) Special Resolutions passed through postal ballot system during the last year and person who conducted the postal ballot exercise.

There are no special resolutions passed through postal ballot system during the year 2007-08

c) Whether any special resolution proposed to be conducted through postal ballot.

No special resolution is proposed to be conducted through postal ballot system.

d) Procedure for postal ballot.

7. The Management Discussion and Analysis Report forms part of the Annual Report.

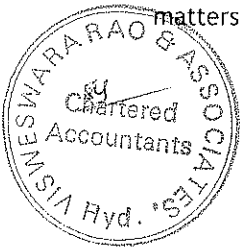
8. General Shareholder Information

- i) *AGM – Date, Time and Venue* : 30 Sept 08 , 1530 hrs at 6-3-1029/G/10 & 11, Gulmohar Avenue, Rajbhavan Road Somajiguda, Hyderabad – 500 082
- ii) *Financial Year* : April 1 to March31
- iii) *Dividend Payment Date* : *If applicable*, Within 30 days from the date of AGM

AUDITORS' REPORT

To
The Members
Ramky Infrastructure Limited

1. We have audited the attached Balance Sheet of Ramky Infrastructure Limited, as at 31st March, 2008 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

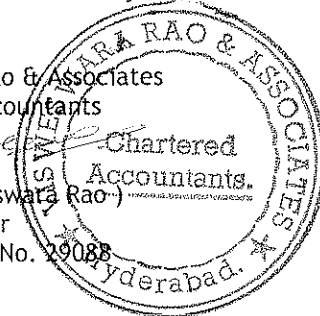


Further to our comments in the Annexure referred to in paragraph 3 above, we report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement, read together with the significant accounting policies in schedule 19 and notes appearing thereon, comply with the applicable Accounting Standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008;
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

for Visweswara Rao & Associates
Chartered Accountants


Chartered
Accountants.
(S.V.R. Visweswara Rao)
Partner
Membership No. 29088



Place: Hyderabad
Date : 26-06-2008

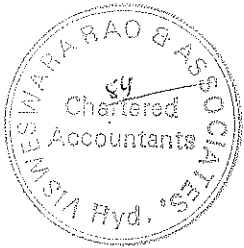
ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. A major portion of fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed off a substantial part of fixed assets during the year and therefore do not affect going concern status of the Company.
- ii. a. Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- iii. a. The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.



- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- v. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, that need to be entered into the register required to be maintained under that Section have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of five lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The Company has an internal audit system, which is commensurate with the size of the Company and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, in respect of activities carried out by the Company.
- ix. a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, except Sales tax and Service Tax of Rs.2,16,24,948 /- and Rs. 16,01,66,863 /- respectively were outstanding as at 31st March, 2008 for a period of more than six months from the date of becoming payable.



- b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of Income Tax and Sales Tax as at 31st March, 2008 which have not been deposited on account of dispute, are as follows:

Particulars	Nature of the disputed dues	Amount In Rs.	Period to which the amount relates (Financial year)	Forum where dispute is pending
Andhra Pradesh General sales Tax Act, 1957	Rate dispute, classification dispute and exemptions dispute	834113	2001-02	Sales tax Appellate Tribunal
Andhra Pradesh General sales Tax Act, 1957	- do -	11283732	2002-03	Deputy Commissioner (CT) Punjagutta Division Hyderabad
Andhra Pradesh VAT Act, 2005	- do -	24253133	2005 -06 and 2006-07	Commercial Tax Officer Somajiguda Circle Hyderabad
Andhra Pradesh VAT Act, 2005	- do -	999415	2006-07	Commercial Tax Officer Somajiguda Circle Hyderabad
Andhra Pradesh VAT Act, 2005	- do -	17917196	2006-07	Commercial Tax Officer Somajiguda Circle Hyderabad
Andhra Pradesh VAT Act, 2005	- do -	24336253	2007-2008	Commercial Tax Officer Somajiguda Circle Hyderabad
Karnataka Value Added Tax, 2003	- do -	3993085	2005-06	The Asst. Commissioner of Commercial Taxes (Audit-5), Bangalore
The Punjab Value Added Tax, 2005	- do -	1204300	2006-07	Dy. Excise & Taxation Commissioner (Appeals), Patiala
The Punjab Value Added Tax, 2005	- do -	765046	2006-07	Dy. Excise & Taxation Commissioner (Appeals), Patiala



Income Tax Act, 1961	Disallowance of deduction U/S 80 IA & 80IB	12619040	2002-2003	The Commissioner of Income Tax (Appeals) (Tax Paid)
- do -	Disallowance of deduction u/s 80 IA & 80IB	10537804	2003-2004	The commissioner of Income Tax (Appeals) (Tax Paid)
- do -	Disallowance of deduction u/s 80 IA & 80IB	16064740	2004-2005	The commissioner of Income Tax (Appeals) (Tax Paid)

- x. The Company neither has accumulated losses at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- xi. According to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and there are no outstanding debentures.
- xii. Based on our examination and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by others from banks are not prima facie prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.



- xix. The Company has not issued any secured debentures during the year. Accordingly, clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issues during the year. Accordingly, clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for Visweswara Rao & Associates
Chartered Accountants

S.V.R. Visweswara Rao
(S.V.R. Visweswara Rao)
Partner
Membership No. 29088



Place: Hyderabad
Date : 26-06-2008

RAMKY INFRASTRUCTURE LIMITED
6-3-1089/G/10 & 11, 1st Floor Gulmohar Avenue, Rajbhavan Road,
Somajiguda, HYDERABAD - 500 082

BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	Schedule No	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
I. SOURCES OF FUNDS:			
1. SHAREHOLDERS' FUNDS:			
a) Share Capital	1	494200140	81700500
b) Reserves and Surplus	2	2096347671	1993241951
2. LOAN FUNDS:			
a) Secured Loans	3	2638694528	1233759657
b) Unsecured Loans			
T O T A L		5229242339	3308702108
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:			
a) Gross Block	4	811675377	578647824
b) Less: Depreciation		152162721	100992253
c) Net Block		659512656	477655571
d) Capital Work in Progress		28482174	238393674
2. INVESTMENTS			
	5	195820050	191854000
3. CURRENT ASSETS, LOANS AND ADVANCES			
a) Inventories	6	917534540	500163199
b) Sundry Debtors	7	4479072744	2397513393
c) Cash and Bank Balances	8	494516957	630242081
d) Loans and Advances	9	3344358757	1995256648
Less: Current Liabilities and Provisions	10	9235482998	5523175321
Net Current Assets		4968006569	3171636845
		4267476429	2351538476
4. DEFERRED TAX ASSET (NET)			
		54330493	47798480
5. MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)	11	23620537	1461907
T O T A L		5229242339	3308702108
Notes forming part of accounts	19		

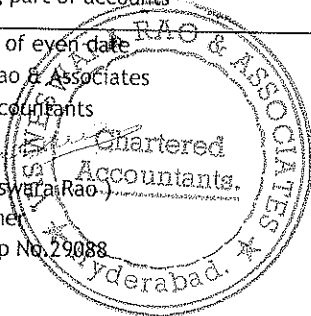
As per our report of even date

for Visweswara Rao & Associates

Chartered Accountants

S.V.R. Visweswara Rao
(S.V.R. Visweswara Rao)
Partner

Membership No. 29088
Hyderabad.



on behalf of the board

for Ramky Infrastructure Limited

A. Ayodhya Rami Reddy
(A. Ayodhya Rami Reddy)
Executive Chairman

Y.R. Nagaraja
(Y.R. Nagaraja)
Managing Director

V.V. Rao
(V.V. Rao)
C.F.O

D. Trivikram
(D. Trivikram)
G.M (Legal) & C.S.

Place: Hyderabad

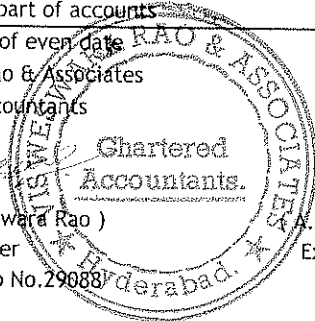
Date :26-06-2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

PARTICULARS	Schedule No	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
I. INCOME:			
Income from Operations	12	10292182535	7110540655
Other Income	13	67651753	38896066
Increase/(Decrease) In Work In Progress	14	200598677	4960333
		10560432965	7154397054
II. EXPENDITURE:			
Materials Consumed	15	2402023330	1747493515
Other Direct Expenses	16	1577937394	1204655135
Sub-Contract		4754882561	2777819390
Administrative Expenses	17	786695974	657415544
Financial Charges	18	285234779	193079338
Depreciation	4	51540677	40052438
		9858314715	6620515360
NET PROFIT BEFORE TAXATION		702118250	533881694
Less: Provision for			
- Current Year Tax		183035339	188113180
- Deferred Tax (Asset)/Liability		(6532013)	(65350373)
- FBT		4026726	3386376
- Wealth Tax		129277	92240
		521458921	407640271
Excess / Short provision for Income Tax/Wealth Tax/ TDS adjustment written back /written off		5740342	11019987
NET PROFIT AFTER TAXATION		515718579	396620284
Less: Appropriations			
Preference Dividend		-	109
Corporate Dividend Tax		113219	19
Balance carried to Balance Sheet		515605360	396620156
Earning Per Share (Par value of Rs. 10/- each)			
- Basic		10.60	8.23
- Diluted		10.45	8.18
Number of Shares used in computing earning per share			
- Basic		48630964	48205281
- Diluted		49374509	48487782
Notes forming part of accounts	19		

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

S.V. Visweswara Rao
(S.V.R. Visweswara Rao)
Partner
Membership No. 29088



on behalf of the board
for Ramky Infrastructure Limited

Ayodhya Rami Reddy
(Ayodhya Rami Reddy)
Executive Chairman

Y.R. Nagaraja
(Y.R. Nagaraja)
Managing Director

V.V. Rao
(V.V. Rao)
C.F.O

D. Trivikram
(D. Trivikram)
G.M (Legal) & C.S.

Place: Hyderabad
Date :26-06-2008

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
1. SHARE CAPITAL:		
AUTHORISED:		
7,00,00,000 Equity Shares of Rs.10/- each (P.Year: 32409450 Equity Shares of Rs. 10/- each including 2000 Differential Equity Shares)	700000000	324094500
(P.Year: 2000 Differential Equity Shares of Rs.10/-each)	-	20000
(P.Year: 1088550 Cumulative, Convertible and Participating Preference shares of Rs.10/- each Carrying a coupon rate of 0.001% per annum)	-	10885500
	700000000	335000000
ISSUED, SUBSCRIBED AND PAID-UP:		
4,94,20,014 Equity Shares of Rs. 10/- each fully paid (of the above, during the year	494200140	70795000
- 66619 Cumulative,Convertible and Participating Preference Shares of Rs. 10/- each were issued as fully paid bonus shares.		
- 1155169 Cumulative,Convertible and Participating Preference Shares and 2000 Differential Equity Shares were converted into Equity Shares		
- 41183345 equity shares of Rs.10 / - each were issued as fully paid bonus shares.		
During the financial year 2005-06, 46,53,000 Equity Shares of Rs. 10 /- each were issued as fully paid bonus shares by capitalisation of free reserves)		
(P.Year: 70,79,500 shares @ Rs. 10/, includes during the financial year 2005-06, 46,53,000 Equity Shares of Rs. 10 /- each were issued as fully paid bonus shares by capitalisation of free reserves)		
(P.Year: 2000 Differential Equity Shares of Rs.10/-each and during the year the same are converted into equity)	-	20000
(P.Year: 1088550 Cumulative,Convertible and Participating Preference Shares of Rs. 10/- each Carrying a coupon rate of 0.001% per annum and during the year the same were converted into equity)	-	10885500
	494200140	81700500
2. RESERVES AND SURPLUS :		
a) Profit and Loss Account:		
Opening Balance	774610451	377990295
Add : Profit during the year	515605360	396620156
Closing Balance (a)	1290215811	774610451
b) Securities Premium:		
Opening Balance	1218631500	-
Add : Addition during the year	-	1248094500
	1218631500	1248094500
Less: Related Share issue Expenditure	-	29463000
Less: Bonus Issue of Cumulative,Convertible and Participating Preference Shares	666190	-
Less: Bonus Issue of Equity Shares	411833450	-
Closing Balance (b)	806131860	1218631500
TOTAL (a+b)	2096347671	1993241951

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT	AS AT
	31.03.2008	31.03.2007
	Rs.	Rs.
3. SECURED LOANS:		
i) From Banks		
a) Term Loans		
- SBH IFB Loan	-	37913314
- Indian Bank	149944690	-
- Syndicate Bank	-	15320580
- YES Bank	300000000	155000000
- Bank of India	-	38737847
- Oriental Bank of Commerce	-	79722344
- State Bank of Indore	-	100997945
- Indusind Bank	200000000	-
- IDBI Bank	89938335	-
- Punjab National Bank	159930644	-
b) Working Capital Loans		
- State Bank of Hyderabad - I.F.B Loan	196372705	4738078
- Standard Chartered Bank	99114235	-
- YES Bank	196507910	99019834
- UCO Bank	3049	4899310
- DCB LTD	99760647	100085822
- SBI IFB Loan	951533060	498517374
(The above loans are secured by Hypothecation of Stock, Book debts, Specified fixed assets of the company, guarantees from group companies and personal guarantee of some Directors)		
c) Hypothecation / Hire Purchase Loans	43828546	67106835
ii) Hypothecation / Hire Purchase Loans form others (Loans availed under Hypothecation / Hire purchase contracts were secured by hypothecation of such assets)	151760707	31700374
	2638694528	1233759657

RAMKY INFRASTRUCTURE LIMITED
 6-3-1089/G/10&11, 1ST FLOOR, GULMOHAR AVENUE, RAJBHAVAN ROAD,
 SOMAJIGUDA, HYDERABAD - 500 082

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

4: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	AS AT 01.04.2007	ADDITIONS	DELETIONS	AS AT 31.03.2008	UPTO 31.03.2007	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
LAND	1323700	17129358	-	18453058	-	-	-	-	18453058	1323700
BUILDINGS	2510379	-	-	2510379	198952	40919	-	239871	2270508	2311427
PLANT & MACHINERY	393430221	151889259	-	545319480	49192791	27555497	-	76748288	468571192	344237430
FURNITURE & FIXTURES	15914084	6294803	-	22208887	3529886	2502508	-	6032394	16176493	12384198
OFFICE EQUIPMENT	20555774	9563325	-	30119099	3746641	2226345	-	5972986	24146113	16809133
VEHICLES	110230407	34326571	1907941	142649037	35171070	12192328	370209	46993189	95655848	75099337
UPS & COMPUTERS	34683259	15732178	-	50415437	9152913	7023080	-	16175993	34239444	25530346
TOTAL	578647824	234935494	1907941	811675377	100992253	51540677	370209	152162721	659512656	477655571
PREVIOUS YEAR	351638513	227544283	534972	578647824	61004856	40052438	65041	100992253	477655571	290633657

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
5. INVESTMENTS		
Long Term (quoted and at cost)		
11600 Equity Shares of Rs. 10 each of Canara Bank	406000	406000
Long Term (Unquoted and at Cost) in Subsidiary Companies		
9750000 Equity Shares of Rs.10/- each of MDDA Ramky IS Bus Terminal Limited	97500000	97500000
1500 Equity Shares of AED 100 each in Ramky Engineering & Consultancy Services (FZC) at par valued at Rs. 12.62 per AED	1893000	1893000
9180000 Equity shares of Rs.10/- each of Ramky Pharmacity (India) Limited	91800000	91800000
25,500 Equity Shares of Rs.10/- each of Gwalior Bypass Project Limited	255000	255000
25,500 shares of Rs. 10/- each of Ramky Towers Ltd	255000	-
37,000 shares of Rs. 10/- each of Ramky Elsamex Hyderabad Ring Road Ltd	370000	-
2,240 Preference shares of Rs. 100 /- each of Gwalior Bypass Road Project Ltd at premium	896000	-
50,000 Equity shares of Rs. 10/- each of Ramky Food Park (Chattisgarh) Ltd	500000	-
50,000 Equity shares of Rs. 10/- each of Naya Raipur Gems and Jewellery SEZ Ltd	500000	-
50,000 Equity shares of Rs. 10/- each of Ramky Herbal & Medicinal Park (Chattisgarh) Ltd	500000	-
44,505 Equity Shares of Rs. 10/- each of Ramky Enclave Limited	445050	-
50,000 Equity Shares of Rs. 10/- each of Ramky- MIDC Agro Processing Park Limited	500000	-
	195820050	191854000
- Aggregate book value of quoted investments is Rs.4.06 Lakhs		
- Aggregate market value of quoted investments is Rs.26.11 lakhs (P.Y Rs.22.59 Lakhs)		
- Aggregate book value of Un quoted investments is Rs.1954.14 Lakhs		
The shares held by the company in MDDA Ramky IS Bus Terminal Limited, amounting to Rs.975 lakhs were pledged for the loan availed by MDDA Ramky IS Bus Terminal Limited.		
The shares held by the company in Ramky Pharmacity India Limited, amounting to Rs.894.20 lakhs were pledged for the loan availed by Ramky Pharmacity India Limited.		
The shares held by the company in Gwalior Bypass Project Limited, amounting to Rs.1.30 lakhs were pledged for the loan availed by Gwalior Bypass Project Limited		
The shares held by the company in Ramky Elsamex Hyderabad Ring Road Limited, amounting to Rs.2.55 lakhs were pledged for the loan availed by Ramky Elsamex Hyderabad Ring Road Limited		
6. INVENTORIES: (As valued, verified and certified by the management)		
Raw Materials	370502231	153729567
Work in Progress	547032309	346433632
	917534540	500163199
7. SUNDRY DEBTORS: (Unsecured, Considered good)		
Debts outstanding for more than six months	357075034	264585507
Other debts	4121997710	2132927886
	4479072744	2397513393
8. CASH AND BANK BALANCES:		
Cash in hand	2800394	2518156
Balance with scheduled banks		
- in fixed deposits	264937188	215324795
- in current accounts	226779375	412399130
	494516957	630242081

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008	AS AT 31.03.2007
9. LOANS AND ADVANCES: (Unsecured, Considered good)		
Security Deposits	765385038	876861595
Earnest Money Deposits	134295195	105645926
Interest Accrued but not Due/Received	11329354	6970055
Prepaid Expenses	43045309	24718055
Tax Deducted at Source and Advance Tax	242526658	144513633
Other Advances and Deposits	2147777203	836547384
	3344358757	1995256648
10. CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	2177845338	1794444202
Advances from Contractee Clients	2269820651	929138542
Other Liabilities	321498764	260519988
Provision for Income Tax	183035339	182000000
Provision for Preference dividend (Including dividend tax)	-	128
Provision for Gratuity and Leave encashment	15806477	5533985
	4968006569	3171636845
11. MISCELLANEOUS EXPENDITURE:		
A. Preliminary Expenses / Expenditure for Increasing Authorised Capital	-	1508425
Add: Incurred during the year	2325000	
	2325000	1508425
Less: Written off during the year	-	1508425
	2325000	-
B. Unmatured Financial Charges	187159	1461907
C. IPO Expenses	21108378	-
	23620537	1461907

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

PARTICULARS	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
12. INCOME FROM OPERATIONS :		
Construction Receipts	10292182535	7106760333
Consultancy Charges	-	3780322
[(Tax deducted at source Rs.Nil (P.Y. 2.07 lakhs)]		
	10292182535	7110540655
13. OTHER INCOME:		
Interest	26681919	15103688
Equipment Lease	11658716	11190000
Dividend on Chit	53480	183520
Miscellaneous Income	27901466	11478371
Discount	394554	256470
Insurance Claim	830169	209922
Dividend on Long term Investments	81200	76560
Dividend on Short term Investments	-	129116
Profit on Sale of Fixed Assets	50249	268419
	67651753	38896066
14. INCREASE/(DECREASE) IN WORK IN PROGRESS :		
Opening Work in Progress	346433632	341473299
Less: Closing Work in Progress	547032309	346433632
	200598677	4960333

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

PARTICULARS	YEAR ENDED 31.03.2008 Rs.	YEAR ENDED 31.03.2007 Rs.
15. MATERIALS CONSUMED:		
Opening Stock of Materials	153729567	141628094
Add: Purchase of Materials	2618795994	1759594988
TOTAL	2772525561	1901223082
Less: Closing Stock of Materials	370502231	153729567
	2402023330	1747493515
16. OTHER DIRECT EXPENSES:		
Labour and Wages	1213355854	716637417
Hire Charges	91064992	90106196
Transport / Intercarting Charges	54379831	50050409
Consumables	28786301	15626938
Repairs and Maintenance	11784262	10827393
Site Expenses	38730809	215535241
Power and Fuel	65364917	75703284
Consultancy Charges	35055570	20142403
CONTRACTEE DEDUCTIONS:		
Royalty Charges	6990341	4179528
Contractors benevolent Fund	196093	174687
Other Recoveries	32228424	5671639
	1577937394	1204655135

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

PARTICULARS	YEAR ENDED	YEAR ENDED
	31.03.2008	31.03.2007
	Rs.	Rs.
17. ADMINISTRATIVE EXPENSES:		
Salaries, Wages and Other Benefits	267132616	176739401
Staff Welfare	14316371	6522386
Legal & Professional Charges	3950877	1353981
Analysis Charges	6620030	2590812
Security Services	14095602	6137646
Rent	18633592	12486927
Traveling Expenses	18418623	13688273
Conveyance	3872516	2919273
Vehicle Maintenance	13264735	4908222
Postage and Telegram	1143707	855538
Telephone Charges	10769311	9224488
Printing and Stationary	8589174	6457344
Electricity Charges	9665300	10742362
Office & Site office Maintenance	6866097	7198467
Computer Maintenance	1694855	977656
Insurance Premium	14424283	19053500
Books & Periodicals	395703	137989
Business Promotion	3290320	2558062
Advertisements	3183214	2491639
Tender Forms and Registration	9828317	17107835
Sales Tax / Service Tax	331672496	329017215
Rates and Taxes	13583676	9295997
Donations	3960864	2710790
Miscellaneous Expenses	7047575	10698747
Preliminary Expenses Written off	-	1508425
Loss on sale of asset	276120	32569
	786695974	657415544
18. FINANCIAL CHARGES:		
Interest and Financial Charges	236587904	126275312
Bank Charges	48646875	66804026
	285234779	193079338

19. NOTES FORMING PART OF THE ACCOUNTS :

I. SIGNIFICANT ACCOUNTING POLICIES :

a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

- i The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- ii Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- iii All income and expenditure items having material bearing on the financial statements are recognised on accrual basis.
- iv Contract Revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.

b. USE OF ESTIMATES :

The preparation of financial statements required estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

c. FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalised.

Assets under installation/construction, advances paid towards acquisition of fixed assets, direct costs and related incidental expenses incurred on assets that are not ready for their intended use or not put to use as on the Balance Sheet date are stated as capital work in progress.

d. DEPRECIATION :

Depreciation is provided on straight Line method at rates and in the manner prescribed by schedule XIV to the Companies Act, 1956 on all assets, except for the following on which depreciation is provided on straight line method based on useful life of assets as estimated by the management.

Office Equipment	6.33%
Air Conditioners	6.33%

The company has provided depreciation at 100% in respect of assets costing less than Rs. 5,000/- each and depreciation on the assets acquired during the year is provided on pro-rata basis.

e. RETIREMENT BENEFITS :

Contribution towards provident fund and ESI has been remitted to respective authorities and charged to revenue account.

Provision for gratuity is accounted on actuarial valuation done by Life Insurance Corporation of India and charged to revenue account.

Provision for leave encashment is accounted on estimated value by the management and charged to revenue account.

f. ACCOUNTING FOR INTEREST IN JOINT VENTURE PROJECTS:

- i) In Jointly controlled operations such as work sharing agreements, the Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.
- ii) Share of turnover attributable to the Company in respect of contracts executed by the other joint venture parents pursuant to Joint Venture Agreement, is accounted under Turnover in these financial statements.

g. SECURITIES PREMIUM:

Securities Premium represents the difference between the face value and consideration received in respect of shares issued. Expenses pertaining to issue of shares were written off against securities premium account and this amount will be used for issue of bonus shares.

h. INVESTMENTS:

Current investments are carried at lower of cost and fair value. Long Term investments are carried at cost less provision for diminution in value of such investments.

i. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of such assets till such time asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account as period costs.

j. FOREIGN CURRENCY TRANSACTIONS:

Foreign Currency Transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of transaction. At each balance sheet, foreign currency monetary items are reported using the closing rate. Non monetary items which are carried at historical cost are reported using the exchange rate at the date of transaction.

k. LEASES:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account over the lease term.

l. IMPAIRMENT OF FIXED ASSETS:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds recoverable amount.

II. NOTES ON ACCOUNTS:

1. Paise have been rounded off to the nearest Rupee.
2. Previous year figures have been regrouped, reclassified and recast wherever necessary to confirm to current years classification.
3. The Inventories have been valued at cost and duly certified by the management.
4. As the company has not in the possession of information regarding dues to the Small Scale Industries, the same has not been furnished herewith.
5. Auditors' Remuneration :

Particulars	2007-2008 Rs. In lakhs	2006-2007 Rs. In lakhs
Audit Fee	11.24	4.49
TOTAL	11.24	4.49

The company has provided an amount of Rs. 11.24 lakhs towards IPO Services which were included in IPO Expenses.

6. Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable is as under:

Particulars	2007-2008 Rs.		2006-07 Rs.	
	Sri A. Ayodhya Rami Reddy	Sri Y.R.Nagaraja	Sri A. Ayodhya Rami Reddy	Sri Y.R.Nagaraja
Salary	66,00,000	30,00,000	48,02,500	15,30,100
Earned Leave	--	--	--	55,100
PF Contribution		1,18,200	--	82,080
	-----	-----	-----	-----
TOTAL	66,00,000	31,18,200	48,02,500	16,67,280
	-----	-----	-----	-----

Computation of Net profit in accordance with Sec 349 of the Companies Act 1956 for Managerial Remuneration:

	2007-2008 Rs. In lakhs	2006-07 Rs. In lakhs
Profit before Taxes	7021.18	5338.82
Add: Managerial Remuneration	97.18	64.70
Loss on Sale of Fixed Assets	2.76	0.32
	-----	-----
Sub Total	7121.12	5403.84
Less: Profit on Sale of Fixed Assets	0.50	2.68
	-----	-----
Net Profit as per Sec 349	7120.62	5401.16
	-----	-----
Maximum permissible remuneration to whole-time Directors u/s 198 of the Companies Act, 1956 @ 10 % of the profits computed as above	712.06	540.11
Amount paid as Managerial Remuneration	97.18	64.70

7. AS 7 - DISCLOSURE :

Contract Revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.

Particulars	2007-08 (Rs. In Lakhs)	2006-07 (Rs. In Lakhs)
Amount of Contract revenue recognized as revenue in the period.	102921.83	71067.60
Aggregate amount of costs incurred and recognize profits (Less recognized losses)	102921.83	71067.60
Amount of Advances received	22698.21	9291.39
Amounts due to customers for contract work	NIL	NIL

8. Contingent Liabilities:

	Particulars	As at 31-03-2008 (Rs. In Lakhs)	As at 31-03-2007 (Rs. In Lakhs)
a)	Claims against the company not acknowledged as debts:		
	i) Sales Tax Amount / VAT Out of the above, Bank guarantee was issued for an amount of Rs.12.04 lakhs. (P.Year: Out of the above, an amount of Rs. 10.00 lakhs has been paid under protest and Bank guarantee issued for an amount of Rs.12.04 lakhs during the year and preferred various appeals/revision petitions with sales tax authorities)	855.86	99.50
	ii) Income Tax Amount: Disallowance of deduction U/S 80 IA & 80 IB by the Income Tax Dept for the financial years 02-03 ,03-04 & 04-05 and Company preferred appeal before The Commissioner of Income Tax (Appeals)	392.22	231.57
b)	Bank guarantee issued in favour of various authorities	54755.04	28731.88
c)	Letter of Credit issued by bank	7008.08	2342.83
d)	Foreign Letter of Credit issued by bank	72.28	577.27
e)	Corporate Guarantee in favor of Axis Bank Limited for the credit facilities availed by Ramky Enviro Engineers Limited and Ramky Pharmacity India Limited.	8651.00	8651.00
g)	Corporate Guarantee in favor of IDBI Security Trusteeship Services Limited for the credit facilities availed by Ramky Elsamex Hyderabad Ring Road Limited.	28790.00	--

h)	Others:		
	i) Disputed claim petition pending before District Judge - Bilaspur	1.32	1.32
	ii) Disputed claim petition pending before Arbitral Tribunal - Bangalore	449.60	--
	iii) Disputed claim petition pending before Additional Chief Judge, City Civil Court, Hyderabad.	5.50	--
	iii) Disputed claim petition pending before High Court of Chattisgarh- Bilaspur.	70.45	70.45

9. Balances in respect of Creditors, various Advances, Sundry Debtors are subject to confirmation from the respective parties.

10. 80 IA & 80 IB of the Income Tax Act 1961

The Company has been availing deduction under Section 80 IA & 80 IB the Income Tax Act 1961, in respect of Profits and gains derived from the undertaking the construction of specified Infrastructure projects, from Assessment year 03-04. The claim of the Company in this regard has been disputed and / or disallowed by the Tax Authorities for the assessment year 03-04, 04-05 and 05-06 the matter is pending before the Commissioner of Income Tax (Appeals).

In the Finance Act 2007 Section 80 IA has been amended retrospectively from assessment year 2000 - 01 onwards to mean that this deduction will not be available to Sub contractors who merely execute works contract for undertakings or enterprises eligible for deduction.

The Company, being the main contractor of infrastructure facilities, has been advised that its claims are tenable.

Accordingly the tax provision for the year has been done on the basis that the claim under Section 80 IA & 80 IB of the Act is available to the Company and the tax effect amounting to Rs. 199.21 Million (Rs. Rs. 134.43 Million up to 31.03.2007) in respect of claim of the Company (including disallowances) up to March 31, 2008 has not been provided.

11. SEGMENTAL REPORTING:

The company is a focused service company operating in construction contracts and consultancy services. The product range of the company is mainly Civil Contracts, Turnkey execution of ETP & STP and consultancy services. The company is managed organisationally as a unified entity and is not organised along product lines. Therefore, no separate segments within the company as defined by AS-17 (Segmental Reporting) issued by the Institute of Chartered Accountants of India. Accordingly, the information given by the company pertains to contracts and consultancy segment.

12. EMPLOYEE STOCK OPTION PLAN:

The Company has implemented ESOP Scheme in the name of RIL Employee Stock Option Plan 2006, and has allotted 50,000 options convertible into 50,000 Equity shares of Rs. 10/- each to the eligible employees at an exercise price of Rs. 100/-each.

Details of Options granted, exercised and forfeited are as under:

	As on 31-03-2008	As on 31-03-2007
Options outstanding at the beginning of the year	Nil	50,000
Granted during the year	Nil	Nil
Exercised during the year	Nil	50,000
Forfeited during the year	Nil	Nil
Options outstanding at the end of the year	Nil	Nil

As the exercise price is higher than the fair value on the date of the grant, no compensation cost has been recognized in the books of account.

13. TAXATION :

Current Tax :

Provision for current income tax is made on the basis of the Taxable income under the Income Tax Act, 1961.

Deferred Tax :

Deferred Tax is calculated at applicable statutory Income Tax rate and is recognised on timing differences between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

Major Components of Deferred Tax Assets and Deferred Tax Liabilities:

Particulars	As at 31-03-2008 Deferred Tax (Asset)/Liability (Rs. In Lakhs)	As at 31-03-2007 Deferred Tax (Asset)/Liability (Rs. In Lakhs)
Difference between book depreciation and tax depreciation	397.42	278.86
Unpaid Sales Tax/ Service Tax/ Provision for Leave Encashment and Gratuity debited to Profit & Loss account	(940.72)	(756.84)
Net Deferred Tax (Asset) / Liability	(543.30)	(477.98)
Less: Net Deferred Tax (Asset) / Liability at the beginning of the year	(477.98)	175.52
Net incremental (Asset) / liability (credited)/ charged to Profit and loss account	(65.32)	(653.50)

14. Earning Per Share :

Basic & Diluted :

The Company reports basic and diluted Earning Per Share in accordance with AS-20 issued by the Institute of Chartered Accountants of India. The Basic & Diluted Earning Per Share has been calculated by dividing the Profit by the weighted average number of equity shares and weighted average potentially dilutive equity shares outstanding during the accounting period.

Number of shares used in computing earning per share

	As at 31-03-2008 (Face value Rs.10 /- each)	As at 31-03-2007 (Face value of Rs.10 /- each)
Number of shares considered as weighted average shares for calculation of Basic Earnings per Share	4,86,30,964	4,82,05,281
Add : Dilutive effect of potential shares	7,43,545	2,82,501
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	4,93,74,509	4,84,87,782

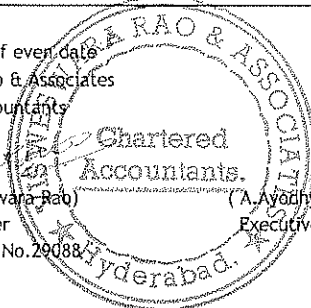
15. Related party disclosures : Annexure Enclosed

RAMKY INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT
For the Year ended 31st MARCH, 2008


	31.03.2008 Rs.	31.03.2007 Rs.
A) Cash Flow from Operating Activities		
Net Profit before tax	702118250	533881694
Adjustments for:		
Depreciation	51540677	40052438
Interest Paid	236587904	126275312
Interest Received	(26681919)	(15103688)
Preliminary Expenses Written Off	-	1508425
Loss on Sale of Assets	276120	32569
Profit on Sale of Assets	(50249)	(268419)
Operating Profit before changes in working capital	963790783	686378331
Adjustments for:		
Increase/(Decrease) in Trade Payables and Others	1793218388	937258268
(Increase)/Decrease in Loans and Advances	(1246729786)	(1047591865)
(Increase)/Decrease in Inventories	(417371341)	(17061806)
(Increase)/Decrease in trade Receivables	(2081559351)	(1543676333)
(Increase)/Decrease in Miscellaneous Expenditure	(22158630)	3662923
	(1010809937)	(981030482)
Adjustments for:		
Income-tax / TDS adjustments	(285882644)	(59002650)
Fringe Benefit Tax	(4745396)	(4152664)
Net cash flow from operating activities [A]	(1301437977)	(1044185796)
B) Cash flow from Investing Activities:		
Sale of Fixed Assets	1311861	705781
(Increase)/Decrease in Fixed Assets/Capital Work in Progress	(25023993)	(425070507)
Interest Received	22322620	11121435
(Increase) / Decrease in Investments	(3966050)	(150245610)
Net Cash flow from Investing Activities [B]	(5355562)	(563488901)
C) Cash flow from Financing Activities:		
Increase in Share Capital/Application Money/Securities Premium	-	1230537000
Increase/(Decrease) in Long Term Borrowings	1404934871	816100687
Corporate Dividend Tax	(113219)	-
Interest Paid	(233753237)	(125071490)
Net cash flow from Financing Activities [C]	1171068415	1921566197
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	(135725124)	313891500
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	630242081	316350581
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	494516957	630242081

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



(S.V.R. Visweswara Rao)
Partner
Membership No. 29088

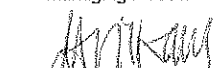



(A. Ayodhya Rami Reddy)
Executive Chairman


(V.V. Rao)
C.F.O

on behalf of the board
for Ramky Infrastructure Limited


(Y.R. Nagaraja)
Managing Director


(D. Trivikram)
G.M (Legal) & C.S.

Place : Hyderabad
Date : 26-06-2008

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

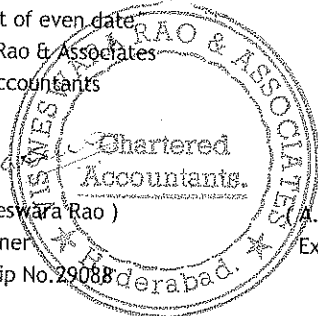
Balance Sheet Abstract and Company's General Business Profile

1 Registration Details		
Registration No.	:	01-17356
State Code	:	01
Balance Sheet Date	:	3/31/2008
2 Capital Raised during the year (Amount in Rs. Thousands)		
Public Issue (calls in arrears)	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	412500
Private Placement	:	NIL
3 Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
Total Liabilities	:	5229242
Total Assets	:	5229242
Sources of Funds		
Paid-up Capital/Share Application Money pending allotment	:	494200
Reserves & Surplus	:	2096348
Secured Loans	:	2638694
Unsecured Loans	:	NIL
Deferred Tax Liability (Net)	:	0
Application of Funds		
Net Fixed Assets/Capital Work in Progress	:	687995
Investments	:	195820
Net Current Assets	:	4267476
Miscellaneous Expenditure	:	23621
Deferred Tax Asset (Net)	:	54330
4 Performance of the Company (Amount in Rs. Thousands)		
Turnover	:	10560433
Total Expenditure	:	9858315
Profit Before Tax	:	702118
Profit After Tax	:	515719
Earnings Per Share in Rs.	:	
- Basic	:	10.60
- Diluted	:	10.45
Dividend Rate %	:	NIL
5 Generic Names of Three Principal Products/Services of Company (As per monetary terms)		
Product Description		Item Code No. (ITC Code)
1. CIVIL WORKS		
2. TURNKEY EXECUTION OF EFFLUENT TREATMENT PLANT'S		
3. SEWAGE TREATMENT PLANTS		

Signatures for Schedules 1 - 19

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

(S.V.R. Visweswara Rao)
Partner
Membership No. 29088
Hyderabad.



on behalf of the board
for Ramky Infrastructure Limited

(A. Ayodhya Rami Reddy)
Executive Chairman

(V.V.Rao)
C.F.O

(Y.R. Nagaraja)
Managing Director

(D. Trivikram)
G.M (Legal) & C.S.

Place: Hyderabad
Date :26-06-2008

Auditors’ Report on the Consolidated Financial Statements

To the Board of Directors
Ramky Infrastructure Limited.

1. We have audited the attached consolidated balance sheet of Ramky Infrastructure Limited (“the Company”) and its subsidiaries (collectively, “The Group”) as at 31st March, 2008 and the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date and annexed there to. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. In respect of the financial statement of certain subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors. The details of assets and revenue in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other auditors:

(Amt Rs in lacs)

Sl No	Particular	Total Assets	Total Revenue
1	Indian Subsidiary	8457.24	Nil
2	Foreign Subsidiary	125.53	Nil

4. We report that, the consolidated financial statements have been prepared by the Company’s management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India.

5. On the basis of the information and explanations given to us and on consideration of the separate audit reports of individual audited financial statements of the company and its subsidiaries, we are of the opinion that the 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 consolidated state of affairs of the Group as at March 31, 2008.
- (b) In the case of the consolidated profit and loss account, of the consolidated results of operations of the Group for the year ended on that date; and
- (c) In the case of the consolidate cash flow statement, of the consolidated cash flows of the Group for the year ended on that date.

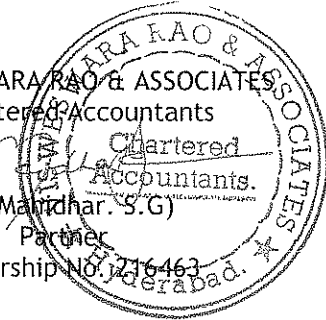
for VISWESWARA RAO & ASSOCIATES
Chartered Accountants


Chartered
Accountants.

(Mahidhar S.G)

Partner

Membership No. 216463
Hyderabad.

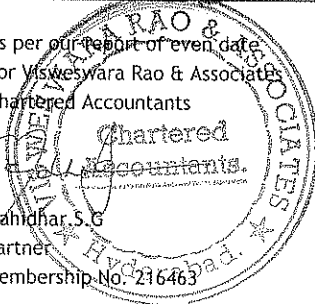


Place: Hyderabad
Date : 06-09-2008

	Schedules	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
I. SOURCES OF FUNDS			
1. Shareholders' funds			
a) Share Capital	1	494,200,140	81,700,500
b) Reserves and surplus	2	2,251,948,229	1,994,275,375
		<u>2,746,148,369</u>	<u>2,075,975,875</u>
2. Minority interest		632,264,753	93,239,858
3. Loan funds			
a) Secured loans	3	3,184,862,260	1,621,322,905
b) Unsecured loans	4	40,083,124	6,806,127
		<u>3,224,945,384</u>	<u>1,628,129,032</u>
Total		<u>6,603,358,506</u>	<u>3,797,344,765</u>
II. APPLICATION OF FUNDS			
1. Fixed assets			
a) Tangible assets			
Gross block	5	989,619,512	991,705,853
Less: Accumulated depreciation		186,211,588	125,511,664
Net block		<u>803,407,924</u>	<u>866,194,189</u>
Capital work-in-progress including capital advances		1,698,039,771	511,194,485
		<u>2,501,447,695</u>	<u>1,377,388,674</u>
b) Intangible assets			
Goodwill		21,266,796	21,266,796
2. Investments	6	406,000	406,000
3. Current assets, loans and advances :			
a) Inventories	7	2,593,669,620	1,262,242,857
b) Sundry debtors	8	3,779,713,424	2,142,673,786
c) Cash and bank balances	9	700,261,797	1,122,336,941
d) Loans and advances	10	3,048,112,804	1,743,057,951
		<u>10,121,757,645</u>	<u>6,270,311,535</u>
Less: Current liabilities and provisions	11	6,120,477,167	3,921,899,885
		<u>6,120,477,167</u>	<u>3,921,899,885</u>
Net current assets		<u>4,001,280,478</u>	<u>2,348,411,650</u>
4. Deferred tax asset (net)		54,330,493	47,798,480
5. Miscellaneous expenditure (to the extent not written off or adjusted)	12	24,627,044	2,073,165
Total		<u>6,603,358,506</u>	<u>3,797,344,765</u>
Notes forming part of accounts	20		

As per our report of even date
For Visweswara Rao & Associates
Chartered Accountants

Mahidhar S.G
Partner
Membership No. 216463



For and on behalf of the Board of Directors

Y.R.Nagaraja
Managing Director

V.V.Rao
Chief Financial Officer

A Ayodhya Rami Reddy
Executive Chairman

D. Trivikram
G.M. (Legal) & Company Secretary

Place : Hyderabad
Date : September 6, 2008

	Schedules	For the year ended March 31, 2008 Rs.	For the year ended March 31, 2007 Rs.
I. INCOME			
Income from operations	13	10,682,564,744	7,352,749,605
Other income	14	76,496,424	45,713,887
Increase/(Decrease) in work in progress	15	200,598,677	4,960,333
		10,959,659,845	7,403,423,825
II. EXPENDITURE			
Materials consumed	16	2,402,023,330	1,747,493,515
Other direct expenses	17	1,912,777,840	1,419,976,013
Sub-contract		4,754,882,561	2,777,819,390
Administrative expenses	18	819,844,496	670,039,402
Financial charges	19	289,786,152	195,386,022
Depreciation		60,365,583	43,901,318
		10,239,679,962	6,854,615,660
Net Profit before taxation		719,979,883	548,808,165
Less: Provision for taxation			
Current		205,948,024	193,601,820
Deferred		(6,532,013)	(65,350,373)
Fringe benefit		4,255,785	3,537,763
Wealth		129,277	92,240
Excess/Short provision for Income tax/wealth tax/TDS adjustment written back/written off		5,792,300	11,019,987
Profit before minority interest		510,386,510	405,906,728
Minority interest		72,492,202	8,485,328
Transfer to Cost of Control		-	(232,308)
Profit for the year		437,894,308	397,653,708
Profit at the beginning of the year		775,643,875	377,990,295
Balance available for appropriations		1,213,538,183	775,644,003
Preference dividend		-	109
Corporate dividend tax		113,219	19
Surplus carried to Balance Sheet		1,213,424,964	775,643,875
Earnings per share (Par value of Rs 10/- each)			
- Basic		9.00	8.25
- Diluted		8.87	8.20
Weighted average number of shares			
- Basic		48,630,964	48,205,281
- Diluted		49,374,509	48,487,782
Notes forming part of Accounts	20		

As per our report of even date

For Y.S. Sweswara Rao & Associates
Chartered Accountants

Mahidhar
Partner
Membership No. 216463

For and on behalf of the Board of Directors

Y.R. Nagaraja
Managing Director

A Ayodhya Rami Reddy
Executive Chairman

V.V. Rao
Chief Financial Officer

D. Trivikram
G.M. (Legal) & Company Secretary

Place : Hyderabad
Date : September 6, 2008

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Schedule 1 : Share capital		
Authorised		
7,00,00,000 Equity Shares of Rs 10/- each (PY 3,24,09,450 Equity Shares of Rs.10/- each including 2,000 differential Equity Shares)	700,000,000	324,094,500
(P.Year: 2000 Differential Equity Shares of Rs.10/-each)	-	20,000
(P Year 10,88,550 Cumulative, Convertible and Participating Preference Shares of Rs. 10/- each carrying a coupon rate of 0.001% per annum)	-	10,885,500
	<u>700,000,000</u>	<u>335,000,000</u>
Issued, subscribed and paid-up		
4,94,20,014 Equity Shares of Rs. 10/- each fully paid (of the above, during the year	494,200,140	70,795,000
- 66,619 Cumulative,Convertible and Participating Preference Shares of Rs. 10/- each were issued as fully paid bonus shares.		
- 11,55,169 Cumulative,Convertible and Participating Preference Shares and 2,000 Differential Equity Shares were converted into Equity Shares		
- 4,11,83,345 equity shares of Rs.10 / - each were issued as fully paid bonus shares.		
During the financial year 2005-06, 46,53,000 Equity Shares of Rs. 10 /- each were issued as fully paid bonus shares by capitalisation of free reserves) (P.Year: 70,79,500 shares @ Rs. 10/-, includes during the financial year 2005-06, 46,53,000 Equity Shares of Rs. 10 /- each were issued as fully paid bonus shares by capitalisation of free reserves)		
(P.Year: 2,000 Differential Equity Shares of Rs.10/-each and during the year the same are converted into equity)	-	20,000
(P.Year: 10,88,550 Cumulative,Convertible and Participating Preference Shares of Rs. 10/- each Carrying a coupon rate of 0.001% per annum and during the year the same were converted into equity)	-	10,885,500
	<u>494,200,140</u>	<u>81,700,500</u>
Schedule 2 : Reserves and surplus		
a) Securities Premium Account		
Opening Balance	1,218,631,500	-
Add: Received during the year	-	1,248,094,500
Less: Related share issue expenses	-	29,463,000
Less: Bonus Issue of Cumulative,Convertible and Participating Preference Shares	666,190	-
Less: Bonus Issue of Equity Shares	411,833,450	-
	<u>806,131,860</u>	<u>1,218,631,500</u>
b) Grant received from HUDA		
	232,757,000	-
c) Profit and Loss Account		
Opening Balance	775,643,875	377,990,295
Less: Adjustment in Subsidiary	365,595	-
Add: Transferred from Profit & Loss Account	437,781,089	397,653,580
	<u>1,213,059,369</u>	<u>775,643,875</u>
Total (a+b)	<u>2,251,948,229</u>	<u>1,994,275,375</u>
Schedule 3 : Secured loans		
Loans and advances from banks		
Term loans		
Rupee loans	1,371,724,532	738,107,096
Working capital loans	1,543,291,606	707,260,418
Other loans and advances		
Term loans		
Rupee loans	72,082,447	76,466,550
(The above loans are secured by Hypothecation of Stock, Book debts, Specified fixed assets of the Company, guarantees from group companies and personal guarantee of some		
Hire purchase loans/Hypothecation loans (Loans availed under Hypothecation / Hire purchase contracts were secured by hypothecation of such assets)	197,763,675	99,488,841
	<u>3,184,862,260</u>	<u>1,621,322,905</u>
Schedule 4 : Unsecured loans		
From banks	-	-
From others	40,083,124	6,806,127
	<u>40,083,124</u>	<u>6,806,127</u>

Ramky Infrastructure Limited
Schedules to the Consolidated Accounts
Schedule 5 : Fixed assets

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2007	Additions/ adjustments during the year	Deletions/ adjustments during the year	As at 31.03.2008	Up to 01.04.2007	For the year	On deletions	Up to 31.03.2008	As at 31.03.2008	As at 31.03.2007
	1) Land	278,628,328	17,129,358	256,928,243	38,829,443	-	-	-	-	38,829,443
2) Buildings	79,083,932	-	-	79,083,932	10,919,250	3,869,597	-	14,788,847	64,295,085	68,164,682
3) Plant & machinery	393,430,221	169,535,973	-	562,966,194	49,192,791	28,115,841	-	77,308,632	485,657,562	344,237,430
4) Furniture & fixtures	18,262,290	6,365,367	-	24,627,657	4,112,225	2,651,884	-	6,764,109	17,863,548	14,150,065
5) Office equipment	41,649,050	9,984,677	-	51,633,727	6,792,721	3,289,258	-	10,081,979	41,551,748	34,856,329
6) Vehicles	112,203,948	37,382,169	1,907,941	147,678,176	35,504,091	12,486,926	370,209	47,620,808	100,057,368	76,699,857
7) UPS & Computers	38,216,243	16,337,219	-	54,553,462	10,525,670	7,632,063	-	18,157,733	36,395,729	27,690,573
8) Roads, water supply, drainage system & sewerage treatment plant	30,231,841	15,080	-	30,246,921	8,464,916	3,024,564	-	11,489,480	18,757,441	21,766,925
Total	991,705,853	256,749,843	258,836,184	989,619,512	125,511,664	61,070,133	370,209	186,211,588	803,407,924	866,194,189
Less: Depreciation transferred to unallocated capital expenditure	-	-	-	-	-	704,550	-	-	-	-
	991,705,853	256,749,843	258,836,184	989,619,512	125,511,664	60,365,583	370,209	186,211,588	803,407,924	866,194,189

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Schedule 6 : Investments		
Long term investments (At cost)		
Trade (quoted)		
11,600 Equity Shares of Rs. 10/- each of Canara Bank	406,000	406,000
- Aggregate market value of quoted investments is Rs.26.11 lakhs (P.Y Rs.22.59 Lakhs)		
	406,000	406,000
Schedule 7 : Inventories		
Raw Materials	370,502,231	153,729,567
Work in progress	2,223,167,389	1,108,513,290
	2,593,669,620	1,262,242,857
Schedule 8 : Sundry debtors		
Unsecured, considered good		
Debts outstanding for a period exceeding six months	332,289,205	233,149,815
Other debts	3,447,424,219	1,909,523,971
	3,779,713,424	2,142,673,786
Schedule 9 : Cash and bank balances		
Cash in hand	3,141,449	2,866,098
Cheques in Transit	2,181,000	-
Balances with scheduled banks on :		
(i) Current accounts	289,005,159	432,742,260
(ii) Deposit accounts	405,934,189	686,728,583
	700,261,797	1,122,336,941
Schedule 10 : Loans and advances		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	7,448,798	1,144,990
Security Deposit	580,296,154	545,682,369
Earnest Money Deposit	134,295,195	105,645,926
Interest accrued but not due/received	11,896,787	11,095,433
Prepaid Expenses	43,183,295	24,849,413
Tax deduction at source	249,256,501	150,175,069
Other advances & deposits	2,021,736,074	904,464,751
	3,048,112,804	1,743,057,951

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Schedule 11 : Current Liabilities & Provisions		
Current Liabilities		
Sundry creditors	2,250,623,912	2,218,651,315
Advances from contractee clients	3,282,836,351	1,240,104,586
Other liabilities	363,009,798	270,343,901
Provisions		
Provision for income tax	206,073,370	186,484,875
Provision for fringe benefit tax	94,825	781,095
Provision for preference dividend (Including dividend tax)	-	128
Provision for gratuity and leave encashment	17,838,911	5,533,985
	6,120,477,167	3,921,899,885
Schedule 12 : Miscellaneous expenditure		
Preliminary expenses	2,878,773	468,000
Unmatured finance charges	187,159	1,464,573
IPO Expenses	21,108,378	-
Foreign currency translation reserve	452,734	140,592
Total	24,627,044	2,073,165

	For the year ended March 31, 2008 Rs.	For the year ended March 31, 2007 Rs.
Schedule 13 : Income from operations		
Construction receipts	10,676,264,190	7,348,299,012
Consultancy charges	-	3,780,322
O & M Charges	6,300,554	670,271
	10,682,564,744	7,352,749,605
Schedule 14 : Other income		
Interest	35,117,832	21,916,619
Equipment lease	11,658,716	11,190,000
Dividend on chit	53,480	183,520
Miscellaneous income	28,310,224	11,483,261
Discount	394,554	256,470
Insurance claim	830,169	209,922
Dividend on long term investments	81,200	76,560
Dividend on short term investments	-	129,116
Profit on sale of fixed assets	50,249	268,419
	76,496,424	45,713,887
Schedule 15 : Increase/(Decrease) in WIP		
Opening work in progress	346,433,632	341,473,299
Less: Closing work in progress	547,032,309	346,433,632
	200,598,677	4,960,333
Schedule 16 : Material consumed		
Opening stock of materials	153,729,567	141,628,094
Add:- Purchase of materials	2,618,795,994	1,759,594,988
Less:- Closing stock of materials	370,502,231	153,729,567
	2,402,023,330	1,747,493,515
Schedule 17 : Other direct expenses		
Labour and wages	1,213,355,854	716,637,417
Hire charges	91,064,992	90,106,196
Transport/intercarting charges	54,379,831	50,050,409
Consumables	28,786,301	15,626,938
Repairs and maintenance	11,784,262	10,827,393
Development expenses	334,840,446	215,320,878
Site expenses	38,730,809	215,535,241
Power and fuel	65,364,917	75,703,284
Consultancy charges	35,055,570	20,142,403
Contractee deductions:		
Royalty charges	6,990,341	4,179,528
Contract benevolent fund	196,093	174,687
Others	32,228,424	5,671,639
	1,912,777,840	1,419,976,013

	For the year ended March 31, 2008 Rs.	For the year ended March 31, 2007 Rs.
Schedule 18 : Administrative expenses		
Salaries and wages and other benefits	283,498,289	184,618,224
Staff welfare	14,615,154	6,596,844
Legal and professional charges	4,356,323	1,619,937
Fee & Charges	2,710,200	-
Analysis charges	6,620,030	2,590,812
Security services	15,872,340	6,137,646
Rent	19,499,970	12,925,078
Travelling expenses	19,759,377	14,548,314
Conveyance	3,923,402	2,919,273
Vehicle maintenance	13,384,735	5,029,363
Postage and telegram	1,204,899	882,692
Telephone charges	11,417,267	9,580,343
Printing and stationery	9,016,585	6,686,328
Electricity charges	10,083,385	11,070,092
Office and guest maintenance	7,299,925	7,985,056
O & M Expenses	3,714,567	-
Computer maintenance/Repairs & maintenance	2,596,242	1,132,836
Insurance premium	14,807,411	19,101,098
Books and periodicals	395,703	143,028
Business promotion	3,461,558	2,660,697
Advertisements	3,185,999	2,491,639
Tender forms and registration	9,999,789	17,230,835
Sales tax/service tax	331,672,496	329,017,215
Rates and taxes	13,712,779	9,309,007
Donations and gifts	5,510,864	2,710,790
Miscellaneous expenses	7,132,087	11,177,174
Preliminary expenses written off	117,000	1,842,512
Loss on sale of asset	276,120	32,569
	819,844,496	670,039,402
Schedule 19 : Financial charges		
Interest/financial charges	241,059,854	128,504,211
Bank charges	48,726,298	66,881,811
	289,786,152	195,386,022

20. NOTES FORMING PART OF THE ACCOUNTS:

1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENT:

I. Principles of consolidation

The Consolidated financial statements relate to Ramky Infrastructure Limited (The Company) and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of The Company and its subsidiary companies 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 fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses, if any, as per Accounting Standard 21, Consolidated Financial Statement issued by The Institute of Chartered Accountants of India.
- ii) The Financial statements of the subsidiary companies used in the consolidated related for the period when these became subsidiaries of the company and consolidated financial statements are drawn for the period from 1st April, 2007 to 31st March, 2008.
- iii) The list of subsidiary companies, which are included in the consolidated financial statements and the company's holding therein is as under:

Name of the Subsidiary Company	Country of Incorporation	% of ownership as at 31.03.2008
1. Ramky Pharmacity (India) Limited	India	51%
2. MDDA Ramky IS Bus Terminal Limited	India	100%
3. Gwalior Bypass Project Limited	India	51%
4. Ramky Engineering and Consulting Services (FZC)	United Arab Emirates	100%
5. Ramky Elsamex Hyderabad Ring Road Limited	India	74%
6. Ramky Towers Limited	India	51%
7. Ramky Enclave Limited	India	89.01%
8. Naya Raipur Gems & Jewellery SEZ Limited	India	100%
9. Ramky Herbal & Medicinal Park (Chattisgarh) Limited	India	100%
10. Ramky Food Park (Chattisgarh) Limited	India	100%
11. Ramky MIDC Agro Processing Park Limited	India	100%

- iv) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements.

II. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS:

- i The consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956 and that of the foreign subsidiary has been prepared in compliance with local laws and applicable accounting standards.
- ii Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- iii All income and expenditure items having material bearing on the financial statements are recognised on accrual basis.
- iv Contract Revenue is recognized by reference to the stage of completion of the contract activity at the reporting date of the financial statements on the basis of percentage of completion method.

III. FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalised.

Assets under installation/construction, advances paid towards acquisition of fixed assets, direct costs and related incidental expenses incurred on assets that are not ready for their intended use or not put to use as on the Balance Sheet date are stated as capital work in progress.

IV. DEPRECIATION :

For Parent Company-

Depreciation is provided on straight Line method at rates and in the manner prescribed by schedule XIV to the Companies Act, 1956 on all assets, except for the following on which depreciation is provided on straight line method based on useful life of assets as estimated by the management.

Office Equipment	6.33%
Air Conditioners	6.33%

The company has provided depreciation at 100% in respect of assets costing less than Rs. 5,000/- each and depreciation on the assets acquired during the year/period is provided on pro-rata basis.

For Subsidiary Companies-

- 1) Ramky Pharmacy (India) Limited, Ramky Elsamex Hyderabad Ring Road Limited, Ramky Towers Limited, Ramky Enclave Limited and Gwalior Bypass Project Limited- Depreciation has been provided on Straight Line Method as per the rates and manner specified in Schedule XIV to the Companies Act, 1956.

Depreciation has been provided at 100% in respect of assets costing less than Rs. 5000/- each, depreciation on the assets acquired during the year/period is provided on pro-rata basis.

2) MDDA Ramky IS Bus Terminal Limited-
Depreciation has been provided on Straight Line Method as per the rates and manner specified in Schedule XIV to the Companies Act, 1956, except for the following assets, from the date of commercial operations.

i. Depreciation on the following assets has been provided based on the useful life estimated by the management or over the concession/lease period which ever is lower :

a. Buildings	-	20 years
b. Roads, water supply and drainage system	-	10 years
c. Electrical equipment & fittings	-	20 years
d. Sewerage Treatment Plant	-	10 years
e. Office Equipment	-	20 years
f. Air Conditioner	-	20 years

ii. The Company has provided depreciation at 100% in respect of assets costing less than Rs.5000/- each and depreciation on the assets acquired during the year/period is provided on pro-rata basis .

V. RETIREMENT BENEFITS:

Contribution to provident fund has been remitted to provident fund commissioner and charged to revenue account.

Provision for gratuity is accounted on actuarial valuation done by Life Insurance Corporation of India.

Provision for leave encashment is accounted on estimated value by the management.

For Foreign Subsidiary Company-

Provision for employee entitlements to annual leave, terminal benefits, and air passage to their home country as a result of services rendered by employees are not provided and these are recognized in the accounts as and when paid by the company.

VI. ACCOUNTING FOR INTEREST IN JOINT VENTURE PROJECTS:

i) In Jointly controlled operations such as work sharing agreements, the Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively.

ii) Share of turnover attributable to the Company in respect of contracts executed by the other joint venture partners pursuant to Joint Venture Agreement, is accounted under Turnover in these financial statements.

VII. SECURITIES PREMIUM:

Securities Premium represents the difference between the face value and consideration received in respect of shares issued. Expenses pertaining to issue of shares were adjusted against securities premium account and this amount will be used for issue of bonus shares.

VIII. INVESTMENTS:

Current investments are carried at lower of cost and fair value. Long Term investments are carried at cost less provision for diminution in value of such investments.

2. NOTES ON ACCOUNTS:

- I. Paise have been rounded off to the nearest Rupee.
- II. The Inventories have been valued at cost and duly certified by the management.
- III. Contingent Liabilities:

	Particulars	As at 31-03-2008 (Rs. In Lakhs)	As at 31-03-2007 (Rs. In Lakhs)
a)	Claims against the company not acknowledged as debts:		
	i) Sales Tax Amount / VAT Out of the above, Bank guarantee was issued for an amount of Rs.12.04 lakhs. (P.Year: Out of the above, an amount of Rs. 10.00 lakhs has been paid under protest and Bank guarantee issued for an amount of Rs.12.04 lakhs during the year and preferred various appeals/revision petitions with sales tax authorities)	855.86	99.50
	ii) Income Tax Amount: Disallowance of deduction U/S 80 IA & 80 IB by the Income Tax Dept for the financial years 02-03 ,03-04 & 04-05 and Company preferred appeal before The Commissioner of Income Tax (Appeals)	392.22	231.57
	iii) The claim made against M/s Ramky Pharmacity (India) Limited, by Ministry of Mines and Geology-Government of Andhra Pradesh, regarding Consumption of large Quantities of gravel by the company and unsatisfactory of challans submitted thereof, the Applicant raised a demand for an amount of Rs.60.07 lakhs. On which Company field a revision petition with High court of Andhra Pradesh during the year and same is in pending.	60.07	--
b)	Bank guarantee issued in favour of various authorities	54790.51	28757.35
c)	Letter of Credit issued by bank	7008.08	2342.83
d)	Foreign Letter of Credit issued by bank	72.28	577.27
e)	Corporate Guarantee in favor of Axis Bank Limited for the credit facilities availed by Ramky Enviro Engineers Limited and Ramky Pharmacity India Limited.	8651.00	8651.00
g)	Corporate Guarantee in favor of IDBI Security Trusteeship Services Limited for the credit facilities availed by Ramky Elsamex Hyderabad Ring Road Limited.	28790.00	--
h)	Estimated amount of contract remaining to be	53870.26	29943.35

IX. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition and construction of qualifying assets are capitalised as part of cost of such assets till such time asset is ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Profit & Loss Account as period costs.

X. FOREIGN CURRENCY TRANSACTIONS:

Foreign Currency Transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of transaction. At each balance sheet, foreign currency monetary items are reported using the closing rate. Non monetary items which are carried at historical cost are reported using the exchange rate at the date of transaction.

Financial statement of overseas non integral operations are translated as under-

- 1) Assets and liabilities at the rate prevailing at the end of the year.
- 2) Revenues and expenses at monthly average exchange rates.
- 3) Exchange difference arising on translation of non integral foreign operations are accumulated in the Foreign Currency Translation Reserve.

XI. IMPAIRMENT OF FIXED ASSETS:

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds recoverable amount.

XII. TAXATION:

Current Tax :

Provision for current income tax is made on the basis of the Taxable income under the Income Tax Act, 1961.

Deferred Tax :

Deferred Tax is calculated at applicable statutory Income Tax rate and is recognised on timing differences between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods.

XIII. LEASES:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account over the lease term.

	executed on capital account and not provided for (net of advances)		
i)	Others:		
	i) Disputed claim petition pending before District Judge - Bilaspur	1.32	1.32
	ii) Disputed claim petition pending before Arbitral Tribunal - Bangalore	449.60	--
	iii) Disputed claim petition pending before Additional Chief Judge, City Civil Court, Hyderabad.	5.50	--
	iii) Disputed claim petition pending before High Court of Chattisgarh- Bilaspur.	70.45	70.45

IV. Balances in respect of Creditors, various Advances, Sundry Debtors are subject to confirmation from the respective parties.

V. Earning Per Share :

Basic & Diluted :

The Company reports basic and diluted Earning Per Share in accordance with AS-20 issued by the Institute of Chartered Accountants of India. The Basic & Diluted Earning Per Share has been calculated by dividing the Profit by the weighted average number of equity shares and weighted average potentially dilutive equity shares outstanding during the accounting period.

Number of shares used in computing earning per share

	As at 31-03-2008 (Face value Rs.10 /- each)	As at 31-03-2007 (Face value of Rs.10 /- each)
Number of shares considered as weighted average shares for calculation of Basic Earnings per Share	4,86,30,964	4,82,05,281
Add : Dilutive effect of potential shares	7,43,545	2,82,501
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	4,93,74,509	4,84,87,782

VI. SEGMENTAL REPORTING:

The Group is operating mainly in Construction and Developer divisions. Segmental information as per Accounting Standard (AS) 17 - "Segment Reporting" issued by the Institute of Chartered Accountants of India for the year ended March 31, 2008 and year ended March 31, 2007 as under:

(a) Information about business segments for the year ended March 31, 2008 as per AS-17

(Rs in lakhs)

Primary Segments (Business segments)

Particulars	Construction Business	Developer Business	Others	Elimination	Total
Revenue					
External	96171.44	10654.21	-	-	106825.65
Inter-Segment	6750.39	-	-	(6750.39)	-
Total	102921.83	10654.21	-	(6750.39)	106825.65
Result					
Operating Profit/Loss (PBT)	4970.97	1535.17	(71.30)	-	6434.84
Interest income	266.82	84.35	-	-	351.17
Other income					413.79
Profit Before Tax					7199.80
Less: Provision for taxation					
Current					2059.48
Deferred					(65.32)
Fringe benefit					42.56
Wealth					1.29
Excess/Short provision for Income tax/wealth tax/TDS adjustment written back/written off					57.92
Net Profit after tax					5103.87
Other information					
Segment assets	85067.53	41947.66	10.50		127025.69
Un allocable corporate assets					212.67
Segment liabilities	73074.44	20374.94	4.85		93454.23
Un allocable corporate liabilities					6322.65
Capital expenditure	250.24	14853.53			15103.77
Depreciation (included in segment expense)	515.41	88.25	-		603.66
Non cash expenses (other than depreciation included in segment expense)	2.76	1.17	-		3.93

(b) Information about business segments for the year ended March 31, 2007 as per AS-17

(Rs in Lacs)

Primary Segments (Business segments)

Particulars	Construction Business	Developer Business	Others	Elimination	Total
Revenue					
External	64031.54	9495.96	-	-	73527.50
Inter-Segment	7073.87	-	-	(7073.87)	-
Total	71105.41	9495.96	-	(7073.87)	7352.75
Result					
Operating Profit/Loss (PBT)	4949.86	129.34	(48.26)	-	5030.94
Interest income	151.04	68.13	-	-	219.17
Other income					237.97
Profit Before Tax					5488.08
Less: Provision for taxation					
Current					1936.02
Deferred					(653.50)
Fringe benefit					35.38
Wealth					0.92
Excess/Short provision for					
Income tax/wealth tax/TDS					
adjustment written					
back/written off					110.20
Net Profit after tax					4059.06
<u>Other information</u>					
Segment assets	55623.65	21341.49	14.64		76979.78
Un allocable corporate assets					212.67
Segment liabilities	44053.97	11440.26	6.07		55500.30
Un allocable corporate liabilities					932.40
Capital expenditure	4250.71	4667.28			8917.99
Depreciation (included in segment expense)	400.52	38.49	-		439.01
Non cash expenses (other than depreciation included in segment expense)	15.41	1.17	2.17		18.75

VII. 80 IA & 80 IB of the Income Tax Act 1961

The Company has been availing deduction under Section 80 IA & 80 IB the Income Tax Act 1961, in respect of Profits and gains derived from the undertaking the construction of specified Infrastructure projects, from Assessment year 03-04. The claim of the Company in this regard has been disputed and / or disallowed by the Tax Authorities for the assessment year 03-04, 04-05 and 05-06 the matter is pending before the Commissioner of Income Tax (Appeals).

In the Finance Act 2007 Section 80 IA has been amended retrospectively from assessment year 2000 - 01 onwards to mean that this deduction will not be available to Sub contractors who merely execute works contract for undertakings or enterprises eligible for deduction.

The Company, being the main contractor of infrastructure facilities, has been advised that its claims are tenable.

Accordingly the tax provision for the year has been done on the basis that the claim under Section 80 IA & 80 IB of the Act is available to the Company and the tax effect amounting to Rs. 199.21 Million (Rs. 134.43 Million up to 31.03.2007) in respect of claim of the Company (including disallowances) up to March 31, 2008 has not been provided.

VIII. Related party disclosures:

a. Details of the list of related parties and nature of transactions as per AS-18

Key Management personal	
	Sri. A.Ayodhya Ramireddy
	Sri. Y.R.Naga Raja
	Sri M Goutham Reddy
	DR K S M Rao
	Sri V V Rao
	Sri P Eswar Reddy
	Sri S Vijaya Rami Reddy
	Sri A P Kurian
	Sri. A.Peri Reddy
	Sri J L Khushu
Relatives of Key Management	
	Sri. A.Dashratha Rami Reddy
	Sri. Y.R.Naga Krishna

Companies / concerns in which the key management / Relatives of Key Management are interested	
	Ramky Enviro Engineers Limited
	Ramky Estates & Farms Limited
	Mumbai Waste Management Limited
	Ramky Finance & Investment (P) Limited
	Semb Ramky Environmental Management Pvt.Ltd
	Ramky Global Solutions Private Limited
	Tamil Nadu Waste Management Limited
	West Bangal Waste Management Limited
	Ramky Energy & Environment Limited
	Ramky VSM JV
	Ramky-Elsamex (JV)
	Srishti -Ramky (JV)
	Ramky WPIL (JV)
	R.K. Consultancy services
	R.K Constructions
	ADR Constructions
	N.R. Environmental Engineers Inc
	Ramky Foundation
	Era Infra Engineering Limited

b. Details of Transactions with Related parties

	Particulars	Nature of Transaction	31-03-2008
1	Ramky Enviro Engineers Limited	Contract Amount Received	344667314
		Hire Charges Received	5340000
		Contract and Consultancy	207039590
2	Ramky Estates & Farms Limited	Contract Amount Received	284829213
		Rent paid	2495392
		Security Deposit	9897399
3	Mumbai Waste Management Limited	Contract Amount Received	100945081
		Hire Charges Received	5850000
4	Semb Ramky Environmental Management Pvt.Ltd	Contract Amount Received	21500002
5	Ramky Global Solutions Private Limited	Rent Paid	716295
6	Ramky Foundation	Donation Given	2206300
7	N.R. Environmental Engineers Inc	Sub -Contract given	3371528
		Security Deposit Received	204338
8	Ramky Finance & Investments (P) Ltd	Other Advance	72200
9	Era Infra Engineering Limited	Bills raised	227595022
		Unsecured loan taken	1000000
		Unsecured loan repaid	7806127
		Interest paid	469696
		Advance given	456274426
10	Sri A.Ayodhya Rami Reddy	Remuneration	6600000
		Purchase of shares	129950
11	Sri Y.R. Nagaraja	Remuneration	3220867
12	Sri A. Peri Reddy	Salary	208700
13	Dr K S M Rao	Remuneration	2210126

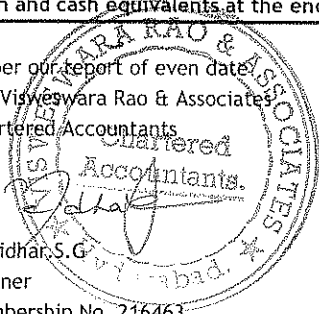
c. Details of related parties outstanding balances as on 31-03-2008:

Ramky Enviro Engineers Limited	Debtors	151921184	Dr
	Creditors	45593159	Cr
Ramky Estates & Farms Limited	Debtors	309029868	Dr
	Security Deposit	12477023	Dr
	Outstanding Liabilities	28412	Cr
Mumbai Waste Management Limited	Creditors	17131999	Cr
Semb Ramky Environmental Management Pvt.Ltd	Debtor	22462795	Dr
Tamilnadu Waste Management Ltd.	Debtors	824488	Dr
	Share Application Money	1070000	Dr
Ramky Energy & Environment Ltd	Debtors	2812921	Dr
West Bengal Waste Management Limited	Creditor	1624543	Cr
Ramky Global Solutions Private Limited	Creditors	73864	Cr
	Other Advance	1577690	Dr
R.K. Consultancy Services	Sundry Creditors	102560	Cr
R.K. Constructions	Sundry Creditors	1168103	Cr
N.R. Environmental Engineers Inc	Sundry Creditors	3360512	Cr
Ramky Finance and Investment (P) Limited	Other Advances	72200	Dr
ADR Constructions	Creditors	19848917	Cr
Era Infra Engineering Limited	Capital Advances	449092348	Dr
Sri Y.R.Nagaraja	Outstanding Liabilities	215232	Cr
DR K S M Rao	Other Liabilities	147871	Cr

Particular	For the year ended March 31, 2008 Rs.	For the year ended March 31, 2007 Rs.
I. Cash flow from operating activities		
Profit before tax	719,979,883	548,808,165
Adjustments for:		
Depreciation	60,365,583	43,901,318
Interest Paid	241,059,854	128,504,211
Interest Received	(35,117,832)	(21,916,619)
Preliminary Expenses Written Off	117,000	1,842,512
Loss on Sale of Assets	276,120	32,569
Profit on Sale of Assets	(50,249)	(268,419)
Operating profit before working capital changes	986,630,359	700,903,737
Movements in working capital :		
Increase/(Decrease) in Trade Payables and Others	2,176,144,879	769,898,019
(Increase)/Decrease in Loans and Advances	(1,205,172,067)	(602,241,822)
(Increase)/Decrease in Inventories	(1,331,426,763)	(38,338,271)
(Increase)/Decrease in trade Receivables	(1,637,039,638)	(1,286,723,111)
(Increase)/Decrease in Miscellaneous Expenditure	(22,670,879)	2,853,616
	(1,033,534,109)	(453,647,832)
Income-tax / TDS adjustments	(291,362,538)	(63,799,601)
Fringe Benefit Tax	(4,942,055)	(4,387,186)
Net cash used in operating activities - (A)	(1,329,838,702)	(521,834,619)
II. Cash flows from investing activities		
Sale of Fixed Assets	1,311,861	705,781
Increase in Fixed Assets/Capital Work in Progress	(1,185,962,336)	(891,798,512)
Interest Received	34,316,478	13,808,988
Payments for net assets acquired of subsidiary, net of cash	-	(127,669,648)
Payment of dividend including tax	(113,219)	-
Net cash used in investing activities - (B)	(1,150,447,216)	(1,004,953,391)
III. Cash flows from financing activities		
Increase in Share Capital/Application Money/Securities Premium	-	1,230,537,000
Grant received from HUDA	232,757,000	-
Payment (to)/from Minority Interest	466,883,950	87,816,000
Increase/(Decrease) in Long Term Borrowings	1,596,816,352	1,141,721,759
Interest Paid	(238,246,528)	(127,300,389)
Net cash from financing activities - (C)	2,058,210,774	2,332,774,370
Net increase in cash and cash equivalents (A+B+C)	(422,075,144)	805,986,360
Cash and cash equivalents at the beginning of the period/year	1,122,336,941	316,350,581
Cash and cash equivalents at the end of the period/year	700,261,797	1,122,336,941

As per our report of even date
For Visweswara Rao & Associates
Chartered Accountants

Mahidhar S.G.
Partner
Membership No. 216463



For and on behalf of the Board of Directors

Y.R.Nagaraja
Managing Director

A Ayodhya Rami Reddy
Executive Chairman

V.V.Rao
Chief Financial Officer

D. Trivikram
G.M.(Legal) & Company Secretary

Place : Hyderabad
Date : September 6, 2008

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES												
1	Name of the Subsidiary	Ramky Pharma City (India) Limited	MDDA-Ramky IS Bus Terminal Limited	Gwalior Bypass Projects Limited	Ramky Engineering & Consulting Services (FZC)	Ramky Elsamex Hyderabad Ring Road Ltd	Ramky Herbal & Medicinal Park (Chattisgarh) Ltd	Ramky Food Park (Chattisgarh) Ltd	Ramky Towers Ltd	Naya Raipur Gems & Jewellery SEZ Ltd	Ramky Enclave Ltd	Ramky MIDC Agro Processing Park Ltd.
2	Financial Year of the Subsidiary ended on	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08	31-Mar-08
3	Date from which they became Subsidiary	19 th April, 2006	02 nd Nov,2006	09 th August,2006	30 th May, 2006	18 th July, 2007	14 th September, 2007	14 th September, 2007	26 th July, 2007	14 th September, 2007	02 nd Nov,2007	25 th February, 2008
4	Share of subsidiary held by the company as on March 31, 2008											
	a) Number & face value	9180000 equity shares of Rs.10/- each	9750000 equity shares of Rs.10/- each	25500 equity shares of Rs.10/- each	1500 equity shares of AED 100 each	37000 equity shares of Rs.10/- each	50000 equity shares of Rs.10/- each	50000 equity shares of Rs.10/- each	25500 equity shares of Rs.10/- each	50000 equity shares of Rs.10/- each	44505 equity shares of Rs.10/- each	50000 equity shares of Rs.10/- each
	b) Extent of Holding	51%	100%	51%	100%	74%	100%	100%	51%	100%	89%	100%
5	The net aggregate amount of the subsidiary companies Profit /(loss) so far as it concerns the member of the holding company											
	<i>*a) Not dealt with in the holding company's accounts</i>											
	i) For the financial year ended March 31, 2008	INR 75337969	INR (8810148)	INR (25132)	AED (650657) or Rs (7130419)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	ii) Upto the previous financial years of the subsidiary company	INR 6928078	INR (2788021)	INR 1719193	AED (390762) or Rs (4825826)	-	-	-	-	-	-	-
	<i>b) Dealt with in the holding Company's accounts</i>											
	i) For the financial year ended March 31, 2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) For the previous financial year of the subsidiary company since they become the holding company's subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

For and on behalf of Board of Directors

Place : Hyderabad

Date : 26.06.2008

(A.Ayodhya Rami Reddy)
Chairman

Directors' Report

To
The Members,

Your Director's place before you the Fifth Annual Report and audited accounts for the year ended 31 March 2008.

Financial Results:

The Financial results of the company for the period under review are as follows:

(Amount in Rs)

Particulars	2007-08	2006-07
Income	1,36,15,006	1,27,32,454
Expenditure	2,23,84,637	1,93,22,163
Profit/(Loss) for the year before Tax (PBT)	(87,69,631)	(65,89,709)
Less : Provision for Tax and Tax/TDS adjustments	40,518	36,207
Profit /(Loss)after Tax (PAT)	(88,10,149)	(66,25,916)
Add : Balance brought forward from Previous Year	(2,03,29,109)	(1,37,03,193)
Amount available for appropriations	(2,91,39,258)	(2,03,29,109)
Less: Transfer to Reserves (if any)	--	--
Less: Proposed Dividend (if any)	--	--
Surplus/(Deficit) carried to Balance Sheet	(2,91,39,258)	(2,03,29,109)

APPROPRIATIONS

Dividend

In view of the losses incurred by the Company, your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As the Company incurred losses, there were no transfers to reserves during the year.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	Mr. Y. R. Nagaraja	5 November 2007
02	Mr. A. Peri Reddy	5 November 2007

Resignations

Sri A. Ayodhya Rami Reddy and Sri P. Ponnuraj resigned as Directors effective from 6 November 2007 and Sri Kapil Singhal effective from 28 July 2008 from the Board. The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

a) Approval of the Shareholders is being sought for the appointment of Sri M. Goutham Reddy, Director 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, 1956 and pursuant to Articles of Association of the company.

b) Mr. Y. R. Nagaraja and Mr. A. Peri Reddy were inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to the provisions of 292A of the Companies Act, 1956 comprising of the following Directors

1. Sri A. Peri Reddy - Chairman
2. Sri M. Goutham Reddy - Member
3. Sri Y. R. Nagaraja - Member

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re-appointment.

REPLIES TO AUDITORS REPORT

With reference to the observations made in Auditor's Report, the notes of account is self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government and its Bankers. The Board is also thankful to all its Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For MDDA RAMKY IS BUS TERMINAL LTD.

Dated: 01/09/2008
Place: Hyderabad

Sd/-
(Y.R. Nagaraja)
Director

Sd/-
(M. Goutham Reddy)
Director

AUDITORS' REPORT

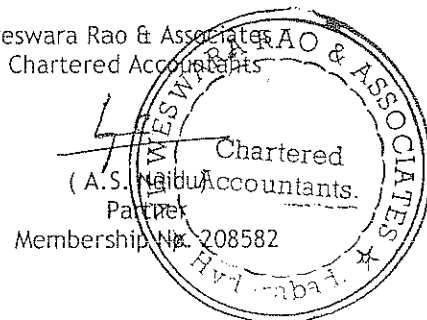
To
The Members,
MDDA Ramky IS Bus Terminal Limited

1. We have audited the attached Balance Sheet of Mdda Ramky IS Bus Terminal Limited, as at 31st March, 2008 and the Profit & Loss Account and also Cash Flow Statement for the Year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditor's Report) (Amendment) order 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.



4. Further to our Comments in the Annexure referred to in paragraph 3 above:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance sheet ,Profit and Loss Account and Cash Flow Statement, read with notes thereon, comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ;
 - e. on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii. in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date;
 - iii in the case of Cash flow statement, of the cash flows of the company for the year ended on that date.

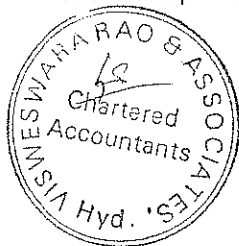
for Visweswara Rao & Associates
Chartered Accountants



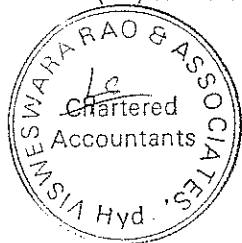
Place: Hyderabad
Date : 19-06-2008

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. A major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and nature of its assets and no discrepancies were noticed on such physical verification.
- c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and therefore do not affect the going concern status of the company.
- ii. The Company's nature of operations does not require it to hold inventories. Accordingly Clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and sale of services. The activities of the company do not involve purchase of inventory and the sale of goods. During the course of our audit, no major weaknesses has been noticed in internal control system.
- v. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, that need to be entered into the register required to be maintained under that section have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The company has an internal audit system, which is commensurate with the size of the company and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of the services carried out by the company.



- ix. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a period of less than five years and hence we are not required to express an opinion on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- xi. According to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks and there are no outstanding debentures.
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.



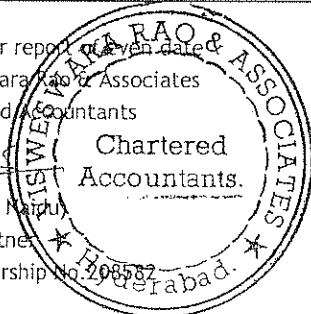
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loan has been applied for the purposes for which it was obtained.
- xvii. According to the information and explanations given to us, the Company has not raised any funds on short term basis.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for Visweswara Rao & Associates
Chartered Accountants
Chartered
Accountants.
(A.S. Naidu)
Partner
Membership No. 408582
Hyderabad.


Place: Hyderabad
Date : 19-06-2008

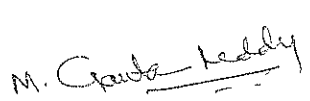
MDDA RAMKY IS BUS TERMINAL LIMITED
6-3-1089-G/10 & 11 1st Floor Gulmohar Avenue Rajbhavan Road
Somajiguda Hyderabad - 500 082
Balance Sheet as at 31st March, 2008

PARTICULARS	Schedule No.	As at 31-03-2008 Rs.	As at 31-03-2007 Rs.
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	97500000	97500000
b) Share Application Money pending allotment		21850000	3500000
2. LOAN FUNDS :			
Secured Loans	2	72082447	76592054
TOTAL		191432447	177592054
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS :			
a) Gross Block	3	131557274	131433192
b) Less: Depreciation		31791245	23427910
c) Net Block		99766029	108005282
d) Capital Work in Progress including incidental expenses pending allocation and advance paid on Capital account		189747249	102450460
2. INVESTMENTS:			
3. CURRENT ASSETS LOANS AND ADVANCES :			
a) Sundry Debtors	4	828950	2354612
b) Cash and Bank balances	5	7904278	9497695
c) Loans & Advances	6	1274318	1867219
Less : Current Liabilities & Provisions	7	10007546	13719526
Net Current Assets		137262137	66983993
		(127254591)	(53264467)
4. MISCELLANEOUS EXPENDITURE : (to the extent not written off or adjusted)			
	8	34502	71670
5. PROFIT & LOSS ACCOUNT			
		29139258	20329109
TOTAL		191432447	177592054
Notes forming part of accounts	13		

As per our report of even date &
for Visweswara Rao & Associates
Chartered Accountants

(A.S. Maipuri)
Partner
Membership No. 208582
Hyderabad.

on behalf of the Board
for MDDA Ramky Is Bus Terminal Limited

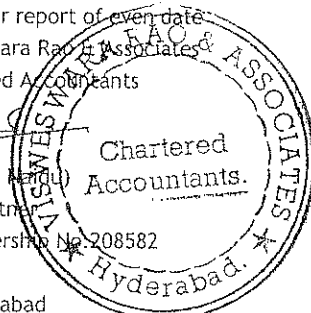

(Y.R. Nagaraja)
Director


(M. Goutham Reddy)
Director


Place: Hyderabad
Date :19-06-2008

MDDA RAMKY IS BUS TERMINAL LIMITED
6-3-1089-G/10 & 11 1st Floor Gulmohar Avenue Rajbhavan Road
Somajiguda Hyderabad - 500 082
Profit & Loss Account for the year ended 31st March, 2008

PARTICULARS	Schedule No.	Year ended on 31-03-2008 Rs.	Year Ended on 31-03-2007 Rs.
I. INCOME			
Gross Receipts	9	13133572	12366149
Other Income	10	481434	366305
		13615006	12732454
II. EXPENDITURE :			
Administrative & Other Direct Expenses	11	9823194	6508914
Depreciation		8363335	8397500
Interest/Finance Charges	12	4198108	4415749
		22384637	19322163
Net (Loss) / Profit Before Taxation		(8769631)	(6589709)
Less: Provision for Taxation			
Fringe Benefit Tax		40518	36207
Net Profit / (Loss) after Income Tax		(8810149)	(6625916)
Balance brought forward from previous year		(20329109)	(13703193)
Balance carried to Balance Sheet		(29139258)	(20329109)
Loss per Share (par value of Rs. 10/- each)			
- Basic		0.90	0.74
- Diluted		0.80	0.71
Number of shares used in computing Loss per share			
- Basic		9750000	8909279
- Diluted		10991448	9334998
Notes forming part of accounts	13		

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

(A.S. Reddy)
Partner
Membership No. 208582

on behalf of the Board
for MDDA Ramky Is Bus Terminal Limited


(Y.R. Nagaraja)
Director


(M. Goutham Reddy)
Director

Place: Hyderabad
Date :19-06-2008

MDDA RAMKY IS BUS TERMINAL LIMITED
6-3-1089-G/10 & 11 1st Floor Gulmohar Avenue Rajbhavan Road
Somajiguda Hyderabad - 500 082
Schedule forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	As at 31-03-2008 Rs.	As at 31-03-2007 Rs.
1 SHARE CAPITAL :		
AUTHORISED		
9750000 equity shares of Rs.10/-each	97500000	97500000
ISSUED SUBSCRIBED & PAID UP		
9750000 equity Shares of Rs.10/- Each	97500000	97500000
	97500000	97500000
2 SECURED LOANS :		
a) IDFC Term Loan	72082447	76466550
(The above term loan is secured by all the movable & immovable assets present & future of the company)		
b) Hypothication / Hire Purchase Loans	-	125504
(Secured by Hypothication such assets)		
	72082447	76592054

MDDA Ramky IS Bus Terminal Limited
Schedule No. 3

S. NO.	PARTICULARS	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
		AS AT 01.04.07	ADDITIONS	AS AT 31.03.08	AS AT 01.04.07	FOR THE YEAR	AS AT 31.03.08	AS AT 31.03.2007	
1	Buildings	76573553	-	76573553	10720298	3828678	14548976	62024577	65853255
2	Roads, Water supply & Drainage System	19143856	15080	19158936	5360280	1915766	7276046	11882890	13783576
3	Sewerage Treatment Plant	11087985	-	11087985	3104637	1108799	4213436	6874549	7983348
4	Furniture & Fixtures	1899900	25900	1925800	363607	120404	484011	1441789	1536293
5	Office Equipment	20222499	60950	20283449	2886233	1017790	3904023	16379426	17336266
6	Computers	1970014	22152	1992166	884303	321036	1205339	786827	1085711
7	Vehicles	535385	-	535385	108552	50862	159414	375971	426833
	Total	131433192	124082	131557274	23427910	8363335	31791245	99766029	108005282
	Previous Year	131295642	137550	131433192	15030410	8397500	23427910	108005282	116265232

MDDA RAMKY IS BUS TERMINAL LIMITED
6-3-1089-G/10 & 11 1st Floor Gulmohar Avenue Rajbhavan Road
Somajiguda Hyderabad - 500 082
Schedule forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	As at 31-03-2008 Rs.	As at 31-03-2007 Rs.
4 SUNDRY DEBTORS :		
(Unsecured and considered good)		
Debts outstanding for morethan six months	273148	965586
Other Debts	555802	1389026
	828950	2354612
5 CASH AND BANK BALANCES :		
Cash on Hand	9876	105213
Balances with scheduled Banks		
- in current account	2355744	595352
- Fixed Deposits	5538658	8797130
	7904278	9497695
6 LOANS, ADVANCES AND DEPOSITS		
Interest accrued but not due	109819	42436
Prepaid Expenses	67562	113998
Deposits & Advances	286281	1176830
TDS Receivable	810656	533955
	1274318	1867219
7 CURRENT LIABILITIES AND PROVISIONS :		
Sundry Creditors for Capital Goods	76725176	37406088
Outstanding Liabilities	9033219	3221594
Advances from Customers	51503742	26356311
	137262137	66983993
8 MISCELLANEOUS EXPENDITURE :		
(to the extent not written off or adjusted)		
a) Preliminary Expenses	69004	103506
Less: Written off During the Period	34502	34502
	34502	69004
b)Un-Matured Financial Charges	.	2666
	34502	71670

MDDA RAMKY IS BUS TERMINAL LIMITED
6-3-1089-G/10 & 11 1st Floor Gulmohar Avenue Rajbhavan Road
Somajiguda Hyderabad - 500 082
Schedules forming part of Profit & Loss Account for the year ended 31st March, 2008

PARTICULARS	Year Ended 31-03-2008 Rs.	Year Ended 31-03-2007 Rs.
9 GROSS RECEIPTS :		
Bus Terminal Fees (Adda Fees)	9417210	8442380
Shop Rentals from Shops/Kioks in ISBT	1795715	2710653
Parking Fees	785198	420923
Advertisement Revenue	439135	287010
Income from Dormitory	485815	298296
O&M charges Received	210499	206887
	13133572	12366149
10 OTHER INCOME :		
a) Interest Received	419676	297962
Tax deducted at source of Rs. 86,593/- (PY Rs. 67,000/-)		
b) Miscellaneous Income	61758	68343
	481434	366305
11 ADMINISTRATIVE AND OTHER DIRECT EXPENSES :		
Salaries and Wages	2750856	2343664
Staff Welfare	115873	109618
Legal & Professional Expenses	40000	77813
Audit Fee	53371	33708
Fees & Charges	2710200	7096
Rent & Maintenance	109919	102391
Tour & Travelling Expenses	315033	359653
Conveyance	50886	41868
Postage & Telegrams Expenses	2231	4082
Telephone Expenses	48473	46670
Printing & Stationery Expenses	198354	146308
Electricity Charges	380755	409172
Office Expenses	101255	56764
Computer & Web site Maintenance	20125	159402
Repairs & Maintenance	758714	431176
Maintenance Charges	1776738	1437461
Insurance	329156	354904
Business Promotion Expenses	6000	118477
Advertisement Expenses	2785	81310
Donations	-	25000
Miscellaneous Expenses	17968	9791
Preliminary Expenses Written Off	34502	34502
	9823194	6390830
12 INTEREST/FINANCE CHARGES :		
Interest on Term Loan	4109764	4333204
Other Interest	50300	82545
Bank Charges	38044	118084
	4198108	4533833

13. NOTES FORMING PART OF ACCOUNTS :

I. SIGNIFICANT ACCOUNTING POLICIES :

a) BASIS OF ACCOUNTING :

- i The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- ii Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- iii All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) FIXED ASSETS :

- i. Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalised.
- ii. Assets under installation/construction, advances paid towards acquisition of fixed assets, direct costs and related incidental expenses incurred on assets that are not ready for their intended use or not put to use as on the balance sheet date are stated as capital work-in-progress.

c) DEPRECIATION :

Depreciation has been provided on Straight Line Method as per the rates and manner specified in Schedule XIV to the Companies Act, 1956, except for the following assets, from the date of commercial operations.

- i. Depreciation on the following assets has been provided based on the useful life estimated by the management or over the concession/lease period which ever is lower :

a. Buildings	-	20 years
b. Roads, water supply and drainage system	-	10 years
c. Electrical equipment & fittings	-	20 years
d. Sewerage Treatment Plant	-	10 years
e. Office Equipment	-	20 years
f. Air Conditioner	-	20 years
- ii. The Company has provided depreciation at 100% in respect of assets costing less than Rs.5000/- each and depreciation on the assets acquired during the year is provided on pro-rata basis

d) AMORTISATION :

Preliminary expenses are being amortised over a period of five years.

e) BORROWING COST:

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as part of costs of such assets till such time the assets are ready for its intended use. A qualifying asset is one that requires substantial period of time to get ready for its intended use. All other Borrowing costs are charged to the Profit and loss account as period costs.

II. NOTES ON ACCOUNTS:

- a) Paise have been rounded off to the nearest rupee.
- b) Nature of Business : The company's project is to development of Inter State Bus Terminal at Dehradun in the State of Uttarakand on BOT (build, operate, transfer) basis for 20 years initially and extendable for another 10 years. The company has started commercial operations from June, 2004 in first phase of the project (i.e., bus terminal). In the second phase of the project, the company has been developing a commercial complex.
- c) Previous year figures have been regrouped, reclassified and recast wherever necessary to confirm to current years classification.
- d) Managerial Remuneration under section 198 of the Companies Act, 1956 paid or payable to the Managing Director - NIL
- e) Auditor's Remuneration:

Particulars	2007-2008	2006-2007
	Rs.	Rs.
For Audits Fee	53,371	33,708
	-----	-----
TOTAL	53,371	33,708
	=====	=====

- f) Number of employees who were in receipt of remuneration of Rs. 24,00,000 or more if employed through-out the year or Rs. 2,00,000/-per month if employed for a part of the year is NIL.
- g) As the company has not in the possession of information regarding dues to the Small Scale Industries, the same has not been furnished herewith.
- h) Taxation :

Current Tax :

No Provision for the current year has been made as there is no Taxable Income under the Income Tax Act, 1961

Deferred Tax :

The company is carrying on the business of Development and Maintenance of Inter State Bus Terminal under Infrastructure Projects. As per the existing laws as on the date of balance sheet and in view of the exemptions available to the company under the provisions of Income Tax Act, 1961, there is no effect to the company on account of computation of deferred tax as per the relevant accounting standard (AS-22) issued by The Institute of Chartered Accountants of India.

i) Loss per Share :

Basic & Diluted:

The Company reports basic and diluted Loss per Share in accordance with AS-20 issued by the Institute of Chartered Accountants of India. The Basic & Diluted Loss per Share has been calculated by dividing the loss by the weighted average number of equity shares and weighted average potentially dilutive equity shares outstanding during the accounting period.

Number of shares used in computing earning per share

	As at 31-03-2008 (Face value of Rs.10 /- each)	As at 31-03-2007 (Face value of Rs.10 /-each)
Number of shares considered as weighted average shares for calculation of Basic Earnings per share	97,50,000	89,09,279
Add: Diluted effect of potential shares	12,41,448	4,25,719
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	1,09,91,448	93,34,998

j).Contingent Liabilities :

Estimated amount of Contract remaining to be executed on capital account and not provided for (net of advances) Rs.228 lakhs (P.Year Rs. 248 lakhs).

k) Capitalised amount of Borrowing cost:

The company has been developing a commercial complex (the second phased of the project) which will take a substantial period of time to get ready for intended use. An amount of Rs. 43,38,181/- (P.Y Rs.36,57,471/-) towards borrowing cost incurred were taken into the capital work-in-progress.

l) Related party transactions as per AS-18 are as follows:

Key management personnel	Sri A. Peri Reddy
	Sri M. Goutham Reddy
	Sri Y. R. Nagaraja
Holding Company	
	Ramky Infrastructure Limited

Transactions with related parties for the year ended 31-03-2008:

Related party	Nature of transaction	For the year ended 31-03-2008 Amount Rs.	For the year ended 31-03-2007 Amount Rs.
Holding Company	Share Capital	--	1,42,72,700
	Share Application Money	1,83,50,000	35,00,000
	Contract	4,26,02,542	3,13,56,323
	Security Deposit Received		50,59,226

Out standing Balances of related parties as on 31-03-2008:

Related party	Nature of transaction	As at 31-03-2008 Amount Rs.	As at 31-03-2008 Amount Rs.
Holding Company	Share Capital	9,75,00,000	9,75,00,000
	Share Application Money	2,18,50,000	35,00,000
	Creditors for Capital Goods	7,41,56,258	3,23,67,440

MDDA RAMKY IS BUS TERMINAL LIMITED
CASH FLOW STATEMENT
For the year ended 31st March, 2008

PARTICULARS	As at 31-03-2008 RS.	As at 31.03.2007 RS.
A) Cash Flow from Operating Activities		
Net Profit before tax	(8769631)	(6589709)
Adjustments for:		
Depreciation	8363335	8397500
Interest Paid	4198108	4415749
Interest Received	(419676)	(297962)
Preliminary Expenses Written Off	34502	34502
Operating Profit before changes in working capital	3406638	5960080
Adjustments for:		
Increase/(Decrease) in Current Liabilities	30964195	4662770
(Increase)/Decrease in Loans & Advances	936985	1897727
(Increase) /Decrease in trade Receivables	1525662	(368035)
(Increase)/Decrease in Miscellaneous Expenses	2666	10753
	36836146	12163295
Adjustments for:		
Income-tax / TDS adjustments	(276701)	(290335)
Fringe Benefit Tax	(45657)	(64643)
Net cash flow from operating activities [A]	36513788	11808317
B) Cash flow from Investing Activities:		
Increase in Fixed Assets/Capital Work in Progress	(87420871)	(73065888)
Interest Received	352293	281685
Net Cash flow from Investing Activities [B]	(87068578)	(72784203)
C) Cash flow from Financing Activities:		
Proceeds from Issue of Share Capital/Share Application Money	18350000	17772700
Increase/(Decrease) in Long Term Borrowings	(4488266)	6262367
Increase/(Decrease) in Creditors for Capital Goods	39319088	37012208
Interest paid	(4219449)	(4374518)
Net cash flow from Financing Activities [C]	48961373	56672757
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	(1593417)	(4303129)
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9497695	13800824
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	7904278	9497695

As per our report of even date
for Visweswara Rao & Associates

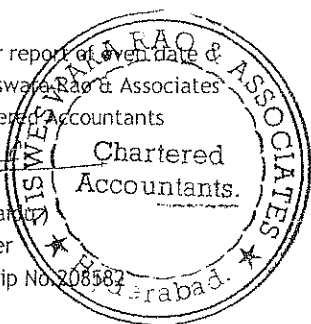
Chartered Accountants

(A.S. Narayana)
Partner

Membership No. 208582

Place : Hyderabad

Date : 19-06-2008



on behalf of the board

for MDDA Ramky IS Bus Terminal Limited

(Y.R. Nagaraja)
Director

(M. Goutham Reddy)
Director

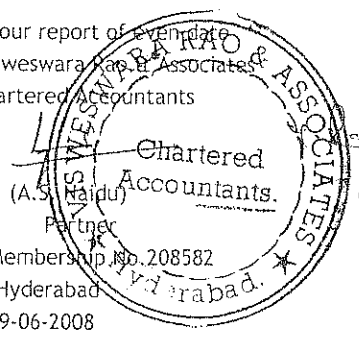
III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details			
Registration No.	:		41549
State Code	:		01
Balance Sheet Date	:		31.03.2008
2. Capital Raised during the year (Amount in Rs. Thousands)			
Public Issue	:		NIL
Rights Issue	:		NIL
Bonus Issue	:		NIL
Private Placement	:		NIL
3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)			
Total Liabilities	:		191432
Total Assets	:		191432
Sources of Funds			
Paid-up Capital/Share Application Money	₹ :		119350
Reserves & Surplus	:		NIL
Secured Loans	:		72082
Unsecured Loans	:		NIL
Application of Funds			
Net Fixed Assets/Capital Work in Progress	:		289513
Investments	:		NIL
Net Current Assets	:		(127255)
Miscellaneous Expenditure	:		35
Accumulated Losses	:		29139
4. Performance of the Company (Amount in Rs. Thousands)			
Turnover	:		13615
Total Expenditure	:		22385
Loss Before Tax	:		-8770
Loss After Tax	:		-8810
Loss Per Share in Rs.	:		
		- Basic	0.90
		- Diluted	0.80
Dividend Rate %	:		NIL
5. Generic Names of Three Principal Products/Services of Company			
(As per monetary terms)			
Product Description		Item Code No. (ITC Code)	
Infrastructure Projects			

Signatures for Schedules 1 - 13

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



Place: Hyderabad
Date :19-06-2008

on behalf of the Board
for MDDA Ramky Is Bus Terminal Limited

(Signature)
(Y.R.Nagaraja)
Director

(Signature)
M. Goutham Reddy
(M.Goutham Reddy)
Director

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	V. V. Rao	5 November 2007
02	A. Peri Reddy	5 November 2007
03	M. Goutham Reddy	5 November 2007
04	A. Dakshayani	2 August 2008

Resignations

All the First Directors of the Company, Mr. M. Vasudeva Reddy, Mrs. M. Udaya Kumari and Mr. J. Krishna Reddy were resigned from the Board effective from 6 November 2007 and Mr. M. Goutham Reddy who was appointed as Additional Director on 5 November 2007 has resigned from the Board effective from 2 August 2008.

The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

Mr. V. V. Rao and Mr. A. Peri Reddy were inducted as Additional Directors on the Board on 5 November 2007 and Mrs. A. Dakshayani was appointed as Additional Director on 2 August 2008. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re-appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India and the State Government of Andhra Pradesh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Ramky Towers Limited.

Dated: 01.09.2008
Place : Hyderabad.

Sd/-
(A.Peri Reddy)
Director

Sd/-
(V.V.Rao)
Director

AUDITORS' REPORT

To
The Members,
RAMKY TOWERS LIMITED

1. We have audited the attached Balance Sheet of Ramky Towers Limited ,as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.




4. Further to our Comments in the Annexure referred to in paragraph 3 above:

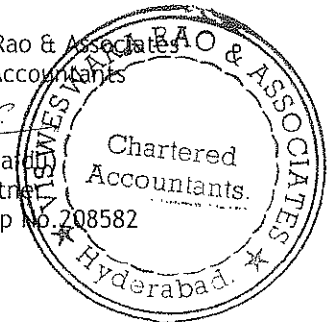
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
- (c) the Balance Sheet and the cash flow statement dealt with by this report are in agreement with the books of Account;
- (d) in our opinion, the Balance Sheet and the cash flow statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

Place: Hyderabad
Date: 20-06-2008

for Visweswara Rao & Associates
Chartered Accountants


(A.S. Narayana)
Partner

Member Ship No. 208582



ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All the fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and therefore do not affect going concern status of the Company.
- ii.
 - a. Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v.
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, that need to be entered into the register required to be maintained under that Section have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of five lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.

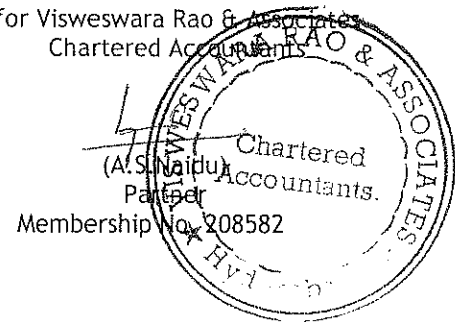


- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. According to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks and there are no outstanding debentures.
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us the term loan has been applied for the purposes for which it was obtained.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.



- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for Visweswara Rao & Associates
Chartered Accountants



Place: Hyderabad
Date : 20-06-2008

RAMKY TOWERS LIMITED
 6-3-1089/G/10&11, Gulmohar Avenue, Rajbhavan Road,
 Somajiguda, HYDERABAD - 500 082
 BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	SCH. NO.	AS AT 31-03.2008 Rs.
I. SOURCES OF FUNDS:		
1. SHAREHOLDERS' FUNDS:		
a) Share Capital	1	500000
b) Share Application Money pending allotment		3162041
2. LOAN FUNDS:		
a) Secured Loans	2	797687
b) Unsecured Loans		-
T O T A L		4459728
II. APPLICATION OF FUNDS:		
1. FIXED ASSETS:		
a) Gross Block		1602291
b) Less: Depreciation	3	27673
c) Net Block		1574618
2. INVESTMENTS		
3. CURRENT ASSETS, LOANS AND ADVANCES:		
a) Inventories	4	505784719
b) Cash and Bank Balances	5	9693324
c) Loans, Advances & Deposits	6	3293506
		518771549
Less: Curent Liabilities and Provisions	7	515914363
Net Current Assets		2857186
4. MISCELLANEOUS EXPENSES (to the extent not written off or adjusted)		
	8	27924
T O T A L		4459728
NOTES FORMING PART OF ACCOUNTS	9	

As per our report of even date
 for Visweswara Rao & Associates
 Chartered Accountants
 (A.S. No. 208584)
 Partner
 Membership No. 208584

On Behalf Of The Board
 for Ramky Towers Limited

(M. Goutham Reddy)
 Director

(A. Peri Reddy)
 Director

Place : Hyderabad
 Date : 20-06-2008

RAMKY TOWERS LIMITED
6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road,
Somajiguda, HYDERABAD - 500 082.
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.
1. SHARE CAPITAL	
AUTHORISED:	
50000 Equity Shares of Rs.10/- each	500000
ISSUED, SUBSCRIBED & PAID-UP:	
50000 Equity Shares of Rs.10/- each	500000
	500000
2. SECURED LOANS :	
Hirepurchase/ Hypothication Loan	797687
(Loans availed under Hirepurchase / Hypothication is secured by Hypothication of such assets)	
	797687
4. INVENTORIES:	
Flats under development	505784719
	505784719
5. CASH AND BANK BALANCES:	
Cash on Hand	46544
Balance with Scheduled Banks:	
- in Current Accounts	9646780
	9693324

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

3: FIXED ASSETS:

Amount in Rs.

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK			
	AS AT 01.04.07	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31.03.08	UP TO 31.03.07	FOR THE YEAR	DELETIONS DURING THE YEAR	UP TO 31.03.08	AS AT 31.03.08	AS AT 31.03.07
1. FURNITURE & FIXTURES	-	32512	-	32512	-	23	-	23	32489	-
2. FAX MACHINE	-	8112	-	8112	-	75	-	75	8037	-
3. COMPUTERS	-	211592	-	211592	-	9711	-	9711	201881	-
4. PRINTERS	-	28876	-	28876	-	348	-	348	28528	-
5. VEHICLES	-	1150359	-	1150359	-	14371	-	14371	1135988	-
6. OFFICE EQUIPMENTS	-	170840	-	170840	-	3145	-	3145	167695	-
	-	1602291	-	1602291	-	27673	-	27673	1574618	-

RAMKY TOWERS LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.
6. LOANS, ADVANCES AND DEPOSITS: (unsecured considered good)	
Advances and receivables	2208485
Advance Tax and Tax deducted at source	1085021
	3293506
7. CURRENT LIABILITIES AND PROVISIONS	
Advances Received from customers	153048426
Sundry Creditors	194668381
Security Deposits	167378308
Outstanding Liabilities	678296
Fringe Benefit Tax Payable	15606
Provision for Income Tax	125346
	515914363
8. MISCELLANEOUS EXPENSES	
Preliminary Expenses	27924
	27924

9. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalized.

c) DEPRECIATION :

Depreciation is provided on straight Line method at rates and in the manner prescribed by schedule XIV to the Companies Act, 1956.

The company has provided depreciation at 100% in respect of assets costing less than Rs. 5,000/- each and depreciation on the assets acquired during the year is provided on pro-rata basis

d) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

e) INVENTORIES :

Inventories comprises of lands, development of lands Plots 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 excluding other income if any.

II. NOTES ON ACCOUNTS:

a) Paise have been rounded off to the nearest rupee.

b) Project Details:

Andhra Pradesh Housing Board (APHB) is the rightful owner of the land situated at Gatchibowli. The APHB has executed a development agreement with the company for developing of said land and erecting therein building units together with all necessary infrastructure and transfer and assign its rights and obligations with regard to designing and planning , development of necessary infrastructure, provision of necessary services, operation & maintenance of infrastructure, administration and management of the project.

- c) Previous year figures are not available as this is the first year.
- d) Profit and loss account is not prepared as there is no commercial operations as on Balance Sheet date.

e) Auditors' Remuneration :

	2007-2008
	Rs.
Audit Fee	33,708
	=====

f) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows

A. Related Parties and Nature of related party

Key management personnel	Sri A.Peri Reddy
	Sri M.Gowtham Reddy
	Sri V.Venketeswara Rao
Holding Company	Ramky Infrastructure Limited
Group Company	Ramky Estates and Farms Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
		Rs
Ramky Infrastructure Limited	Share Capital	255000
	Share Application Money	1581000
	Security Deposit Received	167378308
	Contract Expenditure	237940090
Ramky Estates and Farms Limited	Share Capital	245000
	Share Application Money	1581041

C. Details of Related Parties Outstanding Balances as on 31-03-2008

Name	Details	Amount
		Rs
Ramky Infrastructure Limited	Share capital	255000
	Share Application Money	1581000
	Creditors	188742265
	Security Deposit	167378308
Ramky Estates and Farms Limited	Share Capital	245000
	Share Application Money	1581041

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. U45209AP2007PLC054907
 State Code : 01
 Balance Sheet Date : 3/31/2008

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue : NIL
 Rights Issue : NIL
 Bonus Issue : NIL
 Private Placement : 500

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 4460
 Total Assets : 4460

Sources of Funds

Paid-up Capital / Share Application Money : 3662
 Reserves & Surplus : -
 Secured Loans : 798
 Unsecured Loans : -
 Deferred Tax Liability (Net) : -

Application of Funds

Net Fixed Assets : 1575
 Investments : -
 Net Current Assets : 2857
 Miscellaneous Expenditure : 28

4. Performance of the Company (Amount in Rs. Thousands)

Turnover : -
 Total Expenditure : -
 Profit/Loss Before Tax + (-) : -
 Profit/Loss After Tax + (-) : -
 Earnings Per Share in Rs.
 - Basic : -
 Diluted : -

5. Generic Names of Three Principal Products/Services of Company

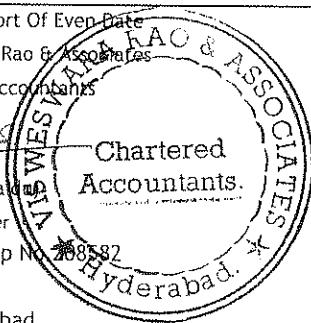
(As per monetary terms)
 Item Code No. (ITC Code) :
 Product Description : Real Estates & Property Development

Signature for schedules 1 to 9

As Per Our Report Of Even Date
 for Visweswara Rao & Associates
 Chartered Accountants

On Behalf Of The Board
 for Ramky Towers Limited

(A.S. Naidu)
 Partner
 Membership No. 208582



M. Goutham Reddy
 (M. Goutham Reddy)
 Director

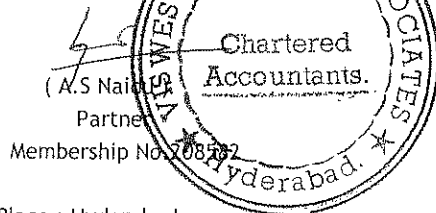
A. Peri Reddy
 (A. Peri Reddy)
 Director

Place : Hyderabad
 Date : 20-06-2008

RAMKY TOWERS LIMITED
Cash flow statement for the period ended 31st March, 2008

PARTICULARS	As at 31.03.2008 RS.
A) Cash Flow from Operating Activities	
Net Profit before tax	-
Adjustments for:	
Depreciation	-
Interest Paid	-
Interest Received	-
Preliminary Expenses Written Off	-
Operating Profit before changes in working capital	-
Adjustments for:	
Increase/(Decrease) in Current Liabilities	515914363
(Increase)/Decrease in Loans, Advances & Deposits	(3293506)
(Increase) /Decrease in inventories	(505757046)
(Increase)/Decrease in Miscellaneous Expenses	(27924)
Adjustments for:	
Income-tax / TDS adjustments	-
Fringe Benefit Tax	-
Net cash flow from operating activities [A]	6835887
B) Cash flow from Investing Activities:	
Increase in Fixed Assets/Pre-operative expenses & Miscellaneous Expenses	(1602291)
Net Cash flow from Investing Activities [B]	(1602291)
C) Cash flow from Financing Activities:	
Proceeds from Issue of Share Capital/Share Application Money	3662041
Increase/(Decrease) in Long Term Borrowings	797687
Net cash flow from Financing Activities [C]	4459728
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	9693324
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	9693324

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



(A.S. Naidu)
Partner

Membership No. 708782

Place : Hyderabad

Date : 20-06-2008

on behalf of the board
for Ramky Towers Limited

M. Goutham Reddy
(M.Goutham Reddy)
Director

A. Peri Reddy
(A.Peri Reddy)
Director

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

There were no appointments of Directors of the company during the year under Report.

Resignations

There were no resignations of Directors of the company during the year under Report.

Proposed Appointments

The following appointments to the Board are proposed:

Approval of the Shareholders is being sought for the appointment of Mr. Y. R. Nagaraja, Mr. A. Peri Reddy and Mr. S. Vijaya Rami Reddy, who are the First Directors of the company, as Directors retiring by rotation, in terms of Section 255 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31st March, 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re-appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|------------------------------|---|---------|
| a) Foreign Exchange Earnings | - | Rs. Nil |
| b) Foreign Exchange Out go | - | Rs. Nil |

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Andhra Pradesh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Ramky Enclave Limited.

Dated: 01.09.2008
Place : Hyderabad.

Sd/-
(A.Peri Reddy)
Director

Sd/-
(Y. R. Nagaraja)
Director

AUDITORS' REPORT

To
The Members,
RAMKY ENCLAVE LIMITED


1. We have audited the attached Balance Sheet of Ramky Enclave Limited, as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.

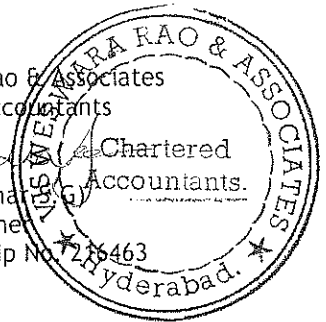


4. Further to our Comments in the Annexure referred to in paragraph 3 above:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
- (c) the Balance Sheet and the Cash Flow Statement dealt with by this report are in agreement with the books of Account;
- (d) in our opinion, the Balance Sheet and the Cash Flow Statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

for Visweswara Rao & Associates
Chartered Accountants


(Mahidhar)
Partner
Member Ship No. 226463



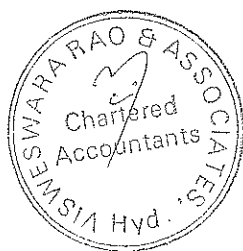
Place: Hyderabad
Date : 20-06-2008

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All the fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and therefore do not affect going concern status of the Company.
- ii.
 - a. Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v.
 - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, that need to be entered into the register required to be maintained under that Section have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of five Lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.

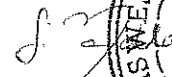


- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. The company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. The Company has not obtained any term loans. Accordingly clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.



- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

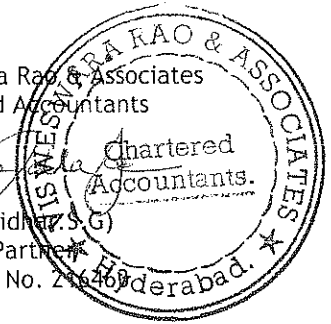
for Visweswara Rao & Associates
Chartered Accountants


Chartered
Accountants.

(Mahidhar S.G)

Partner

Membership No. 20646

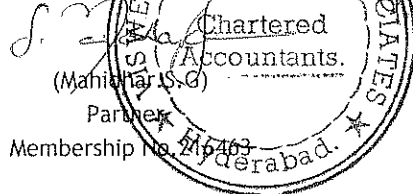


Place: Hyderabad
Date : 20-06-2008

RAMKY ENCLAVE LIMITED
6-3-1089/G/10&11, Gulmohar Avenue, Rajbhavan Road,
Somajiguda, HYDERABAD - 500 082
BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	SCH- NO.	AS AT 31-03.2008 Rs.
I. SOURCES OF FUNDS:		
1. SHAREHOLDERS' FUNDS:		
a) Share Capital	1	500000
b) Share Application money		-
2. LOAN FUNDS:		
a) Secured Loans		-
b) Unsecured Loans		-
T O T A L		500000
II. APPLICATION OF FUNDS:		
1. FIXED ASSETS:		
a) Gross Block	2	40040
b) Less: Depreciation		1472
c) Net Block		38568
2. INVESTMENTS		
3. CURRENT ASSETS, LOANS AND ADVANCES:		
a) Inventories	3	362145763
b) Cash and Bank Balances	4	230391
c) Loans, Advances & Deposits	5	629619
		363005773
Less: Current Liabilities and Provisions	6	362565665
Net Current Assets		440108
4. MISCELLANEOUS EXPENSES		
(to the extent not written off or adjusted)	7	21324
T O T A L		500000
NOTES FORMING PART OF ACCOUNTS	8	

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



on behalf of The Board
for Ramky Enclave Limited

(Signature)

(Y.R.Nagaraja)
Director

(Signature)

(A. Peri Reddy)
Director

Place : Hyderabad
Date :20-06-2008

RAMKY ENCLAVE LIMITED
6-3-1089/G/10&11, 1st Floor, Gulmohar Avenue, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.
1. SHARE CAPITAL	
AUTHORISED:	
50000 Equity Shares of Rs.10/- each	500000
ISSUED, SUBSCRIBED & PAID-UP:	
50000 Equity Shares of Rs.10/- each	500000
	500000
3. INVENTORIES:	
Flats under development	362145763
	362145763
4. CASH AND BANK BALANCES:	
Cash on Hand	214051
Balance with Scheduled Banks:	
- In Current Account	16340
	230391
5. LOANS, ADVANCES AND DEPOSITS: (unsecured considered good)	
Advances and receivables	628619
Deposits	1000
	629619
6. CURRENT LIABILITIES AND PROVISIONS	
Sundry Creditors	204656685
Security Deposit	154804958
Outstanding Liabilities	3103030
Provision for Fringe benefit tax	992
	362565665
7. MISCELLANEOUS EXPENSES	
Preliminary Expenses	21324
	21324

SCHEDULES FORMING PART OF BALANCE SHEET
2. FIXED ASSETS

S.NO.	PARTICULARS	Gross Block		Depreciation		Net Block	
		AS AT 01.04.2007	AS AT 31.03.2008	AS AT 01.04.2007	For the year 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
1	Computers & Accessories	-	40040	-	1472	1472	38568
		-	40040	-	1472	1472	38568

8. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalized.

c) DEPRECIATION :

Depreciation has been provided on Straight Line Method as per the rates and manner specified in Schedule XIV to the Companies Act, 1956.

The company has provided depreciation at 100% in respect of assets costing less than Rs. 5000/- each, depreciation on the assets acquired during the year is provided on pro-rata basis.

d) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

e) INVENTORIES :

Inventories comprises of lands, development of lands Plots 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.

II. NOTES ON ACCOUNTS:

a) Paise have been rounded off to the nearest rupee.

b) Project Details:

Andhra Pradesh Housing Board (APHB) is the rightful owner of the land situated at Warangal, measuring approximately 32.69 acres. The APHB has executed a development agreement with the company for developing of said land and erecting therein building units together with all necessary infrastructure and transfer and assign to the Company its rights and obligations with regards to designing and planning, financing, marketing, development of necessary infrastructure, provision of necessary services, operation & maintenance of infrastructure, administration and management of the project.

- c) Previous year figures are not available as this is the first year.
- d) Profit and loss account is not prepared as there is no commercial operations as on Balance Sheet date.

e) Auditors' Remuneration :

	2007-2008 Rs.
Audit Fee	33,708 =====

f) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows

A. Related Parties and Nature of related party

Key management personnel	Sri A.Peri Reddy
	Sri Y R Naga raja
	Sri S. Vijaya Rami Reddy
Holding Company	Ramky Infrastructure Limited
Group Company	Ramky Estates & Farms Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
Ramky Infrastructure Limited	Share Capital	4,45,050
	Security Deposit	13,78,73,694
	Contract Expenditure	21,32,77,003
Ramky Estates & Farms Limited	Share Capital	54,950
	Security Deposit	1,69,31,264

C. Details of Related Parties Outstanding Balances as on 31-03-2008

Name	Details	Amount
Ramky Infrastructure Limited	Share capital	4,45,050
	Security Deposit	13,78,73,694
	Creditors	20,42,14,576
Ramky Estates & Farms Limited	Share Capital	54,950
	Security Deposit	1,69,31,264

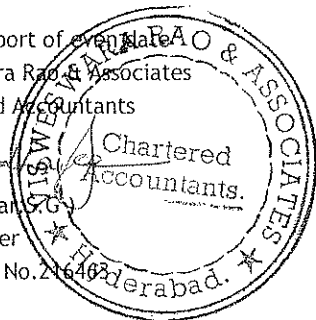
RAMKY ENCLAVE LIMITED
Cash flow statement for the period ended 31st March, 2008

PARTICULARS	As at 31.03.2008 Rs.
A) Cash Flow from Operating Activities	
Net Profit before tax	-
Adjustments for:	-
Depreciation	-
Interest Paid	-
Interest Received	-
Preliminary Expenses Written Off	-
Operating Profit before changes in working capital	-
Adjustments for:	
Increase/(Decrease) in Current Liabilities	362565665
(Increase)/Decrease in Loans, Advances and Deposits	(629619)
(Increase) /Decrease in trade inventories	(362144291)
(Increase)/Decrease in Miscellaneous Expenses	(21324)
Adjustments for:	
Income-tax / TDS adjustments	-
Fringe Benefit Tax	-
Net cash flow from operating activities [A]	(229569)
B) Cash flow from Investing Activities:	
Increase in Fixed Assets/Pre-operative expenses & Miscellaneous Expenses	(40040)
Net Cash flow from Investing Activities [B]	(40040)
C) Cash flow from Financing Activities:	
Proceeds from Issue of Share Capital/Share Application Money	500000
Increase/(Decrease) in Long Term Borrowings	-
Net cash flow from Financing Activities [C]	500000
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	230391
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	230391

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

(Mahidhar S.G.)
Partner

Membership No. 216403



on behalf of the board
for Ramky Enclave Limited

(Y.R. Nagaraja)

(Y.R. Nagaraja)
Director

(A.Peri Reddy)

(A.Peri Reddy)
Director

Place : Hyderabad
Date : 20-06-2008

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. U45200AP2007PLC056183
 State Code : 01
 Balance Sheet Date : 31-Mar-08

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue : NIL
 Rights Issue : NIL
 Bonus Issue : NIL
 Private Placement : 500

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 500
 Total Assets : 500

Sources of Funds

Paid-up Capital / Share Application Money : 500
 Reserves & Surplus : -
 Secured Loans : -
 Unsecured Loans : -
 Deferred Tax Liability (Net) : -

Application of Funds

Net Fixed Assets : 39
 Investments : -
 Net Current Assets : 440
 Miscellaneous Expenditure : 21

4. Performance of the Company (Amount in Rs. Thousands)


Turnover : -
 Total Expenditure : -
 Profit/Loss Before Tax + (-) : -
 Profit/Loss After Tax + (-) : -
 Earnings Per Share in Rs.
 - Basic : -
 Diluted : -

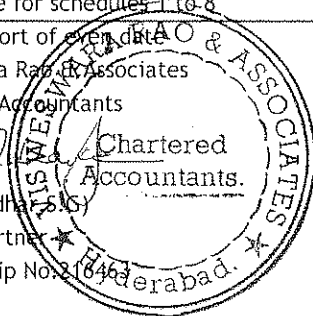
5. Generic Names of Three Principal Products/Services of Company

(As per monetary terms)
 Item Code No. (ITC Code) :
 Product Description : Real Estates & Property Development


Signature for schedules 1 to 8


As per our report of even date
 for Visweswara Rao & Associates
 Chartered Accountants


 (Mahidhar S.S.)
 Partner
 Membership No. 216463



On Behalf Of The Board
 for Ramky Enclave Limited


 (Y.R. Nagaraja)
 Director


 (A. Peri Reddy)
 Director

Place : Hyderabad
 Date : 20-06-2008

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	Mr. P. Eshwar Reddy	5 November 2007
02	Mr. M. Goutham Reddy	5 November 2007
03	Mr. A. P. Kurian	2 August 2007
04	Mr. Dhires Nigam	2 August 2007

Resignations

Among the First Directors of the Company, Mr. Y.R.Nagaraja and Mr. J. Krishna Reddy were resigned from the Board effective from 5 November 2007 and Mr. M. Goutham Reddy, Additional Director has resigned from the Board effective from 2 August 2008. The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

a) Approval of the Shareholders is being sought for the appointment of Dr. KSM Rao, First Director of the company as a Director retiring by rotation, in terms of Section 255 of the Companies Act, 1956.

b) Mr. P. Eshwar Reddy, Mr. A.P.Kurian and Mr. Dhires Nigam were inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re- appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Chattisgarh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Ramky Food Park (Chattisgarh) Limited

Dated: 01.09.2008
Place: Hyderabad.

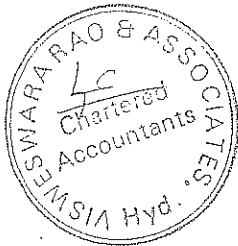
Sd/-
(P. Eshwar Reddy)
Director

Sd/-
(Dr.K.S.M.Rao)
Director

AUDITORS' REPORT

To
The Members,
Ramky Food Park (Chattisgarh) Limited

1. We have audited the attached Balance Sheet of Ramky Food Park (Chattisgarh) Limited, as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.



4. Further to our Comments in the Annexure referred to in paragraph 3 above:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
 - (c) the Balance Sheet and the cash flow statement dealt with by this report are in agreement with the books of Account;
 - (d) in our opinion, the Balance Sheet and the cash flow statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

for Visweswara Rao & Associates
Chartered Accountants
Chartered Accountants.
(A.S. Naidu)
Partner
Member Ship No. 200587 Hyderabad.

Place: Hyderabad
Date : 18-06-2008

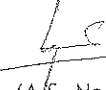
ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. The Company has no fixed assets, hence clause 4 (i) of the companies (Auditor's Report) Order, 2003 is not applicable.
- ii. The company is in the development stage and has no inventory, hence clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v. According to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.
- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix.
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. The company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.

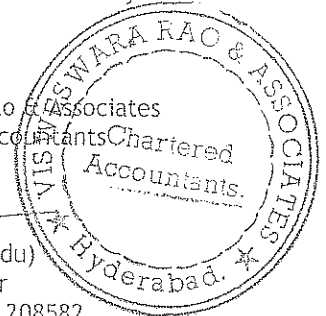


- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. The Company has not obtained any term loans. Accordingly clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for Visweswara Rao & Associates
Chartered Accountants


(A.S. Naidu)
Partner

Membership No. 208582



Place: Hyderabad
Date : 18-06-2008

RAMKY FOOD PARK (CHATTISGARH) LIMITED

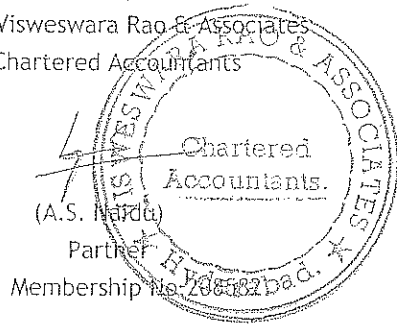
R-IX Anupam Nagar

Raipur-492001 Chattisgarh

Balance Sheet as at 31st March, 2008

PARTICULARS	Schedule No.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS :		
1. SHAREHOLDERS' FUNDS :		
a) Share Capital	1	500000
b) Share Application Money pending allotment		11591934
2. LOAN FUNDS :		
a) Secured Loans		-
TOTAL		12091934
II. APPLICATION OF FUNDS :		
1. FIXED ASSETS :		
a) Gross Block		-
b) Less: Depreciation		-
c) Net Block		-
2. CURRENT ASSETS LOANS AND ADVANCES :		
a) Cash and Bank balances	2	1284659
b) Other Current assets	3	10792960
		12077619
Less : Current Liabilities & Provisions	4	20409
Net Current Assets		12057210
3. MISCELLANEOUS EXPENDITURE :	5	
(to the extent not written off or adjusted)		34724
TOTAL		12091934
Notes forming part of accounts	6	

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



(A.S. Naydu)

Partner

Membership No. 20682 Pa.C.

on behalf of the Board

for Ramky Food Park (Chattisgarh) Limited

M. Goutham Reddy

(M.Goutham Reddy)

Director

DR. K.S.M. Rao

(DR. K.S.M. Rao)

Director

Place: Hyderabad

Date :18-06-2008

RAMKY FOOD PARK (CHATTISGARH) LIMITED
R-IX Anupam Nagar
Raipur-492001 Chattisgarh
Schedules forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	As at 31-03-2008 Rs.
1 Share Capital :	
AUTHORISED	500000
50000 equity shares of Rs.10/-each	500000
ISSUED SUBSCRIBED & PAID UP	
50000 equity Shares of Rs.10/- Each	500000
	500000
2 Cash and Bank balances	
Cash on Hand	4796
Balance with Schedule Banks:	
- in current accounts	1279863
	1284659
3 Other Current Assets	
Project Development Expenses	10792960
	10792960
4 Current liabilities and provisions	
Outstanding Liabilities	16854
Fringe Benefit Tax payable	3555
	20409
5 Miscellaneous Expenditure (to the extent not written off)	
Preliminary Expenses	34724
	34724

6. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

c) PROJECT DEVELOPMENT EXPENSES:

Expenditure directly relating to the Project development is grouped under Project Development Expenses.

II. NOTES ON ACCOUNTS:

- a) Paise have been rounded off to the nearest rupee.
- b) The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Food Park, comprising (i) Industrial units (ii) Physical Infrastructure (iii) Common Facilities and Special Infrastructure and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with CSIDC on Build Operate and Transfer (BOT) basis, with the right to grant sub-leases, licenses and sub-authorization for development and operation and maintenance of the Food Park and to determine, demand, collect, retain and appropriate, enforce and revise the charges and prices.
- c) Previous year figures are not available as this is the first year.
- d) Profit and loss account is not prepared as there is no commercial operations as on Balance Sheet date.

e) Auditors' Remuneration :

	2007-2008
	Rs.
Audit Fee	16,854
	=====
	16,854
	=====

f) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows

A. Related Parties and Nature of related party

Key management personnel	Sri P. Eshwar Reddy
	Sri K.S.M.Rao
	Sri M.Goutham Reddy
Holding Company	Ramky Infrastructure Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
Ramky Infrastructure Limited	Share Capital	5,00,000
	Share Application Money	1,15,91,934

C. Details of Related Parties Outstanding Balances as on 31-03-2008

Name	Details	Amount
Ramky Infrastructure Limited	Share capital	5,00,000
	Share Application Money	1,15,91,934

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	U45209CT2007PLC020373
State Code	: 01
Balance Sheet Date	: 31-Mar-08

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	: NIL
Rights Issue	: NIL
Bonus Issue	: NIL
Private Placement	: 500

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	: 12092
Total Assets	: 12092

Sources of Funds

Paid-up Capital / Share Application Money	: 12092
Reserves & Surplus	: -
Secured Loans	: -
Unsecured Loans	: -

Application of Funds

Net Fixed Assets / Pre operative Expenses	: -
Investments	: -
Net Current Assets	: 12057
Miscellaneous Expenditure	: 35

4. Performance of the Company (Amount in Rs. Thousands)

Turnover	: -
Total Expenditure	: -
Profit/Loss Before Tax + (-)	: -
Profit/Loss After Tax + (-)	: -
Earnings Per Share in Rs.	
- Basic	: -
Diluted	: -

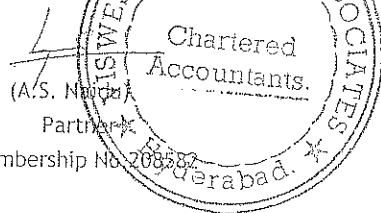
5. Generic Names of Three Principal Products/Services of Company

(As per monetary terms)

Item Code No. (ITC Code)	:
Product Description	:
Infrastructure Projects	:

Signature for schedules 1 to 6

As Per Our Report Of Even Date
for Visweswara Rao & Associates
Chartered Accountants



(A.S. Naidu)
Partner

Membership No. 208582

On Behalf Of The Board
for Ramky Food Park (Chattisgarh) Limited

M. Goutham Reddy
(M. Goutham Reddy)
Director

Dr. K.S.M. Rao
(Dr. K.S.M. Rao)
Director

Place : Hyderabad

Date : 18-06-2008

RAMKY FOOD PARK (CHATTISGARH) LIMITED
Cash Flow Statement for the period ended 31st March, 2008

Particulars	As at 31.03.2008 RS.
A) Cash Flow from Operating Activities	
Net Profit before tax	-
Adjustments for:	
Depreciation	-
Interest Paid	-
Interest Received	-
Preliminary Expenses Written Off	-
Operating Profit before changes in working capital	-
Adjustments for:	
Increase/(Decrease) in Current Liabilities	-
(Increase)/Decrease in Loans & Advances	-
(Increase) /Decrease in trade Receivables	-
(Increase)/Decrease in Miscellaneous Expenses	-
Adjustments for:	
Income-tax / TDS adjustments	-
Fringe Benefit Tax	-
Net cash flow from operating activities [A]	-
B) Cash flow from Investing Activities:	
Increase in Fixed Asset/Pre-operative expenses & Miscellaneous Expenses	(34724)
(Increase)/Decrease in Loans & Advances	(10792960)
Net Cash flow from Investing Activities [B]	(10827684)
C) Cash flow from Financing Activities:	
Proceeds from Issue of Share Capital/Share Application Money	12091934
Increase in Current Liabilities	20409
Increase/(Decrease) in Long Term Borrowings	-
Interest paid	-
Net cash flow from Financing Activities [C]	12112343
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	1284659
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	1284659

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

Chartered Accountants

Chartered
Accountants.

Partner

Membership No. 298582

Hyderabad.

on behalf of the board
for Ramky Food Park (Chattisgarh) Limited

M. Goutham Reddy

(M. Goutham Reddy)

Director

DR. K.S.M. Rao

(DR. K.S.M. Rao)

Director

Place : Hyderabad

Date : 18-06-2008

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	Mr. P. Eshwar Reddy	5 November 2007
02	Mr. M. Goutham Reddy	5 November 2007
03	Mr. A. P. Kurian	2 August 2007
04	Mr. Dhires Nigam	2 August 2007

Resignations

Among the First Directors of the Company, Mr. Y.R.Nagaraja and Mr. J. Krishna Reddy were resigned from the Board effective from 5 November 2007 and Mr. M. Goutham Reddy, Additional Director has resigned from the Board effective from 2 August 2008. The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

a) Approval of the Shareholders is being sought for the appointment of Dr. KSM Rao, First Director of the company as a Director retiring by rotation, in terms of Section 255 of the Companies Act, 1956.

b) Mr. P. Eshwar Reddy, Mr. A.P.Kurian and Mr. Dhires Nigam were inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re- appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Chattisgarh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Ramky Herbal and Medicinal Park (Chattisgarh) Limited

Dated: 01.09.2008
Place: Hyderabad.

Sd/-
(P. Eshwar Reddy)
Director

Sd/-
(Dr.K.S.M.Rao)
Director

VISWESWARA RAO & ASSOCIATES
Chartered Accountants

"SRI", Plot No: 512A1
Road No-31, Jubilee Hills
Hyderabad - 500 033.
Phone: +91-40-23546705
Phone & Fax : +91-40-23548003
Email: svrvrao@yahoo.com

AUDITORS' REPORT

To
The Members,
Ramky Herbal and Medicinal Park (Chattisgarh) Limited

1. We have audited the attached Balance Sheet of Ramky Herbal and Medicinal Park (Chattisgarh) Limited, as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.

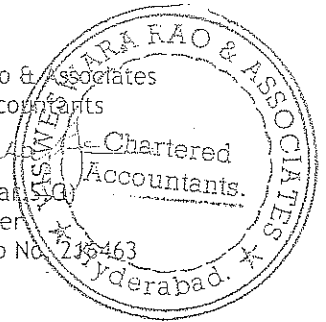


4. Further to our Comments in the Annexure referred to in paragraph 3 above:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
 - (c) the Balance Sheet and the cash flow statement dealt with by this report are in agreement with the books of Account;
 - (d) in our opinion, the Balance Sheet and the cash flow statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

for Visweswara Rao & Associates
Chartered Accountants

J. J. J.
(Mahidhan S.C.)
Partner

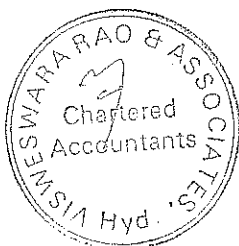
Member Ship No. 218463



Place: Hyderabad
Date : 18-06-2008

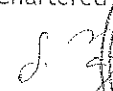
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- i. The Company has no fixed assets, hence clause 4 (i) of the companies (Auditor's Report) Order, 2003 is not applicable.
- ii. The company is in the development stage and has no inventory, hence clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v. According to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.
- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix.
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. The company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.



- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. The Company has not obtained any term loans. Accordingly clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Hyderabad
Date : 18-06-2008

for Visweswara Rao & Associates
Chartered Accountants

Chartered
Accountants
(Mahidhar S.G)
Partner
Membership No. 216463



RAMKY HERBAL AND MEDICINAL PARK (CHATTISGARH) LIMITED

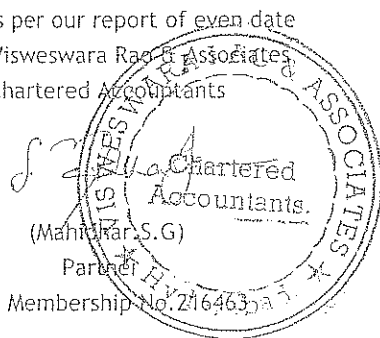
R-IX, Anupam Nagar

Raipur-492001, Chattisgarh

Balance Sheet as at 31st March, 2008


PARTICULARS	Schedule No.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS :		
1. SHAREHOLDERS' FUNDS :		
a) Share Capital	1	500000
b) Share Application Money pending allotment		13591933
2. LOAN FUNDS :		
a) Secured Loans		-
TOTAL		14091933
II. APPLICATION OF FUNDS :		
1. FIXED ASSETS :		
a) Gross Block		-
b) Less: Depreciation		-
c) Net Block		-
2. CURRENT ASSETS LOANS AND ADVANCES :		
a) Cash and Bank balances	2	533133
b) Loans & Advances and Deposits	3	460000
c) Other Current Assets	4	13271103
		14264236
Less : Current Liabilities & Provisions	5	207027
Net Current Assets		14057209
3. MISCELLANEOUS EXPENDITURE :	6	
(to the extent not written off or adjusted)		34724
TOTAL		14091933
Notes forming part of accounts	7	

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants


(Maheshkar S.G)
Partner
Membership No. 216463

on behalf of the Board
for Ramky Herbal and Medicinal Park (Chattisgarh) Limited.


(M. Goutham Reddy)
Director


(DR. K.S.M. Rao)
Director

Place: Hyderabad

Date :18-06-2008

RAMKY HERBAL AND MEDICINAL PARK (CHATTISGARH) LIMITED

R-IX, Anupam Nagar

Raipur-492001, Chattisgarh

Schedules forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS		As at 31.03.2008 Rs.
1	Share Capital :	
	AUTHORISED	
	50000 equity shares of Rs.10/-each	500000
	ISSUED, SUBSCRIBED & PAID UP	
	50000 equity Shares of Rs.10/- Each	500000
		500000
2	Cash and Bank balances	
	Cash on Hand	4796
	Balance with Scheduled Banks:	
	- in Current Accounts	528337
		533133
3	Loans & Advances and Deposits (unsecured considered good)	
	Advance for expenses	460000
		460000
4	Other Current Assets	
	Project Development Expenses	13271103
		13271103
5	Current liabilities and Provisions	
	Outstanding Liabilities	202160
	Fringe Benefit Tax Payable	4867
		207027
6	Miscellaneous Expenditure (to the extent not written off)	
	Preliminary Expenses	34724
		34724

7. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

c) PROJECT DEVELOPMENT EXPENSES:

Expenditure directly relating to the Project development is grouped under Project Development Expenses.

II. NOTES ON ACCOUNTS:

- a) Paise have been rounded off to the nearest rupee.
- b) The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Herbal and Medicinal Park, comprising (i) Industrial units (ii) Physical Infrastructure (iii) Common Facilities and Special Infrastructure and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with CSIDC on Build Operate and Transfer (BOT) basis, with the right to grant sub-leases, licenses and sub-authorization for development and operation and maintenance of the Herbal and Medicinal Park and to determine, demand, collect, retain and appropriate, enforce and revise the charges and prices.
- c) Previous year figures are not available as this is the first year.
- d) Profit and loss account is not prepared as there are no commercial operations as on Balance Sheet date.

e) Auditors' Remuneration :

2007-2008
Rs.

Audit Fee

16,854
=====

f) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows

A. Related Parties and Nature of related party

Key management personnel	Sri P.Eshwar Reddy
	Sri K.S.M.Rao
	Sri M.Goutham Reddy
Holding Company	Ramky Infrastructure Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
Ramky Infrastructure Limited	Share Capital	500000
	Share Application Money	13591933

C. Details of Related Parties Outstanding Balances as on 31-03-2008

Name	Details	Amount
Ramky Infrastructure Limited	Share capital	500000
	Share Application Money	13591933

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. U24290CT2007PLC020374
 State Code : 01
 Balance Sheet Date : 31-Mar-08

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue : NIL
 Rights Issue : NIL
 Bonus Issue : NIL
 Private Placement : 500

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities : 14092
 Total Assets : 14092

Sources of Funds

Paid-up Capital / Share Application Money : 14092
 Reserves & Surplus : -
 Secured Loans : -
 Unsecured Loans : -

Application of Funds

Net Fixed Assets / Pre operative Expenses : -
 Investments : -
 Net Current Assets : 14057
 Miscellaneous Expenditure : 35

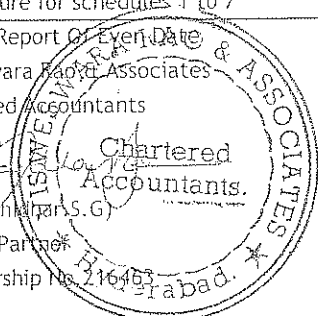
4. Performance of the Company (Amount in Rs. Thousands)

Turnover : -
 Total Expenditure : -
 Profit/Loss Before Tax + (-) : -
 Profit/Loss After Tax + (-) : -
 Earnings Per Share in Rs.
 - Basic : -
 Diluted : -

5. Generic Names of Three Principal Products/Services of Company


(As per monetary terms)
 Item Code No. (ITC Code) :
 Product Description :
 Infrastructure Projects

Signature for schedules 1 to 7

As Per Our Report of Even Date
 for Visweswara Rao & Associates
 Chartered Accountants

 (Maha Mohan S.G.)
 Partner
 Membership No. 216463

On Behalf Of The Board
 for Ramky Herbal and Medicinal Park (Chattisgarh) Limited


 (M. Goutham Reddy)
 Director


 (DR. K.S.M. Rao)
 Director

Place : Hyderabad
 Date : 18-06-2008

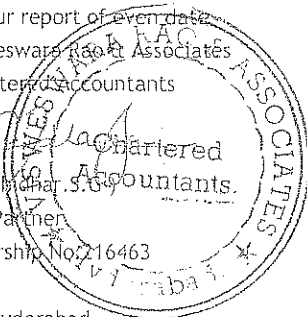
RAMKY HERBAL AND MEDICINAL PARK (CHATTISGARH) LIMITED
Cash Flow Statement for the period ended 31st March, 2008

PARTICULARS	AS AT 31.03.2008 RS.
A) Cash Flow from Operating Activities	
Net Profit before tax	-
Adjustments for:	-
Depreciation	-
Interest Paid	-
Interest Received	-
Preliminary Expenses Written Off	-
Operating Profit before changes in working capital	-
Adjustments for:	-
Increase/(Decrease) in Current Liabilities	-
(Increase)/Decrease in Loans & Advances	-
(Increase) /Decrease in trade Receivables	-
(Increase)/Decrease in Miscellaneous Expenses	-
Adjustments for:	-
Income-tax / TDS adjustments	-
Fringe Benefit Tax	-
Net cash flow from operating activities [A]	-
B) Cash flow from Investing Activities:	
Increase in Fixed Assets/Pre-operative expenses & Miscellaneous Expenses	(34724)
(Increase)/Decrease in Loans & Advances	(13731103)
Net Cash flow from Investing Activities [B]	(13765827)
C) Cash flow from Financing Activities:	
Proceeds from Issue of Share Capital/Share Application Money	14091933
Increase/(Decrease) in Long Term Borrowings	-
Increase / (Decrease) in Current Liabilities	207027
Net cash flow from Financing Activities [C]	14298960
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	533133
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
CASH & CASH EQUIVALENTS AT THE END OF YEAR	533133

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

S. Venkatesh
Chartered
(Maha Char. S. No. 569)
Accountants.
Partner

Membership No: 216463



on behalf of the board

for Ramky Herbal and Medicinal Park (Chattisgarh) Limited

M. Goutham Reddy
(M. Goutham Reddy)
Director

DR. K.S.M. Rao
(DR. K.S.M. Rao)
Director

Place : Hyderabad

Date : 18-06-2008

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	SriP. Eshwar Reddy	5 November 2007
02	Sri M. Goutham Reddy	5 November 2007

Resignations

Among the First Directors of the Company, Sri Y.R.Nagaraja and Sri J. Krishna Reddy were resigned from the Board effective from 5 November 2007. The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

- a) Approval of the Shareholders is being sought for the appointment of Dr. KSM Rao, First Director of the company as a Director retiring by rotation, in terms of Section 255 of the Companies Act, 1956.
- b) SriP. Eshwar Reddy and Sri M. Goutham Reddy were inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act,

1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re- appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

CORPORATE ACTIONS

Your company has changed the name from Ramky Gems and Jewellery Park (Chattisgarh) to Naya Raipur Gems and Jewellery SEZ Limited effective from 20 March 2008.

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Chattisgarh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Naya Raipur Gems and Jewellery SEZ Limited

Dated: 01.09.2008
Place: Hyderabad.

Sd/-
(P. Eshwar Reddy)
Director

Sd/-
(Dr.K.S.M.Rao)
Director

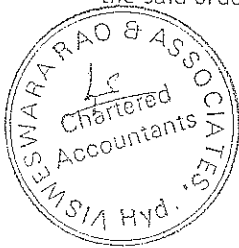
VISWESWARA RAO & ASSOCIATES
Chartered Accountants

"SRI", Plot No: 512A1
Road No-31, Jubilee Hills
Hyderabad - 500 033.
Phone : +91-40-23546705
Phone & Fax : +91-40-23548003
Email : svrvrao@yahoo.com

AUDITORS' REPORT

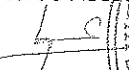
To
The Members,
Naya Raipur Gems and Jewellery SEZ Limited
(formerly known as Ramky Gems and Jewellery Park (Chattisgarh) Limited)

1. We have audited the attached Balance Sheet of Naya Raipur Gems and Jewellery SEZ Limited (formerly known as Ramky Gems and Jewellery Park (Chattisgarh) Limited), as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.

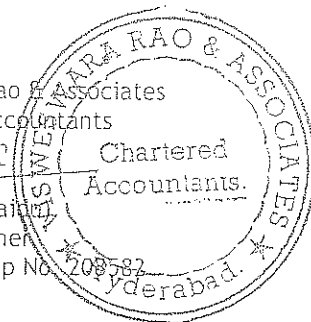


4. Further to our Comments in the Annexure referred to in paragraph 3 above:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
 - (c) the Balance Sheet and the cash flow statement dealt with by this report are in agreement with the books of Account;
 - (d) in our opinion, the Balance Sheet and the cash flow statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

for Visweswara Rao & Associates
Chartered Accountants


(A.S. Narayana)
Partner

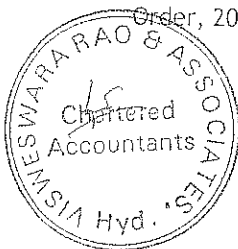
Member Ship No. 209582
Hyderabad.



Place: Hyderabad
Date : 18-06-2008

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. The Company has no fixed assets, hence clause 4 (i) of the companies (Auditor's Report) Order, 2003 is not applicable.
- ii. The company is in the development stage and has no inventory; hence clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v. According to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.
- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix.
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. The company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.

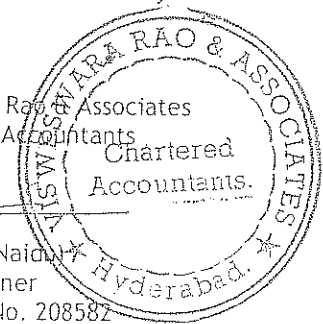


- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. The Company has not obtained any term loans. Accordingly clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

for Visweswara Rao Associates
Chartered Accountants

(A.S. Naidu)
Partner

Membership No. 208582



Place: Hyderabad
Date : 18-06-2008

NAYA RAIPUR GEMS AND JEWELLERY SEZ LIMITED
(formerly known as RAMKY GEMS AND JEWELLERY PARK (CHATTISGARH) LIMITED)

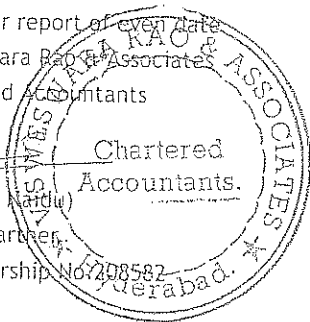
R-IX, Anupam Nagar
Raipur-492001, Chattisgarh

Balance Sheet As At 31st March, 2008

PARTICULARS	Schedule No.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS :		
1. SHAREHOLDERS' FUNDS :		
a) Share Capital	1	500000
b) Share Application Money pending allotment		22920528
2. LOAN FUNDS :		
a) Secured Loans		-
b) Unsecured Loans		-
TOTAL		23420528
II. APPLICATION OF FUNDS :		
1. FIXED ASSETS :		
a) Gross Block		-
b) Less: Depreciation		-
c) Net Block		-
2. CURRENT ASSETS LOANS AND ADVANCES :		
a) Cash and Bank balances	2	422844
b) Loans & Advances and Deposits	3	14000
c) Other Current Assets	4	23001976
		23438820
Less : Current Liabilities & Provisions	5	53516
Net Current Assets		23385304
3. MISCELLANEOUS EXPENDITURE :		
(to the extent not written off or adjusted)	6	35224
TOTAL		23420528
Notes forming part of accounts	7	

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

Chartered
Accountants.
(A.S. Naidu)
Partner,
Membership No. 208582
Hyderabad.



on behalf of the Board
for Naya Raipur Gems and Jewellery SEZ Limited.

M. Goutham Reddy
(M. Goutham Reddy)
Director

DR. K.S.M. Rao
(DR. K.S.M. Rao)
Director

Place: Hyderabad

Date : 18-06-2008

NAYA RAIPUR GEMS AND JEWELLERY SEZ LIMITED
(formerly known as RAMKY GEMS AND JEWELLERY PARK (CHATTISGARH) LIMITED)

R-IX, Anupam Nagar

Raipur-492001, Chattisgarh

Schedules forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	As at 31.03.2008 Rs.
1 Share Capital	
AUTHORISED	500000
50000 equity shares of Rs.10/-each	500000
ISSUED, SUBSCRIBED & PAID UP	
50000 equity Shares of Rs.10/- Each	500000
	500000
2 Cash and Bank balances	
Cash on Hand	2720
Balance with Scheduled Banks:	
- in current account	420124
	422844
3 Loans & Advances and Deposits (unsecured considered good)	
Advance for Expenses	14000
	14000
4 Other Current Assets	
Project Development Expenses	23001976
	23001976
5 Current liabilities and provisions	
Outstanding liabilities	49002
Fringe Benefit Tax Payable	4514
	53516
6 Miscellaneous Expenditure (to the extent not written off)	
Preliminary Expenses	35224
	35224

7. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

c) PROJECT DEVELOPMENT EXPENSES:

Expenditure directly relating to the Project development is grouped under Project Development Expenses.

II. NOTES ON ACCOUNTS:

a) Paise have been rounded off to the nearest rupee.

b) The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Gems and Jewellery SEZ, comprising (i) Industrial units (ii) Physical Infrastructure (iii) Common Facilities and Special Infrastructure and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with CSIDC on Build Operate and Transfer (BOT) basis, with the right to grant sub-leases, licenses and sub-authorization for development and operation and maintenance of the Gems and Jewellery SEZ and to determine, demand, collect, retain and appropriate, enforce and revise the charges and prices.

c) Previous year figures are not available as this is the first year.

d) Profit and loss account is not prepared as there is no commercial operations as on Balance Sheet date.

e) Auditors' Remuneration:

2007-2008
Rs.

Audit Fee

16,854
=====

f) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows:

A. Related Parties and Nature of related party

Key management personnel	Sri P. Eshwar Reddy
	Sri K.S.M.Rao
	Sri M.Goutham Reddy
Holding Company	Ramky Infrastructure Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
Ramky Infrastructure Limited	Share Capital	500000
	Share Application Money	22920528

C. Details of Related Parties Outstanding Balances as on 31-03-2008

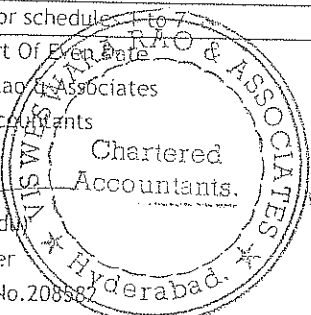
Name	Details	Amount
Ramky Infrastructure Limited	Share capital	500000
	Share Application Money	22920528

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details		
Registration No.		U45209CT2007PLC020375
State Code	:	01
Balance Sheet Date	:	31-Mar-08
2. Capital Raised during the year (Amount in Rs. Thousands)		
Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	500
3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
Total Liabilities	:	23421
Total Assets	:	23421
Sources of Funds		
Paid-up Capital / Share Application Money	:	23421
Reserves & Surplus	:	-
Secured Loans	:	-
Unsecured Loans	:	-
Application of Funds		
Net Fixed Assets / Pre operative Expenses	:	-
Investments	:	-
Net Current Assets	:	23386
Miscellaneous Expenditure	:	35
4. Performance of the Company (Amount in Rs. Thousands)		
Turnover	:	-
Total Expenditure	:	-
Profit/Loss Before Tax + (-)	:	-
Profit/Loss After Tax + (-)	:	-
Earnings Per Share in Rs.	:	-
- Basic	:	-
Diluted	:	-
5. Generic Names of Three Principal Products/Services of Company		
(As per monetary terms)		
Item Code No. (ITC Code)	:	
Product Description	:	
Infrastrue Projects	:	

Signature for schedule 1 to 7
As Per Our Report Of Even Date - On Behalf Of The Board
for Visweswara Rao & Associates - for Naya Raipur Gems and Jewellery SEZ Limited
Chartered Accountants



(A.S. Naidu) Partner
(M. Goutham Reddy) Director
(DR. K.S.M. Rao) Director

Place : Hyderabad
Date : 18-06-2008

NAYA RAIPUR GEMS AND JEWELLERY SEZ LIMITED
(formerly known as RAMKY GEMS AND JEWELLERY PARK (CHATTISGARH) LIMITED)
Cash Flow Statement for the period ended 31st March, 2008


Particulars	As at 31.03.2008 RS.
A) Cash Flow from Operating Activities	
Net Profit before tax	-
Adjustments for:	
Depreciation	-
Interest Paid	-
Interest Received	-
Preliminary Expenses Written Off	-
Operating Profit before changes in working capital	-
Adjustments for:	
Increase/(Decrease) in Current Liabilities	-
(Increase)/Decrease in Loans & Advances	-
(Increase) /Decrease in trade Receivables	-
(Increase)/Decrease in Miscellaneous Expenses	-
Adjustments for:	
Income-tax / TDS adjustments	-
Fringe Benefit Tax	-
Net cash flow from operating activities [A]	-
B) Cash flow from Investing Activities:	
Increase in Fixed Assets/Pre-operative expenses & Miscellaneous Expenses	(35224)
(Increase)/Decrease in Loans & Advances	(23015976)
Interest Received	-
Net Cash flow from Investing Activities [B]	(23051200)
C) Cash flow from Financing Activities:	
Proceeds from Issue of Share Capital/Share Application Money	23420528
Increase/(Decrease) in Long Term Borrowings	-
Increase/(Decrease) in Current Liabilities	53516
Interest paid	-
Net cash flow from Financing Activities [C]	23474044
Net Increase/(Decrease) in cash & cash equivalents [A+B+C]	422844
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	422844

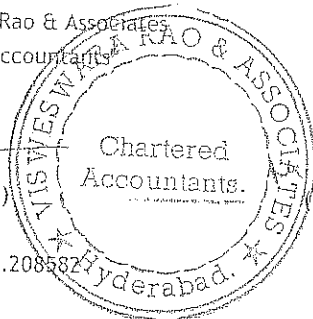
As per our report of even date

on behalf of the board


for Visweswara Rao & Associates
Chartered Accountants

for Naya Raipur Gems and Jewellery SEZ Limited


(A.S Naidu)
Partner




(M. Goutham Reddy)
Director


(DR. K.S.M. Rao)
Director

Place : Hyderabad

Date : 18-06-2008

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	Mr. A. P. Kurian	5 November 2007
02	Mr. S. Vijaya Rami Reddy	2 August 2008

Resignations

Among the First Directors of the Company, Mr. A. Ayodhya Rami Reddy and Mr. M. Goutham Reddy were resigned from the Board effective from 5 November 2007 and 2 August 2008 respectively. The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

- a) Approval of the Shareholders is being sought for the appointment of Mr. Y. R. Nagaraja, First Director of the company as a Director retiring by rotation, in terms of Section 255 of the Companies Act, 1956.
- b) Mr. S. Vijaya Rami Reddy and Mr. A.P.Kurian were inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re-appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Andhra Pradesh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Ramky Elsamex Hyderabad Ring Road Limited.

Dated: 01.09.2008
Place : Hyderabad.

Sd/-
(A. P. Kurian)
Director

Sd/-
(Y. R. Nagaraja)
Director

AUDITORS' REPORT

To
The Members,
RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED
(Formerly known as Ramky Hyderabad Ring Road Limited)

1. We have audited the attached Balance Sheet of RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED (Formerly known as Ramky Hyderabad Ring Road Limited), as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.

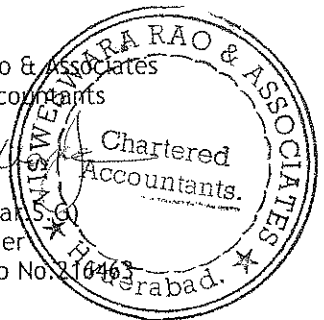


4. Further to our Comments in the Annexure referred to in paragraph 3 above:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
- (c) the Balance Sheet and the cash flow statement dealt with by this report are in agreement with the books of Account;
- (d) in our opinion, the Balance Sheet and the cash flow statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

for Visweswara Rao & Associates
Chartered Accountants

S. Aditya
(Mahidhar S.G.)
Partner
Member Ship No. 216463
Hyderabad.



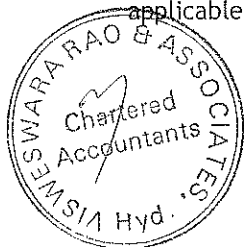
Place: Hyderabad
Date: 20-06-2008

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All the fixed assets have been physically verified during the year by the management. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and therefore do not affect going concern status of the Company.
- ii. The company has no inventory, hence clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, that need to be entered into the register required to be maintained under that Section have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of five lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.
- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.



- ix. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. According to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks and there are no outstanding debentures.
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us the term loans has been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.



- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

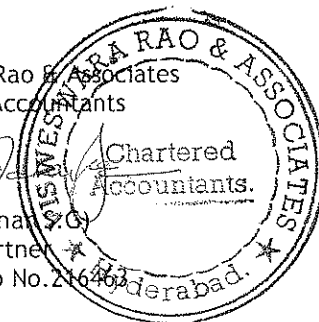
for Visweswara Rao & Associates
Chartered Accountants



(Mahidhar S. G.)

Partner

Membership No. 216462



Place: Hyderabad
Date : 20-06-2008

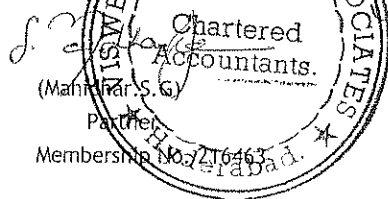
RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED
 (formerly known as RAMKY HYDERABAD RING ROAD LIMITED)
 6-3-1089-G/10 & 11, 1st Floor, Gulmohar Avenue, Rajbhavan Road
 Somajiguda, Hyderabad - 500 082

BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	Sch.	AS AT 31.03.2008 Rs.
I. SOURCES OF FUNDS :		
1. SHAREHOLDERS' FUNDS :		
a) Share Capital	1	500000
b) Share Application Money pending allotment		261657000
c) Reserves & Surplus	2	232757000
2. LOAN FUNDS :		
a) Secured Loans	3	1214463
b) Unsecured Loans		-
		496128463
II. APPLICATION OF FUNDS :		
1. FIXED ASSETS :		
a) Gross Block	4	2160066
b) Less: Depreciation		115061
c) Net Block		2045005
d) Capital Work in Progress including Preoperative Expenditure		283536942
2. INVESTMENTS		
3. CURRENT ASSETS, LOANS AND ADVANCES :		
a) Cash and Bank balances	5	32888330
b) Loans and Advances	6	332822490
		365710820
Less : Current Liabilities and Provisions	7	155192228
Net Current Assets		210518592
4. MISCELLANEOUS EXPENDITURE :		
(to the extent not written off or adjusted)		
Preliminary Expenses	8	27924
		496128463
Notes forming part of accounts	9	

Notes forming part of accounts

As per our report of even date
 for Visweswar Rao & Associates
 Chartered Accountants



(Maheshwar S. G.)
 Partner

Membership No. 7216463

on behalf of the Board
 for Ramky Elsamex Hyderabad Ring Road Limited

(Signature)

(Y.R Nagaraja)
 Director

(Signature)

(M. Goutham Reddy)
 Director

Place: Hyderabad
 Date: 20-06-2008

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.
1: SHARE CAPITAL :	
AUTHORISED 50000 Equity Shares of Rs.10/- Each	500000
ISSUED, SUBSCRIBED AND PAID UP 50000 Equity Shares of Rs. 10/- each	500000
	500000
2: RESERVES & SURPLUS	
a) Capital Reserve-Grant from HUDA	232757000
	232757000
3: SECURED LOANS :	
Hypothecation/Hire Purchase Loans (The above Loans are secured by Hypothecation of such assets)	1214463
	1214463
5: CASH AND BANK BALANCES :	
Cash on Hand	894
Cheques in Transit	2181000
Balances with scheduled Banks	
- in Current Account	15178009
- in Escrow Account	15528427
	32888330

SCHEDULES FORMING PART OF BALANCE SHEET

3. FIXED ASSETS

S.NO.	PARTICULARS	Gross Block		Depreciation Block		Net Block	
		AS AT 01.04.2007	AS AT 31.03.2008	AS AT 01.04.2007	FOR THE YEAR 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
1	Furniture & Fixtures	-	12152	-	12152	12152	-
2	Vehicles	-	1905239	-	92739	92739	1812500
3	Office Equipment	-	181450	-	4177	4177	177273
4	Computers & Accessories	-	61225	-	5993	5993	55232
		-	2160066	-	115061	115061	2045005

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2008

PARTICULARS	AS AT 31.03.2008 Rs.
6: LOANS AND ADVANCES (Unsecured, considered good)	
Mobilisation Advance	332822490
	332822490
7: CURRENT LIABILITIES AND PROVISIONS :	
Sundry Creditors for Capital Works	135684000
Sundry Creditors for Expenses	2334046
Other Liabilities	17146558
Fringe benefit Tax payable	27624
	155192228
8: MISCELLANEOUS EXPENDITURE : (to the extent not written off or adjusted)	
Preliminary Expenses	27924
Less: Written off during the Year	-
	27924

9. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalized.

c) DEPRECIATION :

Depreciation is provided on straight Line method at rates and in the manner prescribed by schedule XIV to the Companies Act, 1956.

The company has provided depreciation at 100% in respect of assets costing less than Rs. 5,000/- each and depreciation on the assets acquired during the year is provided on pro-rata basis

d) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

II. NOTES ON ACCOUNTS:

a) Paise have been rounded off to the nearest rupee.

b) The project of the company consists of to 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, India, for the package from Tukkuguda to Shamshabad from Km 121.00 to Km 133.63 on Build, Operate and Transfer (BOT) (Annuity) Basis.

c) Previous year figures are not available as this is the first year.

d) Profit and loss account is not prepared as there are no commercial operations as on Balance Sheet date.

e) During the year the company has received a Capital Grant of Rs. 23,27,57,000/- from Hyderabad Urban Development Authority, Hyderabad for the Project. The above Grant has been included in capital reserve and will be treated as per AS-12 "Accounting for Government Grants" issued by the Institute of Chartered Accountants of India after completion of the Project.

f) Auditors' Remuneration :

2007-2008
Rs.

Audit Fee

33,708
=====

g) Contingent Liabilities :

Estimated amount of Contract remaining to be executed on capital account and not provided for (net of advances) Rs. 30737.18 lakhs.

h) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows

A. Related Parties and Nature of related party

Key management personnel	Sri Y. R . Nagaraja
	Sri M.Goutham Reddy
	Sri A. P. Kurian
Holding Company	Ramky Infrastructure Limited
Group company / Associate	Ramky Elsamex JV

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
		Rs
Ramky Infrastructure Limited	Share Capital	370000
	Share Application Money	261657000
Ramky Elsamex JV	Contract	251363206
	Mobilisation Advance	332508090

C. Details of Related Parties Outstanding Balances as on 31-03-2008

Name	Details	Amount
		Rs
Ramky Infrastructure Limited	Share capital	370000
	Share Application Money	261657000
Ramky Elsamex JV	Sundry Creditors for Capital Goods	135684000
	Mobilisation Advance	332508090

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	U45203AP2007PLC054825
State Code	:
Balance Sheet Date	: 31-Mar-08

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	500

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	496128
Total Assets	:	496128

Sources of Funds

Paid-up Capital / Share Application Money	:	262157
Reserves & Surplus	:	232757
Secured Loans	:	1214
Unsecured Loans	:	-
Deferred Tax Liability (Net)	:	-

Application of Funds

Net Fixed Assets / Capital Work in progress	:	285581
Investments	:	-
Net Current Assets	:	210519
Miscellaneous Expenditure	:	28

4. Performance of the Company (Amount in Rs. Thousands)

Turnover	:	-
Total Expenditure	:	-
Profit/Loss Before Tax + (-)	:	-
Profit/Loss After Tax + (-)	:	-
Earnings Per Share in Rs.	:	-
- Basic	:	-
Diluted	:	-

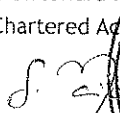
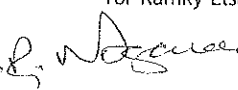
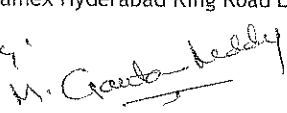
5. Generic Names of Three Principal Products/Services of Company

(As per monetary terms)

Item Code No. (ITC Code)

Product Description

Road way Projects

Signature for schedules 1 to 9	
As Per Our Report Of Even Date	On Behalf Of The Board
for Visweswara Rao & Associates	for Ramky Elsamex Hyderabad Ring Road Limited
Chartered Accountants	
	
(Mahidhar S.G.)	(Y.R. Naga Raja)
Partner	Director
Membership No. 216469	
	(M. Goutham Reddy)
	Director

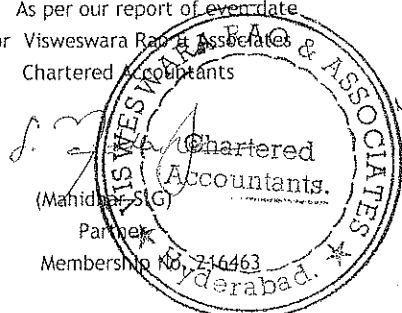
Place : Hyderabad

Date :20-06-2008

RAMKY ELSAMEX HYDERABAD RING ROAD LIMITED
(formerly known as RAMKY HYDERABAD RING ROAD LIMITED)
Cash flow Statement for the period ended 31.03.2008

		As at 31.03.2008 Rs.
A)	Cash Flow from Operating Activities	
	Net Profit before tax	-
	Adjustments for:	
	Depreciation	-
	Interest Paid	-
	Interest Received	-
	Preliminary Expenses Written Off	-
	 Operating Profit before changes in working capital	 -
	Adjustments for:	
	Increase/(Decrease) in Trade Payables & Others	155192228
	(Increase)/Decrease in Loans & Advances	(332822490)
	(Increase)/Decrease in Inventories	-
	(Increase) /Decrease in trade Receivables	-
	(Increase)/Decrease in Miscellaneous Expenditure	(27924)
		(177658186)
	Adjustments for:	
	Income-tax / TDS adjustments	-
	Fringe Benefit Tax	-
	Net cash flow from operating activities [A]	(177658186)
B)	Cash flow from Investing Activities:	
	Increase in Fixed Assets/Capital Work in Progress	(285581947)
	Interest Received	-
	 Net Cash flow from Investing Activities [B]	 (285581947)
C)	Cash flow from Financing Activities:	
	Proceeds from Issue of Share Capital/Share Application Money	262157000
	Proceeds from Grants	232757000
	Increase/(Decrease) in Long Term Borrowings	1214463
	Interest Paid	-
	 Net cash flow from Financing Activities [C]	 496128463
	 Net Increase/Decrease in cash & cash equivalents [A+B+C]	 32888330
	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	32888330

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



(Mahidhar S.G.)
Partner

on behalf of the Board
for Ramky Elsamex Hyderabad Ring Road Limited

(Signature)
(Y.R Nagaraja)
Director

(Signature)
(M.Goutham Reddy)
Director

Place: Hyderabad
Date :20-06-2008

Directors' Report

To
The Members,

Your directors have pleasure in presenting this First Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are not available since the Company has not yet started its commercial operations and hence not prepared Profit & Loss Account for the year under review.

APPROPRIATIONS

Dividend

As there were no commercial operations, there was no profit and hence your directors did not recommend any dividend during the year under review.

Transfer to Reserves

As there were no commercial operations, the information under this head is Nil.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
03	Mr. A. P. Kurian	2 August 2008
04	Mr. S. Vijaya Rami Reddy	2 August 2008

Proposed Appointments

The following appointments to the Board are proposed:

- a) Approval of the Shareholders is being sought for the appointment of Mr. Y. R. Nagaraja, Mr. P. Eshwar Reddy and Mr. M. Goutham Reddy, First Directors of the company as Directors retiring by rotation, in terms of Section 255 of the Companies Act, 1956.
- b) Mr. A.P.Kurian and Mr. S. Vijaya Rami Reddy were inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, these directors hold office only up to the date of the forth coming Annual General Meeting of the Company. Approval of the Shareholders is being sought for their appointment as Directors, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re-appointment.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

- | | | |
|------------------------------|---|---------|
| a) Foreign Exchange Earnings | - | Rs. Nil |
| b) Foreign Exchange Out go | - | Rs. Nil |

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Andhra Pradesh. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For Ramky-MIDC Agro Processing Park Limited.

Dated: 01.09.2008
Place : Hyderabad.

Sd/-
(M. Goutham Reddy)
Director

Sd/-
(Y. R. Nagaraja)
Director

AUDITORS' REPORT

To
The Members,
RAMKY- MIDC AGRO PROCESSING PARK LIMITED

1. We have audited the attached Balance Sheet of Ramky - MIDC Agro Processing Park Limited, as at 31st March, 2008 and also the Cash Flow Statement for the period ended on that date annexed thereto. No Profit and Loss account has been prepared as no commercial activity had started as of the date of Balance Sheet. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said orders.



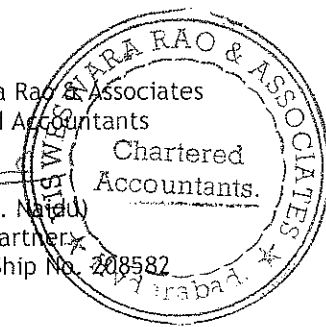
4. Further to our Comments in the Annexure referred to in paragraph 3 above:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those Books;
- (c) the Balance Sheet and the cash flow statement dealt with by this report are in agreement with the books of Account;
- (d) in our opinion, the Balance Sheet and the cash flow statement comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
- (e) on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) in our opinion and to the best of our information and according to the explanations given to us, the accounts (together with the notes thereon) give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i. in the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2008 and
 - ii. in the case of the Cash Flow Statement, of the Cash flows for the period ended on that date.

for Visweswara Rao & Associates
Chartered Accountants

(A. S. Naidu)
Partner

Member Ship No. 208582
Hyderabad.



Place: Hyderabad
Date :18-06-2008

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. The Company has no fixed assets, hence clause 4 (i) of the companies (Auditor's Report) Order, 2003 is not applicable.
- ii. The company is in the development stage and has no inventory, hence clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business. During the course of our audit, no major weakness has been noticed in internal control system.
- v. According to the information and explanations given to us, there are no contracts and arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The provisions of internal audit are not applicable to the company.
- viii. According to the information and explanations given to us, the provisions of section 209 (1) (d) of the Companies Act, 1956 regarding maintenance of cost records are not applicable to the Company.
- ix.
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us and the records of the company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of a dispute.
- x. The Company has been registered for a Period of less than five years. The company has not commenced commercial operations and hence the question of accumulated losses does not arise.
- xi. The company has neither taken any loans from a financial institution and a bank nor issued any debentures. Accordingly, clause 4 (xi) of the Companies (Auditor's Report) Order, 2003 is not applicable.



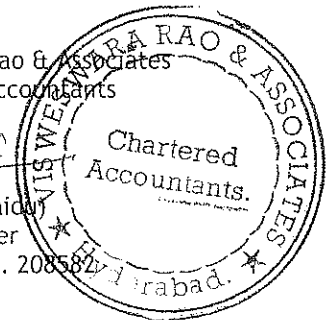
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. The Company has not obtained any term loans. Accordingly clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvii. According to the information and explanations given to us, the company has not raised any funds on short-term basis.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4 (xviii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Hyderabad
Date : 18-06-2008

for Visweswara Rao & Associates
Chartered Accountants

(A.S. Naidu)
Partner

Membership No. 208582



RAMKY- MIDC AGRO PROCESSING PARK LIMITED

6-3-1089/G/10&11, Gulmohar Avenue

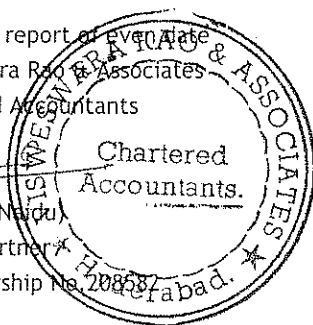
Rajbhavan Road, Somajiguda

Hyderabad-500082

Balance Sheet As At 31st March, 2008

PARTICULARS	Schedule No.	As at 31.03.2008 Rs.
I. SOURCES OF FUNDS :		
1. SHAREHOLDERS' FUNDS :		
a) Share Capital	1	500000
b) Share Application Money pending allotment		65097398
2. LOAN FUNDS :		
a) Secured Loans		-
TOTAL		65597398
II. APPLICATION OF FUNDS :		
1. FIXED ASSETS :		
a) Gross Block		-
b) Less: Depreciation		-
c) Net Block		-
2. CURRENT ASSETS LOANS AND ADVANCES :		
a) Cash and Bank balances	2	500000
b) Loans & Advances and Deposits	3	44556153
c) Other Current Assets	4	20538279
		65594432
Less : Current Liabilities & Provisions	5	17963
Net Current Assets		65576469
3. MISCELLANEOUS EXPENDITURE :	6	
(to the extent not written off or adjusted)		20929
TOTAL		65597398
Notes forming part of accounts	7	

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants
(A.S. Naidu)
Partner
Membership No. 20858
Hyderabad.



on behalf of the Board
for Ramky - MIDC Agro Processing Park Limited.

M. Goutham Reddy
(M.Goutham Reddy)
Director

Y.R. Nagaraja
(Y.R.Nagaraja)
Director

Place: Hyderabad
Date : 18-06-2008

RAMKY- MIDC AGRO PROCESSING PARK LIMITED

6-3-1089/G/10&11, Gulmohar Avenue

Rajbhavan Road, Somajiguda

Hyderabad-500082

Schedule forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	As at 31.03.2008 Rs.
1 Share Capital	
AUTHORISED	
50000 equity shares of Rs.10/-each	500000
ISSUED, SUBSCRIBED & PAID UP	
50000 equity Shares of Rs.10/- Each	500000
	500000
2 Cash and Bank balances	
Cash on Hand	-
Balance with Scheduled Banks:	
- in current accounts	500000
	500000
3 Loans , Advances and Deposits:	
(unsecured considered good)	
Land Advance	44478900
Other Advances	77253
	44556153
4 Other Current Assets:	
Project Development Expenses	20538279
	20538279
5 Current liabilities and provisions	
Outstanding Liabilities	17872
FBT payable	91
	17963
6 Miscellaneous Expenditure	
(to the extent not written off)	
Preliminary Expenses	20929
	20929

7. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) PRELIMINARY EXPENSES:

The preliminary expenditure will be written off over a period of five years starting from the year in which commercial activities commence.

c) PROJECT DEVELOPMENT EXPENSES:

Expenditure directly relating to the Project development is grouped under Project Development Expenses.

II. NOTES ON ACCOUNTS:

- a) Paise have been rounded off to the nearest rupee.
- b) The Project involves the development, design, financing, construction, marketing and operation and maintenance of the Agro Processing SEZ, comprising (i) Industrial Units (ii) Common Infrastructure and Utilities (iii) Common Facilities and Amenities and (iv) the Common Areas (collectively the "Project Facilities"), by a private sector participant along with MIDC on the build, own, operate and transfer ("BOOT") basis, with the right to grant subleases, licenses and sub-authorizations for development and operation and maintenance of the SEZ and to determine, demand, collect, retain and appropriate, enforce and revise the Charges and Prices.
- c) Previous year figures are not available as this is the first year.
- d) Profit and loss account is not prepared as there is no commercial operations as on Balance Sheet date.

d) Auditors' Remuneration :

2007-2008
Rs.

Audit Fee

16,854
=====

e) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows

A. Related Parties and Nature of related party

Key management personnel	Sri P.Eshwar Reddy
	Sri Y R Naga Raja
	Sri M.Goutham Reddy
Holding Company	Ramky Infrastructure Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	Amount
Ramky Infrastructure Limited	Share Capital	5,00,000
	Share Application Money	6,50,97,398

C. Details of Related Parties Outstanding Balances as on 31-03-2008

Name	Details	Amount
Ramky Infrastructure Limited	Share capital	5,00,000
	Share Application Money	6,50,97,398

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	U01119AP2008PLC057808
State Code	: 01
Balance Sheet Date	: 31-Mar-08

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	: NIL
Rights Issue	: NIL
Bonus Issue	: NIL
Private Placement	: 500

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	: 65597
Total Assets	: 65597

Sources of Funds

Paid-up Capital / Share Application Money	: 65597
Reserves & Surplus	: -
Secured Loans	: -
Unsecured Loans	: -

Application of Funds

Net Fixed Assets / Pre operative Expenses	: -
Investments	: -
Net Current Assets	: 65576
Miscellaneous Expenditure	: 21

4. Performance of the Company (Amount in Rs. Thousands)

Turnover	: -
Total Expenditure	: -
Profit/Loss Before Tax + (-)	: -
Profit/Loss After Tax + (-)	: -
Earnings Per Share in Rs.	
- Basic	: -
Diluted	: -

5. Generic Names of Three Principal Products/Services of Company

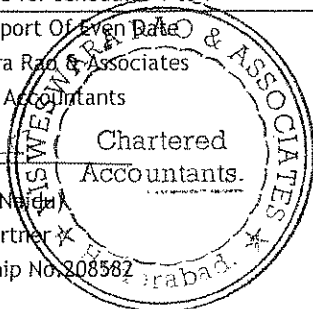
(As per monetary terms)	
Item Code No. (ITC Code)	:
Product Description	:
Infrastrue Projects	

Signature for schedules 1 to 7

As Per Our Report Of Even Date
for Visweswara Rao & Associates
Chartered Accountants

(A.S. Narayana)
Partner

Membership No. 208582 Hyderabad.



On Behalf Of The Board
for Ramky - MIDC Agro Processing Park Limited

M. Goutham Reddy
(M.Goutham Reddy)
Director

Y.R. Nagaraja
(Y.R.Nagaraja)
Director

Place : Hyderabad

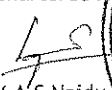
Date : 18-06-2008

RAMKY- MIDC AGRO PROCESSING PARK LIMITED
Cash Flow Statement for the period ended 31st March, 2008

PARTICULARS	As at 31.03.2008 RS.
A) Cash Flow from Operating Activities	
Net Profit before tax	-
Adjustments for:	-
Depreciation	-
Interest Paid	-
Interest Received	-
Preliminary Expenses Written Off	-
Operating Profit before changes in working capital	-
Adjustments for:	-
Increase/(Decrease) in Current Liabilities	-
(Increase)/Decrease in Loans & Advances	-
(Increase) /Decrease in trade Receivables	-
(Increase)/Decrease in Miscellaneous Expenses	-
Adjustments for:	-
Income-tax / TDS adjustments	-
Fringe Benefit Tax	-
Net cash flow from operating activities [A]	-
B) Cash flow from Investing Activities:	
Increase in Fixed Assets/Pre-operative expenses & Miscellaneous Expenses	(20929)
(Increase)/Decrease in Loans & Advances	(65094432)
Net Cash flow from Investing Activities [B]	(65115361)
C) Cash flow from Financing Activities:	
Proceeds from Issue of Share Capital/Share Application Money	65597398
Increase/(Decrease) in Current Liabilities	17963
Interest paid	-
Net cash flow from Financing Activities [C]	65615361
Net increase/(Decrease) in cash & cash equivalents [A+B+C]	500000
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	-
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	500000

As per our report of even date
for Visweswara Rao & Associates

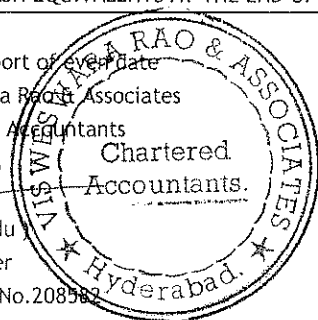
Chartered Accountants

 Chartered
Accountants.


(A.S. Naidu)

Partner

Membership No.208582




on behalf of the board
for Ramky -MIDC Agro Processing Park Limited



(M.Goutham Reddy)

Director



(Y.R.Nagaraja)

Director

Place : Hyderabad

Date : 18-06-2008

Directors' Report

To
The Members,

Your directors have pleasure in presenting this Fourth Annual Report and Audited Accounts for the year ended 31 March 2008.

FINANCIAL RESULTS

The Financial results of the company for the year under review are as follows:

Particulars	(Amount in Rs)	
	2007-08	2006-07
Income	106,06,50,713	94,64,32,587
Expenditure	88,96,92,489	92,89,99,810
Profit/(Loss) for the year before Tax (PBT)	17,09,58,224	1,74,32,777
Less : Provision for Tax and Tax/TDS adjustments	2,31,03,906	39,01,597
Profit after Tax (PAT)	14,78,54,318	1,35,31,180
Add : Balance brought forward from Previous Year	67,95,248	(67,35,932)
Amount available for appropriations	15,46,49,566	67,95,248
Less: Transfer to Reserves (if any)	-	-
Less: Proposed Dividend (if any)	-	-
Surplus carried to Balance Sheet	15,46,49,566	67,95,248

Operational Results

During the year your company recorded an Income of Rs.106.06 Crores as against Rs.94.64 Crores in the previous year. The profit after income tax is Rs.14.78 Crores as against Rs. 1.35 Crores in the previous year.

APPROPRIATIONS

Dividend

To conserve the resources of the Company, your directors did not recommend any dividend during the year under review.

Transfer to Reserves

No transfer of profits to reserves during the year.

SHARE CAPITAL

There is no change in the share capital of the company during the year under report.

DIRECTORS

Appointments

The following were appointed as Additional Directors of the company during the year under Report as detailed below:

<i>Sl.No.</i>	<i>Name of the Appointee</i>	<i>Date of Appointment</i>
01	Mr. Sandeep Kumar Sultania	18 October 2007
02	Mr. M.Goutham Reddy	5 November 2007

Resignations

Mr. K.V.V.Sathi Reddy resigned as Director (Nominee of APIIC) of the company effective from 18 October 2007. Mr. G. V. Raghava Rao, Mr. M. Vasudeva Reddy, Mr. S. Gopi Krishna and Mr. P. Ponnuraj resigned as Directors of the company effective from 6 November 2007. The Board placed on record its sincere appreciation for the services rendered by them as Directors of the company.

Proposed Appointments

The following appointments to the Board are proposed:

a) Approval of the Shareholders is being sought for the appointment of Mr. A.Ayodhya Rami Reddy, Director 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, 1956 and pursuant to Article 51 of the Articles of Association of the company.

b) Mr. M. Goutham Reddy was inducted as Additional Directors on the Board during the year under report. As per the provisions of Section 260 of the Companies Act, 1956, he holds office only up to the date of the forth coming Annual General Meeting of the Company. A Notice under section 257 of the Act, proposing the appointment of Mr. M. Goutham Reddy as a Director, liable to retire by rotation, has been received from a member together with the requisite deposit of Rs.500/-. Approval of the Shareholders is being sought for his appointment as Director, liable to retire by rotation, in the ensuing Annual General Meeting pursuant to the provisions of Section 257 of the Companies Act, 1956.

AUDIT COMMITTEE

The Company has constituted an Audit Committee pursuant to the provisions of 292A of the Companies Act, 1956 comprising of the following Directors

1. Mr. A. Ayodhya Rami Reddy - Chairman
2. Mr. M. Goutham Reddy - Member
3. Dr. K. S. M. Rao - Member

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Your Directors wish to confirm that:

1. In the preparation of the Annual Accounts, the applicable *accounting standards* have been followed along with proper explanations relating to material departures, if any;
2. Such *accounting policies* have been selected and applied them consistently and 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 at the end of the financial year and of the profit and loss of the Company for that period;
3. 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 any fraud and other irregularities has been taken;
4. Accounts for the financial year ended on 31 March 2008 are prepared on a *going concern basis*.

AUDITORS

The Auditors of the Company, M/s Visweswara Rao & Associates, Chartered Accountants, Hyderabad retire at this annual general meeting are eligible for re-appointment. Approval of the Shareholders is being sought for their re-appointment.

REPLIES TO AUDITORS REPORT

With reference to the observations made in Auditor's Report, the notes of account is self explanatory and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31 March 2008 so as to attract the provisions of Section 58A of The Companies Act, 1956 read with The Companies (Acceptance of Deposits) Rules, 1975 and within the meaning of Reserve Bank of India Directions, 1998.

PARTICULARS OF EMPLOYEES

The Company does not have any employee covered by Section 217 (2A) of The Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975. Therefore, there are no particulars furnished under Section 217 (2A) of The Companies Act, 1956.

PARTICULARS OF ENERGY CONSUMPTION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy as required under section 217 (1) (e) of The Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988. - Not Applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign Exchange Earnings - Rs. Nil
- b) Foreign Exchange Out go - Rs. Nil

PERSONNEL

Your directors place on record their appreciation for the services rendered by the employees. The relation between the management and the workers has been cordial all through the year.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government of Andhra Pradesh, Andhra Pradesh Industrial Infrastructure Corporation Ltd, UTI Bank Ltd and State Bank of India. The Board is also thankful to all its Contractors, Customers and Shareholders for their unstinted support to the Company.

By Order of the Board,
For RAMKY PHARMA CITY (INDIA) LIMITED.

Dated: 01.09.2008
Place: Hyderabad.

Sd/-
(M. Goutham Reddy)
Director

Sd/-
(Dr.K.S.M.Raoj)
Managing Director

AUDITORS' REPORT

To
The Members,
Ramky Pharma City (India) Limited

1. We have audited the attached Balance Sheet of Ramky Pharma City (India) Limited, as at 31st March, 2008, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.



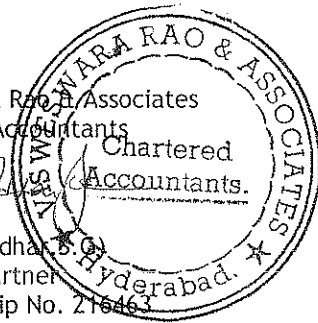
4. Further to our Comments in the Annexure referred to in paragraph 3 above:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance sheet , Profit and Loss Account and Cash Flow Statement read together with the significant accounting policies and notes appearing thereon, comply with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ;
 - e. on the basis of written representations received from the directors, as on 31st March, 2008 and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;
 - iii. in the case of the Cash Flow Statement, of the Cash flows for the year ended on that date.

for Visweswara Rao & Associates
Chartered Accountants


Chartered
Accountants.

(Mahidhar S. G.)
Partner

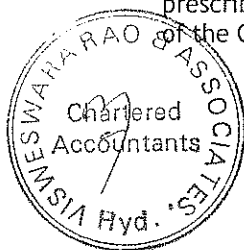
Hyderabad.
Membership No. 216463



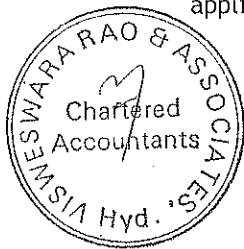
Place: Hyderabad
Date : 25-06-2008

ANNEXURE TO AUDITORS' REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of the fixed assets by the management is reasonable having regard to the size of the Company and nature of its assets and no discrepancies were noticed on such physical verification.
- c. In our opinion, the company has not disposed off substantial part of fixed assets during the year and therefore do not affect the going concern status of the company.
- ii. The special nature of inventories carried on by the company does not need physical verification and hence the Clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, hence clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets and sale of services. During the course of our audit, no major weaknesses have been noticed in internal control system.
- v. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register required to be maintained under that section have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable.
- vii. The Company has an internal audit system, which is commensurate with the size of the Company and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of the business carried out by the Company.



- ix. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited with the appropriate authorities on account of any dispute.
- x. The Company has been registered for a period of less than five years and hence we are not required to express an opinion on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- xi. According to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, banks and there are no outstanding debentures.
- xii. Based on our examination and according to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xvi. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans has been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us, the Company has not raised any funds on short term basis.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956 accordingly; clause 4(xviii) of the companies (Auditor's Report) order, 2003 is not applicable to this company.



- xix. The Company has not issued any debentures. Accordingly, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xx. The Company has not raised any money by way of public issue during the year. Accordingly clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

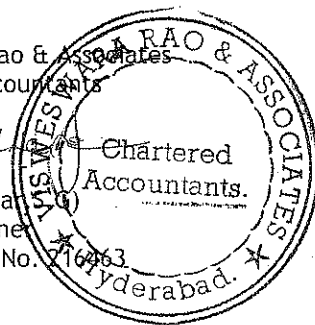
Place: Hyderabad
Date : 25-06-2008

for Visweswara Rao & Associates
Chartered Accountants

S. Mahidhar

(Mahidhar)
Partner

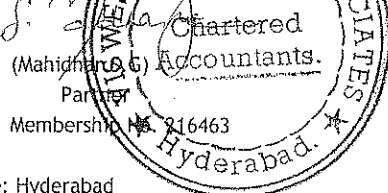
Membership No. 216963



RAMKY PHARMA CITY (INDIA) LIMITED
6-3-1089-G/10 & 11, 1st Floor, Gulmohar Avenue, Rajbhavan Road
Somajiguda, Hyderabad - 500 082
BALANCE SHEET AS AT 31st March, 2008

PARTICULARS	Sch.	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS' FUNDS :			
a) Share Capital	1	180000000	180000000
b) Reserves & Surplus	2	153932714	6795248
2. LOAN FUNDS :			
a) Secured Loans	3	139974846	303358617
b) Unsecured Loans			
		473907560	490153865
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS :			
a) Gross Block	4	24361365	281048452
b) Less: Depreciation		1553073	1091502
c) Net Block		22808292	279956950
d) Capital Work in Progress		541779860	145459220
2. INVESTMENTS			
3. CURRENT ASSETS, LOANS AND ADVANCES :			
a) Inventories	5	878791600	762079658
b) Sundry Debtors	6	68664400	129966324
c) Cash and Bank balances	7	53202342	81397423
d) Loans, Advances and Deposits	8	270289033	79580008
		1270947375	1053023413
Less : Current Liabilities and Provisions	9	1362221527	989134508
Net Current Assets		(91274152)	63888905
4. MISCELLANEOUS EXPENDITURE :			
(to the extent not written off or adjusted)			
Preliminary Expenses	10	593560	848790
Notes forming part of accounts	14		
		473907560	490153865

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants



(Mahidhar G. S.)
Partner

Membership No. 216463

Place: Hyderabad
Date: 25-06-2008

on behalf of of the board
for Ramky Pharma City (India) Limited

(DR. K.S.M. Rao)
Managing Director

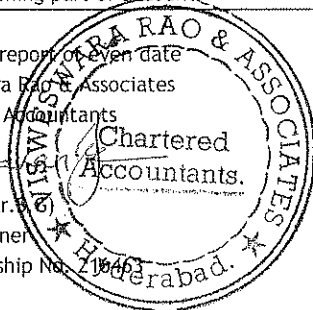
(M. Goutham Reddy)
Director

RAMKY PHARMA CITY (INDIA) LIMITED
 6-3-1089-G/10 & 11, 1st Floor, Gulmohar Avenue, Rajbhavan Road
 Somajiguda, Hyderabad - 500 082
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

PARTICULARS	Sch.	Year Ended 31-03-2008 Rs.	Year Ended 31-03-2007 Rs.
I. INCOME:			
Gross Receipts		1045986922	944183938
O & M Charges		6300554	690063
Other Income	11	8363237	1558586
		1060650713	946432587
II. EXPENDITURE :			
Development Expenditure		872510012	922707608
O & M Expenses		3714567	-
Administrative Expenses	12	12653074	5428842
Depreciation		461571	426925
Finance Charges	13	353265	436435
		889692489	928999810
Net Profit/ (Loss) before Taxation		170958224	17432777
Less: Provision for Taxation			
- Current Tax		22912685	3775200
- Fringe Benefit Tax		188541	126397
- Income tax of earlier years		2680	
Net Profit after Income Tax		147854318	13531180
Earnings / (Loss) per Share (par value of Rs.10/- each)			
- Basic		8.21	1.58
- Diluted		8.21	1.03
Number of shares used in computing Earning / (Loss) per share			
- Basic		18000000	8583337
- Diluted		18000000	13177550
Notes forming part of accounts	14		

As per our report of even date
 for Visweswara Rao & Associates
 Chartered Accountants

S. Mahidhar Reddy
 (Mahidhar Reddy)
 Partner
 Membership No. 210493



on behalf of of the board
 for Ramky Pharma City (India) Limited

DR. K. S. M. Rao
 (DR. K. S. M. Rao)
 Managing Director

M. Goutham Reddy
 (M. Goutham Reddy)
 Director

Place: Hyderabad
 Date : 25-06-2008

RAMKY PHARMA CITY (INDIA) LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2008

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
1 SHARE CAPITAL		
AUTHORISED 1,80,00,000 Equity Shares of Rs.10/- Each	180000000	180000000
	180000000	180000000
ISSUED, SUBSCRIBED AND PAID UP 1,80,00,000 Equity Shares of Rs.10/- Each of the above 19,80,000 Equity Shares of Rs.10 /- each issued for consideration other than cash (The Company became a Subsidiary Company of Ramky Infrastructure Limited during the year 2006-07 and the said Holding Company holds 91,80,000 equity shares)	180000000	180000000
	180000000	180000000
2 RESERVES AND SURPLUS		
a) Profit and Loss Account		
Opening Balance	6795248	(6735932)
Less: Gratuity Liability of earlier years	716852	-
	6078396	(6735932)
Add: Profit/ (Loss) during the year	147854318	13531180
Closing Balance	153932714	6795248
3 SECURED LOANS		
(i) From Banks:-		
a) Axis Bank Limited	139812574	302802489
(The above loan is secured by creation of charge on fixed and current Assets of the company and guaranteed by some of the directors and corporate guarantee from group companies)		
b) Hypothecation/Hire Purchase Loans	104072	323328
(ii) Hypothecation/Hire Purchase Loans from others	58200	232800
(Loans availed under Hypothecation/Hire purchase contracts were secured by hypothecation of such assets)		
	139974846	303358617
5 INVENTORIES		
Opening Inventories	762079658	740386708
Add: Additions during the year	989221954	944400558
	1751301612	1684787266
Less : Transferred to Profit & Loss Account	872510012	922707608
Closing Inventories	878791600	762079658
6 SUNDRY DEBTORS (secured, considered good)		
Outstanding for more than six months	58812864	-
Other debts	9851536	129966324
	68664400	129966324

SCHEDULES FORMING PART OF BALANCE SHEET
4. FIXED ASSETS

S.NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		AS AT 01.04.2007	ADDITIONS	ADJUSTMENTS	AS AT 31.03.2008	AS AT 01.04.2007	FOR THE YEAR	AS AT 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2008
1	Land	276728243	-	256928243	19800000	-	-	19800000	276728243	276728243
2	Furniture & Fixtures	448306	-	-	448306	218732	16797	235529	229574	229574
3	Vehicles	1438156	-	-	1438156	224469	136625	361094	1213687	1213687
4	Office Equipment	870777	-	-	870777	159847	37726	197573	710930	710930
5	Computers & Accessories	1562970	241156	-	1804126	488454	270423	758877	1074516	1074516
	Total	281048452	241156	256928243	24361365	1091502	461571	1553073	279956950	279956950
	Previous Year	4113648	276934804	-	281048452	664577	426925	1091502	3449071	3449071

(Amount in Rs-)

RAMKY PHARMA CITY (INDIA) LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2008

PARTICULARS	AS AT 31.03.2008 Rs.	AS AT 31.03.2007 Rs.
7 CASH AND BANK BALANCES		
Cash on Hand	31145	15039
Balances with scheduled Banks		
- in current accounts	12727854	18775726
- in Deposits and Margin Money	40443343	62606658
	53202342	81397423
8 LOANS, ADVANCES AND DEPOSITS (Unsecured, considered good)		
APIIC	162272758	-
Deposits and Other Advances	72693529	45127016
TDS and Advance Tax	4834166	5127481
Prepaid Expenses	57016	17360
Other Receivables	30431564	29308151
	270289033	79580008
9 CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors	230276360	367858990
Sundry Creditors for Expenses	764781	267896
Security Deposit	7000000	326120000
Advances from Customers	1090789548	284609733
Other liabilities	8445719	6502689
Provision for Gratuity and Leave Encashment	2032434	-
Provision for Income Tax	22912685	3775200
	1362221527	989134508
10 MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Opening Balance	848790	519020
Add: Expenses for Increasing Authorised Capital	-	585000
	848790	1104020
Less: Written off during the Year	255230	255230
	593560	848790

RAMKY PHARMA CITY (INDIA) LIMITED
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2008

PARTICULARS	Year Ended 31.03.2008 Rs.	Year Ended 31.03.2007 Rs.
11 OTHER INCOME		
Interest [(Tax deducted at source Rs 17.81 lakhs (P.Y. 3.49 lakhs)]	8016237	1553696
Miscellaneous Income	347000	4890
	8363237	1558586
12 ADMINISTRATIVE EXPENSES		
Salaries, Wages & Other benefits	8277338	3485997
Staff Welfare Expenses	176597	28141
Audit Fee	224720	168540
Rent	268412	168678
Traveling and Conveyance	341130	278138
Postage and Telegrams	31435	18548
Telephone Charges	459377	308753
Printing and Stationary	161649	136583
Electricity Expenses	37330	88650
Office Expenses	140820	67251
Guest House Maintenance	186600	166500
Vehicle Hire Charges	120000	127474
Repairs and Maintenance	122548	13202
Insurance Charges	53972	37440
Business Promotion	165238	42377
Rates and Taxes	22420	19010
Donations	1550000	-
Miscellaneous Expenses	58258	18330
Preliminary Expenses Written Off	255230	255230
	12653074	5428842
13 FINANCE CHARGES		
Interest and Finance Charges	311886	407478
Bank Charges	41379	28957
	353265	436435

14. NOTES FORMING PART OF ACCOUNTS:

I. SIGNIFICANT ACCOUNTING POLICIES:

a) BASIS OF ACCOUNTING :

- The financial statements have been prepared under the historical cost convention and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.
- Accounting policies not specifically referred to otherwise are in consonance with prudent accounting principles.
- All revenues, expenses, assets and liabilities having material bearing on the financial statements are recognized on accrual basis, unless otherwise stated.

b) FIXED ASSETS :

Fixed assets are stated at cost less accumulated depreciation. All costs, directly attributable to bringing the asset to the present condition for the intended use, are capitalized.

c) DEPRECIATION :

Depreciation has been provided on Straight Line Method as per the rates and manner specified in Schedule XIV to the Companies Act, 1956.

The company has provided depreciation at 100% in respect of assets costing less than Rs. 5000/- each, depreciation on the assets acquired during the year is provided on pro-rata basis.

d) REVENUE RECOGNITION:

Revenue is recognized by reference to the stage of completion of the Development activity at the reporting date of the financial statements as laid down in Guidance note on Recognition of Revenue by Real Estate Developers and Accounting Standard -7 issued by the Institute of Chartered Accountants of India.

e) INVENTORIES:

Inventories comprise development of long-term property. It is valued at direct development cost including related incidental expenditure attributable to the said property to bring it to the marketable stage.

f) RETIREMENT BENEFITS :

Provision for group gratuity is provided as per actuarial valuation by Life Insurance Corporation of India, liability relating to Past Service of Rs.7,16,852 /- is adjusted against opening Reserves and Surplus.

Provision for leave encashment is provided on estimated value by the management and charged to revenue account.

Contribution to provident fund has been remitted to provident fund commissioner and charged to revenue account.

g) PRELIMINARY EXPENSES:

Preliminary expenses are being amortised over a period of five years.

II. NOTES ON ACCOUNTS:

- a) Paise have been rounded off to the nearest rupee.
- b) The project of the company consists development of land and providing common infrastructure facilities like roads, greenbelt, commercial hub, CETP, etc., to the Parma and allied service companies in the land provided by APIIC at Parawada village, Visakhapatnam and the project is being called as "JAWAHARLAL NEHRU PHARMA CITY".

During the year the company has obtained permission for the Development of sector specific Special Economic Zone for Pharmaceuticals at Lemarathi, Jagannadhapuram and E-Bonangi Villages in Parawada Mandal, Visakhapatnam District as per notification issued by the Ministry of Commerce and Industry, New Delhi on 10-05-2007.

- c) Previous year figures have been re grouped, reclassified and recast wherever necessary to conform to current year's classification.

d) Taxation :

Current Tax:

Provision for current income Tax is made on the basis of the Taxable Income under the Income Tax Act, 1961.

Deferred Tax:

The company has been developing an Industrial Park. As per the existing laws as on the date of balance sheet and in view of the exemptions available to the company under the provisions of Income Tax Act, 1961, there is no effect to the company on account of computation of deferred tax as per the relevant accounting standard (AS-22) issued by The Institute of Chartered Accountants of India.

e) Basic and Diluted :

The Company reports basic and diluted Earning Per Share in accordance with AS-20 issued by the Institute of Chartered Accountants of India. The Basic and Diluted Earning Per Share has been calculated by dividing the Profit by the weighted average number of equity shares and weighted average potentially dilutive equity shares outstanding during the accounting period.

Number of shares used in computing earning per share

	As at 31-03-2008 (Face value of Rs. 10 /- each)	As at 31-03-2007 (Face value of Rs. 10 /- each)
Number of shares considered as weighted average shares for calculation of Basic Earnings per Share	1,80,00,000	85,83,337
Add : Dilutive effect of potential shares	---	45,94,213
Number of shares considered as weighted average shares and potential shares outstanding for calculation of diluted EPS	1,80,00,000	1,31,77,550

f) Auditors' Remuneration :

Particulars	2007-08 Rs.	2006-07 Rs.
Audit Fee	224720	168540

g) Managerial Remuneration under Section 198 of the Companies Act, 1956 paid or payable to the Managing Director.

Particulars	2007-08 Rs.	2006-07 Rs.
Remuneration	20,94,972	13,60,907
Provident Fund	1,15,154	72,000
	-----	-----
	22,10,126	14,32,907
	-----	-----

h) The company has not received any information from any of the suppliers of their being Small Scale Industrial Unit. Hence, the amounts due to Small Scale Industrial Units outstanding as on 31st March, 2008 are not ascertainable.

i) Segmental Reporting:

The main activity of the company is development and maintenance of industrial park, which is considered as one segment and as such no separate segmental disclosure is required as per AS-17 issued by the Institute of chartered Accountants of India.

j) Contingent Liabilities:

	As at 31-03-2008 (Rs. In Lakhs)	As at 31-03-2007 (Rs. In Lakhs)
a) Claims against the company not acknowledged as debts		
The claim made against the company, by Ministry of Mines and Geology-Government of Andhra Pradesh, regarding Consumption of large Quantities of gravel by the company and unsatisfactory of challans submitted thereof, the Applicant raised a demand for an amount of Rs.60.07 lakhs. On which Company field a revision petition with High court of Andhra pradesh during the year and same is in pending.	60.07	-
b) Bank guarantee issued in favor of AP Transco	25.47	25.47
c) Bank guarantee issued in favor of Andhra Pradesh pollution control Board	10.00	-

k) Related party transactions as per Account Standard (AS-18) issued by the Institute of Chartered Accountants of India is as follows-

A. Related Parties

Key management personnel	DR K S M Rao
	Sri A.Ayodhya Rami Reddy
	Sri M. Goutham Redday
	Sri Sandeep Kumar Sultania(Nominee of APIIC)
Holding Company / Fellow Subsidiaries / Companies/concerns in which the Key Management/ Relatives of Key Management are interested	
	Ramky Infrastructure Limited
	Ramky Estates and Farms Limited
	Ramky Enviro Engineers Limited
	MDDA Ramky IS Bus Terminal Limited
	Gwalior Bypass Project Limited
	Ramky Engineering & Consultancy Services (FZC)
	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 Enclave Limited
	Ramky Towers Limited
	Ramky Elsamex Hyderabad Ring Road Limited

B. Details of Transactions with related Parties

Particulars	Nature of Transactions	31.03.2008
Ramky Infrastructure Limited	Contract	72,72,50,206
	Security deposit received	70,00,000
	Security deposit repaid	32,61,20,000
Ramky Estates and Farms Limited	Rent Paid	28,412
Ramky Enviro Engineers Limited	Contract and Consultancy	20,70,39,590
DR K S M Rao	Managerial Remuneration	22,10,126

C. Details of Related Parties Outstanding Balances as on 31.03.2008

Name	Details	Amount
Ramky Infrastructure Limited	Creditors	18,46,83,201
	Security Deposit	70,00,000
	Share Capital	9,18,00,000
Ramky Estates and Farms Limited	Share Capital	6,84,00,000
	Outstanding Liabilities	28,412
Ramky Enviro Engineers Limited	Creditors	4,55,93,159
DR K S M Rao	Other Liabilities	1,47,871

III. Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No.	:	42855
State Code	:	01
Balance Sheet Date	:	31.03.2008

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	473908
Total Assets	:	473908

Sources of Funds

Paid-up Capital/Share Application Money	:	180000
Reserves & Surplus	:	153933
Secured Loans	:	139975
Unsecured Loans	:	NIL

Application of Funds

Net Fixed Assets / Capital Work In Progress	:	564588
Investments	:	-
Net Current Assets	:	-91274
Miscellaneous Expenditure	:	594
Accumulated Losses	:	-

4. Performance of the Company (Amount in Rs. Thousands)

Turnover	:	1060651
Total Expenditure	:	889692
Profit/Loss Before Tax + (-)	:	170958
Profit/Loss After Tax + (-)	:	147854
Earnings Per Share in Rs.	:	
- Basic	:	8.21
- Diluted	:	8.21
Dividend Rate %	:	NIL

5. Generic Names of Three Principal Products/Services of Company

(As per monetary terms)

Product Description	Item Code No. (ITC Code)
Infrastructure Projects	

Signatures for Schedules 1 - 14

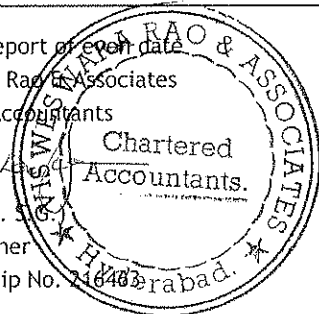
As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

S. Mahidhar

(Mahidhar. S.C.)

Partner

Membership No. 21640



on behalf of the Board
for Ramky Pharma City (India) Limited

DR. K.S.M Rao

(DR. K.S.M Rao)

Managing Director

M. Goutham Reddy

(M. Goutham Reddy)

Director

Place: Hyderabad

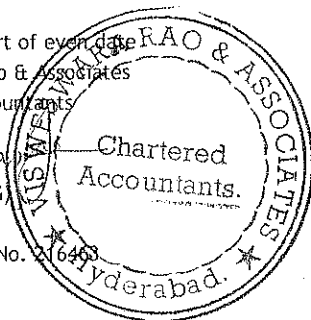
Date :25-06-2008

RAMKY PHARMA CITY (INDIA) LIMITED
Cash flow Statement for the year ended 31st March, 2008

PARTICULARS	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
A) Cash Flow from Operating Activities		
Net Profit before tax	170958224	17432777
Adjustments for:		
Depreciation	461571	426925
Interest Paid	353265	407478
Interest Received	(8016237)	(1553696)
Preliminary Expenses Written Off	255230	255230
Operating Profit before changes in working capital	164012053	16968714
Adjustments for:		
Increase/(Decrease) in Trade Payables & Others	353246357	93886800
Increase/(Decrease) in Loans & Advances	(191002340)	107693614
(Increase)/Decrease in Inventories	(116711942)	(21692950)
(Increase) /Decrease in trade Receivables	61301924	(129966324)
(Increase)/Decrease in Miscellaneous Expenditure	-	(585000)
Adjustments for:	270846052	66304854
Income-tax / TDS adjustments	(3484565)	(3688144)
Fringe Benefit Tax	(202216)	(193729)
Net cash flow from operating activities [A]	267159271	62422981
B) Cash flow from Investing Activities:		
Increase in Fixed Assets/Capital Work in Progress	(139633553)	(422394024)
Interest Received	8016237	1553696
Net Cash flow from Investing Activities [B]	(131617316)	(420840328)
C) Cash flow from Financing Activities:		
Proceeds from Issue of Share Capital/Share Application Money	-	133702000
Increase/(Decrease) in Long Term Borrowings	(163383771)	302372701
Interest Paid	(353265)	(407478)
Net cash flow from Financing Activities [C]	(163737036)	435667223
Net Increase/Decrease in cash & cash equivalents [A+B+C]	(28195081)	77249876
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	81397423	4147547
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	53202342	81397423

As per our report of even date
for Visweswara Rao & Associates
Chartered Accountants

(Mahidhar.S.G.)
Partner
Membership No. 216463



on behalf of the Board
for Ramky Pharma City (India) Limited

(DR.K.S.M. Rao)
Managing Director

M. Goutham Reddy
(M. Goutham Reddy)
Director

Place: Hyderabad
Date : 25-06-2008



**RAMKY ENGINEERING AND CONSULTING
SERVICES (FZC)**

P.O. Box No. 120347, Saif Zone
Sharjah - U.A.E.

Board of Directors' Report

Board of Directors has pleasure in submitting their Report and Financial Statements for the year ended March 31, 2008.

=====

Review of the Business

The company is engaged in providing Business Consultancy Services.

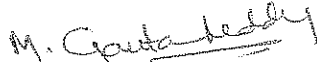
Financial Results

The Company has incurred net loss of AED 650,657/- during the year ended on 31st March 2008.

Auditors

A resolution to re-appoint N.R.Doshi & Co., Chartered Accountants as Auditors and fix their remuneration will be put to the shareholders at the Annual General Meeting.

On behalf of the Board,



Mr. Goutham Reddy Mareddy
Director

Dated: 4th June, 2008

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

RAMKY ENGINEERING AND CONSULTING SERVICES (FZC) P.O. BOX No. 120347, SAIF ZONE, SHARJAH – U.A.E.

We have audited the accompanying financial statements of **RAMKY ENGINEERING AND CONSULTING SERVICES (FZC)** which comprise the balance sheet as at March 31, 2008, the income statement, statement of changes in equity and statement of cash flows for the year ended and a summary of significant accounting policies and other explanatory notes as set out on page – 4 to 12.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. These responsibilities includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as of March 31, 2008 and of its financial performance and its cash flows for the year ended, in accordance with the International Financial Reporting Standards.



Report on Other Legal and Regulatory Requirements

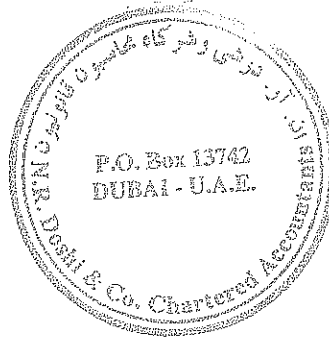
Also, in our opinion, proper books of account are maintained by the Company, and the information included in the Board of Directors' report related to the financial statements is in agreement with the books of account. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. Accordingly to the information available to us, there were no contraventions of the U.A.E. Federal Commercial Companies Law No. 8 of 1984 (as amended) during the year under audit, which might have a material effect on the financial position of the Company or on the results of its operations for the year ended on March 31, 2008.

N.R. Doshi & Co

Chartered Accountants

Dubai, United Arab Emirates

Dated: 04th June, 2008



RAMKY ENGINEERING AND CONSULTING SERVICES (FZC)
P.O. BOX No. 120347, SAIF ZONE, SHARJAH – U.A.E.

BALANCE SHEET AS AT 31ST MARCH, 2008

All figures are expressed in U.A.E. Dirhams

	NOTE	As at 31.03.2008	As at 31.03.2007
<u>Current Assets</u>			
Cash and Bank Balances	3	18,954	70,736
Deposits, Prepayments and Advances	4	35,830	41,790
	(A)	<u>54,784</u>	<u>112,526</u>
<u>Current Liabilities</u>			
Accruals and Provisions		44,500	51,585
	(B)	<u>44,500</u>	<u>51,585</u>
Net Current Assets	(A - B)	<u>10,284</u>	<u>60,941</u>
Net Assets		<u>10,284</u> =====	<u>60,941</u> =====
<u>Shareholders' Equity</u>			
Share Capital		150,000	150,000
Accumulated Profit / (Loss)		(1,041,419)	(390,762)
Shareholder's Long term Loan Account	5	901,703	301,703
		<u>10,284</u> =====	<u>60,941</u> =====

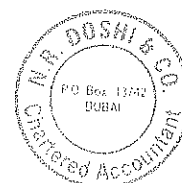
We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements on pages 4 to 12 were approved on 4th June, 2008 and signed by;

On behalf of the board

M. Goutham Reddy Mareddy

Mr. Goutham Reddy Mareddy
Director

Auditor's Report Page 2 and 3



RAMKY ENGINEERING AND CONSULTING SERVICES (FZC)
P.O. BOX No. 120347, SAIF ZONE, SHARJAH – U.A.E.

INCOME STATEMENT

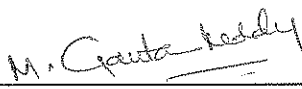
Year Ended: March 31, 2008

All figures are expressed in U.A.E. Dirham

	01.04.2007 To 31.03.2008	30.05.2006 to 31.03.2007
Revenue		
Consultancy Income	0	0
	-----	-----
Total Income	0	0
Expenses		
Salaries and Benefits	487,800	286,067
Rent	44,625	18,500
Administrative Expenses	118,232	67,982
Preliminary Expenses written off	0	18,213
	-----	-----
Sub - total	650,657	390,762
	-----	-----
Profit / (Loss) from Operations	(650,657)	(390,762)
	-----	-----
Net Profit / (Loss) for the year taken to Accumulated Profit / (Loss)	(650,657)	(390,762)
	=====	=====

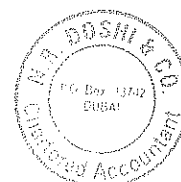
These financial statements on pages 4 to 12 were approved on 4th June, 2008 and signed by

On behalf of the board



Mr. Goutham Reddy Mareddy
Director

Auditor's Report Page 2 and 3



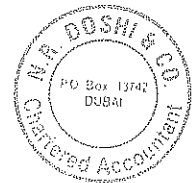
RAMKY ENGINEERING AND CONSULTING SERVICES (FZC)
P.O. BOX No. 120347, SAIF ZONE, SHARJAH – U.A.E.

STATEMENT OF CHANGES IN EQUITY

Year Ended: March 31, 2008

All figures are expressed in U.A.E. Dirhams

	Share Capital	Accumulated Profit/ (Loss)	Shareholder's Long Term Loan	Total
Opening Balance	0	0	0	0
Share Capital Introduced	150,000	0	0	150,000
Long Term Loan Introduced	0	0	301,703	301,703
Transfer from Income Statement	0	(390,762)	0	(390,762)
Balance as at 31.03.2007	150,000	(390,762)	301,703	60,941
Long term loan Introduced	0	0	600,000	600,000
Transfer from Income Statement	0	(650,657)	0	(650,657)
Balance as at 31.03.2008	150,000	(1,041,419)	901,703	10,284



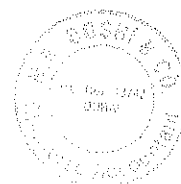
RAMKY ENGINEERING AND CONSULTING SERVICES (FZC)
P.O. BOX No. 120347, SAIF ZONE, SHARJAH – U.A.E.

CASH FLOW STATEMENT

Year Ended: March 31, 2008

All figures are expressed in U.A.E. Dirhams

	01.04.2007 To 31.03.2008	30.05.2006 to 31.03.2007
I. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) for the year/ period	(650,657)	(390,762)
Adjustments:		
Depreciation	0	0
	-----	-----
Operating Profit before changes in Operating assets and liabilities	(650,657)	(390,762)
(Increase) / Decrease in Deposits, Prepayments and Advances	5,960	(41,790)
(Decrease) / Increase in Accruals and Provisions	(7,085)	51,585
	-----	-----
Net Cash (Used In) / Flow from Operating Activities	(651,782)	(380,967)
	-----	-----
II. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Share Capital	0	150,000
Increase / (Decrease) in Long Term Loan	600,000	301,703
	-----	-----
Net Cash (Used In) / Flow from Financing Activities	600,000	451,703
	=====	=====
Increase / (Decrease) in Cash and Cash Equivalents	(I + II) (51,782)	70,736
Cash and Cash Equivalents as at 01.04.2007 (Note – 6, 2f)	70,736	0
Cash and Cash Equivalents as at 31.03.2008 (Note – 6, 2f)	18,954	70,736
	=====	=====
<u>Supplemental Cash Flow Statement Information</u>		
Non-Cash Transactions	NIL	NIL
	=====	=====



Accounting Policies and Explanatory Notes

Year Ended: March 31, 2008

All figures are expressed in U.A.E. Dirhams

1. Legal Status, Business Activities and Management

i. Legal Status

Ramky Engineering and Consulting Services is registered as a Free Zone Company with Limited Liability in pursuant to Emiri Decree No.2 of 1995 and in accordance with the provisions of the Implementation Procedures of the Free Zone Company (FZC) issued by SHARJAH Airport International Free Zone authority.

Sharjah Airport International Free Zone, SHARJAH, U.A.E. has originally issued trade license No. 02-04-04004 dated May 30, 2006 and which was renewed as on May 30, 2007.

The Address of the company is Executive Suite, P.O.Box 120347, Sharjah Airport International Free Zone, Sharjah, and U.A.E.

The followings are the Shareholders contributing to share capital of the Company:

Name of Shareholders	No. of Shares	% of Shares
M/s. Ramky Infrastructure Limited	1470	98
Mr. Alla Ayodhya Ramireddy	15	01
Mr. Goutham Reddy Mareddy	15	01
	-----	-----
	1500	100
	=====	====

The share capital of the company is AED 150,000/- , divided into 1500 shares of AED 100/- each. Mr. Alla Ayodhya & Mr. Goutham Reddy are the nominee shareholders on behalf of M/s. Ramky Infrastructure Limited.

ii. Business Activities

The Company is engaged in providing Business Consultancy Services.

iii. Management

As per the Board resolution passed by the parent company in its board meeting held on **March 16, 2006, Mr. Morthala Madhukar Reddy** is appointed as Manager of this company.

2. Significant Accounting Policies

The following accounting policies have been consistently applied by the management in the preparation of the company financial statements. The company financial statements are prepared in accordance with and comply with the requirements of each applicable International Accounting Standard and each applicable Interpretations of International Financial Reporting Interpretations Committee (IFRIC).



a. Accounting Basis

These Financial Statements, except for the cash flow information, employee entitlements to annual leave, air passage to their home country and employee terminal benefits, are prepared under the accrual basis of accounting. Under the accrual basis of accounting, transactions and events are recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the years to which they relate.

b. Measurement Basis

These Financial Statements have been prepared on historical cost basis.

c. Property, Plant, and Equipment

The cost of property, plant, and equipment is their purchase cost together with any incidental expenses of acquisition.

d. Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provision for employee entitlements to annual leave, terminal benefits, and air passage to their home country as a result of services rendered by employees are not provided and these are recognized in the accounts as and when paid by the company.

e. Revenue Recognition

Consultancy fee is recognised as income when the related transaction is executed on behalf of the clients.

f. Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprises of cash in hand, bank current and call accounts and bank fixed deposits free from lien with a maturity date of three months or less from the date of deposit.

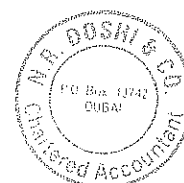
g. Intangible Assets

Intangible asset is an identifiable non monetary asset controlled by entity and it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

An intangible asset with an indefinite useful life is not amortised as per the requirement of IFRS.

h. Impairment of Assets

In accordance with International Accounting Standard 36, Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment wherever events or changes in circumstances indicate that carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the assets carrying value exceeds its recoverable amount. Recoverable amount is higher of the value in use and the realisable amount of the asset.



	As at 31.03.2008	As at 31.03.2007
3. Cash and Bank Balances		
Cash in hand	0	0
Balances with Bank in:		
- Current Account	18,954	70,736
	-----	-----
	18,954	70,736
	=====	=====
4. Deposits, Prepayments and Advances		
Deposits with SAIF ZONE	32,100	24,300
Prepaid Expenses	1,230	0
Prepaid Rent	2,500	17,490
	-----	-----
	35,830	41,790
	=====	=====
5. Shareholders' Long term Loans		
M/s. Ramky Infrastructure Limited	901,703	301,703
	=====	=====

Note: The above loan is unsecured, interest free and repayment schedule thereof is not stipulated.

6. Cash and Cash Equivalents

Cash in hand	0	0
Balances with Bank in:		
- Current Account	18,954	70,736
	-----	-----
	18,954	70,736
	=====	=====

7. Financial Instruments

In accordance with the International Accounting Standards 32 regarding Financial Instruments, the following disclosures are made.

Financial Instruments means financial assets, financial liabilities, and equity instruments.

Financial assets of the company are inventories, trade receivables, cash and bank balances, deposits and advances. Financial liabilities are trade payables and accruals.

a. Fair Values

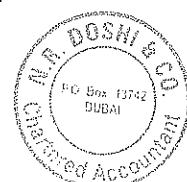
The fair values of the financial assets and financial liabilities approximate to their carrying values.

b. Credit Risk, Interest Rate Risk, and Exchange Rate Risk Exposure.

i. Credit Risk

Financial assets which potentially expose the company to credit risk, comprises mainly of trade receivables, bank current accounts etc.

- a. The company's bank account is placed with high credit quality financial institutions.
- b. Deposits and advances are lying with high quality institutions / Companies.



ii. Interest Rate Risk

No interest has been paid.

iii. Exchange Rate Risk

There is no exchange rate risk as substantially all the transactions are denominated in U.A.E. Dirham or U.S. Dollar to which the U.A.E Dirham is fixed.

8. Number of Personnel (At the end of period)

	31.03.2008	31.03.2007
Management	1	1
	-----	-----
TOTAL	1	1
	===	===

9. Significant Events occurring after the Balance Sheet date

There were no significant events occurring after the balance sheet date, which require disclosure in the Financial Statements.

10. Related Party Transactions

The company in the normal course of business enters into transactions with other business enterprises and/or persons that fall within the definition of related party contained in the International Accounting Standard No. 24.

Related parties comprise of companies and entities under common ownership, common management and control, their Partners / Directors and key management personnel as well as relatives of the partners.

The company may receive funds from related parties as and when required as working capital & long term requirements in to the business.

The summary of transactions entered into during the period and balances with related parties as at March 31, 2008 are as under.

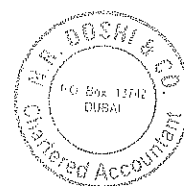
i. M/S. Ramky Infrastructure Limited

Long Term Loan Received	600,000
Long Term Loan Balance as at 31.03.2008	901,703

11. Previous Period's Figures

Previous period's figures have been regrouped or reclassified wherever necessary so as to conform to the current year's presentation.

12. In the opinion of the management, all the assets as shown in the financial statements are existing and realizable at the amount shown against them and there are no liabilities against the company, contingent or otherwise, not included in the above financial statements.



RAMKY ENGINEERING AND CONSULTING SERVICES (FZC)
P.O. BOX No. 120347, SAIF ZONE, SHARJAH – U.A.E.

Other Information

As at March 31, 2008

All figures are expressed in U.A.E. Dirhams

FINANCIAL INFORMATION

Significant Values and Ratios:

Particulars	31.03.2008	31.3.2007
Current Ratio	1.23 times	2.18 times
Debt Equity Ratio	4.33 times	0.85 times

NON-FINANCIAL INFORMATION

1. Business risks and Coverage

No insurance has been taken.

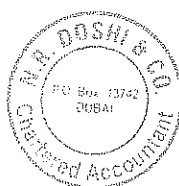
2. Accounting Software

The company is using TALLY 9 accounting software.

GENERAL INFORMATION

Name of Bankers

STANDARD CHARTERED BANK
Sharjah, U.A.E.



GWALIOR BYPASS PROJECT LIMITED
Regd. Office: 370-371/2, Sahi Hospital Road,
Jangpura, Bhogal, New Delhi-110014

DIRECTORS' REPORT

To,
The Members,
Gwalior Bypass Project Limited

Your Directors have pleasure in presenting the Second Annual Report along with the Audited Statement of Accounts of the company for the financial year ended 31st March 2008.

FINANCIAL HIGHLIGHTS:

	Current year (2007-2008) (Rs.)	previous year (2006-2007) (Rs.)
Turnover & Miscellaneous Income	0.00	5,092,742.00
Profits before Tax	0.00	5,090,441.00
Less: Tax Expenses		
Tax	49,278.00	1,713,440.00
Fringe Benefit Tax	0.00	6,035.00
Profit after Tax	(49,278.00)	3,370,966.00
Surplus carried over to Balance Sheet	3,321,688.00	3,370,966.00

PERFORMANCE

For the financial period ended 31st March, 2008, the total income of the company was nil and Net Loss of the Company was Rs. 49,278/-. Your directors hope for better results in the next coming financial years.

No material changes have occurred since the date of the Balance sheet and this report, which has any adverse effect on the working of the company.

FORMATION OF CAPITAL

- 1) The Company had on 1st July, 2007 allotted 10,00,000 Preference Shares of Rs. 400/- each (Including a premium of Rs. 300/-) to M/s. Era Infra Engineering limited and 2,240 Preference Shares of Rs. 400/- each (Including a premium of Rs. 300/-) to M/s. Ramky Infrastructure Limited and on 25th March, 2008 allotted 1,66,135 Preference Shares of Rs. 400/- (Including a premium of Rs. 300/- Premium) to Era Infra Engineering Limited.
- 2) On July 1, 2007 the company issued 2% 10,02,240 redeemable preference shares of the Rs. 100 each at the premium of Rs. 300. The redemption period of these shares is not earlier than 16 years and not later than 20 years from the date of allotment, at the option of the Board. Further, the company alters the terms and conditions of these preference shares, after obtaining the approval of Equity/ Preference Shareholders at their respective Extra Ordinary General Meetings held on March 25, 2008. The revised terms and conditions are as follows:
 - (a) The revised coupon rate is 20%.

- (b) The participation rights of dividend are at the same rate which shall be declared and paid to Equity Shareholders.
 - (c) The normal redemption period is same as mentioned above. However early redemption can be made at the option of Board after beginning of 11th year from the date of allotment.
 - (d) The above mentioned preference Shares shall be redeemed in 16th Year at Rs. 800/-, 17th year Rs. 850/-, 18th year Rs. 900/-, 19th year Rs. 950/-, 20th year Rs. 1,000/-.
- 3) On March 25, 2008, the company issued 166,135 Cumulative Redeemable Preference shares of Rs. 100 each at premium of Rs. 300 per shares on the same terms and conditions as mentioned above.

FUTURE PROSPECT:

The Management of the Company is very optimistic about the future growth of the Company and expects the growth in profitability in coming years.

PUBLIC DEPOSITS

Your Company has not accepted any deposits with in the meaning of Section 58A of the Companies Act, 1956, and the rules made there under.

AUDITORS' REPORT

The Auditors Report to the shareholders is enclosed with the Accounts for the Period ended 31st March, 2008. There are no adverse qualifications in the report.

AUDITORS

M/s. P.C. Bindal & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing this Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 224(1B) of the Companies Act, 1956. Accordingly, M/s. P.C. Bindal & Co., Chartered Accountants, are required to be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting.

DIRECTORS

During the year Mr. M.G. Reddy is appointed as additional director of the Company. In terms of section 260 of the Companies Act, 1956 he holds office as an Additional Directors up to the ensuing General Meeting. He is proposed to be appointed as regular director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- i) That in the preparation of the annual accounts, the applicable accounting standards had been followed;

- ii) That the directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit of the Company for that period;
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration during the year in excess of limits prescribed u/s 217 (2A) of the Companies Act, 1956, and the relevant rules made there under.

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information 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 regarding the conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity. Still it endeavors to save the energy wherever possible at all level of operation.

FOREIGN EXCHANGE EARNING AND OUTGO :(Rs. In Lacs)

Particulars	Year ended 31.03.08	Year ended 31.03.07
Foreign Exchange Earning	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

EMPLOYEES RELATIONS

The industrial relations continued to be cordial and harmonious. Your directors wish to place on record the appreciation for the devoted services rendered by the Workers, Staff and Executives of the Company at all levels and other employees who have contributed to the efficient and successful management of the Company.

ACKNOWLEDGEMENT

Your directors take this opportunity to offer their sincere thanks to various departments of the Central and state Governments, Financial Institutions, Banks and Investors for their unstinted support, assistance and valuable guidance.

For & on behalf of the Board of Directors
Of Gwalior Bypass Project Limited



(Ajay Kumar Mishra)
Chairman

Place: New Delhi

Date: 30 JUN 2008

AUDITORS' REPORT

The Members,
M/s GWALIOR BYPASS PROJECT LIMITED
New Delhi

1. We have audited the attached Balance Sheet of GWALIOR BYPASS PROJECT LIMITED as at 31st March, 2008, Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - i) 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;
 - ii) 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 ;
 - iii) The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
 - iv) In our opinion, the balance sheet, profit & loss account and cash flow statement dealt with this report comply with the accounting standards referred to in sub-section (3C) section 211 of the Companies Act, 1956 ;
 - v) On the basis of the written representations received from the directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

- vi) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
- a) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2008;
 - b) in the case of Profit & Loss Account, of the loss of the company 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.

For P.C. Bindal & CO.
Chartered Accountants



[CA. K.C. Gupta]

Partner

M. No. : 088638

New Delhi

Dated 30 JUN 2009

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE
TO THE MEMBERS OF GWALIOR BYPASS PROJECT LIMITED
FOR THE YEAR ENDED ON 31ST MARCH, 2008**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial part of fixed assets.
- (ii) Since, there is no purchase/sale/closing stock with the company. Hence the provisions of Clause (ii) of the order are not applicable.
- (iii) (a) According to the information & explanations given to us, the company has not granted loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. In view of above, clause 4 (iii) (a) to (d) of the Order is not applicable to the company.
- (b) According to the information & explanations given to us, the company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.72.69 lacs and the year end balance of loans taken from such party was Rs. Nil.
- (c) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions on which loans have been taken from the director of the company are not prima facie, prejudicial to the interest of the company.
- (d) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest, wherever applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets. During the course of our audit, we have not observed any major weakness in internal controls nor have any such weaknesses been brought to our notice.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts, arrangements or transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public to which provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. The directors are themselves implanting the system.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of any of activities of the company.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess have been regularly deposited with the appropriate authorities.
- (b) Accordingly to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, which have not been deposited on account of any dispute.
- (x) As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order 2003 is not applicable to the Company for the current year.
- (xi) In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture-holder during the year.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us , the company is not dealing in or trading in shares, securities, debentures and other investments, Accordingly, the provisions of clause 4(xiv) of the Order are not applicable in respect the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) According to the information and explanations given to us, the term loans were applied for the purpose for which the loan were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

- (xix) According to the information and explanations given to us, the company has not issued any debentures during the year under report.
- (xx) According to the information and explanations given to us, during the year covered by our audit report, the company had not raised any money by public issue
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

New Delhi

Dated : 30 JUN 2009

**For P.C. Bindal & CO.**
Chartered Accountants

[CA. K.C. Gupta]
Partner
M. No. : 088638

Balance Sheet as at 31st March, 2008

	Schedule	As At 31.03.2008 (Amount in Rs.)	As At 31.03.2007 (Amount in Rs.)
Sources of Funds			
1. Shareholders' Funds			
(a) Share Capital	"A"	117,337,500	500,000
(b) Share Application Money	"B"	-	400,896,000
(c) Reserves & Surplus	"C"	353,834,188	3,370,966
		471,171,688	404,766,966
2. Loan Funds			
(a) Secured Loan	"D"	332,098,289	7,612,577
(b) Unsecured Loan	"E"	40,083,124	6,806,127
		372,181,413	14,418,704
		843,353,101	419,185,670
Application of Funds			
1 Fixed Assests			
(a) Gross Block	"F"	18,223,099	576,385
Less : Depreciation		560,344	-
Net Block		17,662,755	576,385
(b) Capital Work in Progress		463,844,659	11,054,964
(c) Pre- Operative Expenses (Pending for Capitalisation)		257,431,158	13,836,167
		738,938,572	25,467,516
2 Current Assets, Loans & Advances	"G"		
(a) Cash & Bank Balances		98,878,927	400,367,890
(b) Other Current Assets		457,614	4,082,942
(c) Loans & Advances		7,448,798	1,144,990
		106,785,339	405,595,822
Less: Current Liabilities & Provisions	"H"		
(a) Other Liabilities		2,370,810	11,167,993
(b) Provisions		-	709,675
		104,414,529	393,718,154
Net Current Assets		843,353,101	419,185,670
Significant Accounting Policies and Notes to Accounts	"I"	-	-

Significant Accounting Policies and Notes to Accounts

The schedules referred to above form an integral part of the balance sheet.

As per our report of even date attached

For P.C. Bindal & Co.
Chartered Accountants

(CA. K.C. GUPTA)
Partner
M.No. 088638

Place : New Delhi
Dated :

30 JUN 2008

For & on behalf of the Board


[Ajay Kr. Mishra]
Chairman


[J.L. Khushu]
Managing Director


[Y.R. Nagaraja]
Director


[Sanjeev Kumar]
Company Secretary

Profit & Loss Account for the Period Ended on 31st March, 2008

Schedule	2007-2008 (Amount in Rs.)	2006-2007 (Amount in Rs.)
Income		
Interest of Fixed Deposit (TDS of Rs. Pr. Year Rs. 11,42,812/-)	-	5,092,742
	-	5,092,742
Expenditure		
Interest Paid	-	2,301
	-	2,301
Profit Before Tax	-	5,090,441
Less: Tax Expense		1,713,440
- Current Tax	49,278	-
- Tax for Earlier Years	-	6,035
- Fringe Benefit Tax	-	-
Profit After Tax	(49,278)	3,370,966
Brought forward profit of previous year.	3,370,966	-
Surplus carried over to Balance Sheet	3,321,688	3,370,966
Earning Per Share (Rs. Per Equity share of Rs. 10/- each)		
- Basic	Rs. (0.99)	207.56
- Diluted	Rs. (0.99)	16.77

Significant Accounting Policies and Notes to Account "I"

The schedules referred to above form an integral part of the profit & loss account

As Per our report of even date attached

For P.C. Bindal & Co.
Chartered Accountants



(CA. K.C. GUPTA)
Partner
M.No. 088638

Place : New Delhi
Dated : 30 JUN 2008

For & on behalf of the Board

[Ajay Kr. Mishra]
Chairman

[J.L. Khushu]
Managing Director

[Y.R. Nagaraja]
Director

[Sanjeev Kumar]
Company Secretary

SCHEDULE FORMING PART OF BALANCE SHEET

	As At 31.03.2008 (Amount in Rs.)	AS AT 31.03.2007 (Amount in Rs.)
SCHEDULE "A"		
SHARE CAPITAL		
AUTHORISED		
20,00,000 (Pr. Year : 20,00,000) Equity Shares of Rs 10/- each	20,000,000	20,000,000
15,00,000 (Pr. Year : 15,00,000) Preference Shares of Rs. 100/- each	150,000,000	150,000,000
	170,000,000	170,000,000
ISSUED		
50,000 (Pr. Year : 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
12,00,000 (Pr. Year : 11,00,000) Preference Shares of Rs. 100/- each	120,000,000	110,000,000
	120,500,000	110,500,000
SUBSCRIBED		
50,000 (Pr. Year : 50,000) Equity Shares of Rs. 10/- each	500,000	500,000
20% Cumulative Redeemable Preference Shares of Rs. 100/- 11,68,375 (Pr. Year : 10,02,240) Preference Shares of Rs. 100/- each issued at Premium of Rs 300/- each.	116,837,500	100,224,000
	117,337,500	100,724,000
PAID UP		
50,000 (Pr. Year : 50,000) Equity Shares of Rs. 10/- each fully paid up	500,000	500,000
20% Cumulative Redeemable Preference Shares of Rs. 100/- 11,68,375 (Pr. Year : Nil) Preference Shares of Rs. 100/- each fully paid up issued at Premium of Rs 300/- each.	116,837,500	-
	117,337,500	500,000
Note:-Paid up capital includes 25,500 Equity Shares of Rs. 10/- each fully paid up held by Ramky Infrastructure Limited, Holding Company.		
SCHEDULE "B"		
SHARE APPLICATION MONEY		
Particulars of Shares	No. of Shares	
-Preference Shares	-	400,896,000
		400,896,000
SCHEDULE "C"		
RESERVE & SURPLUS		
(a) Securities Premium Account As per Last Balance Sheet	-	-
Add:- Addition During the Year	350,512,500.00	350,512,500
(b) Profit & Loss Account		3,321,688
		353,834,188
		3,370,966
SCHEDULE "D"		
SECURED LOANS		
From Banks		
- Term Loan	332,098,289	-
- Overdraft	-	7,612,577
	332,098,289	7,612,577

Note:- 1. Term Loan borrowed from Banks are secured by 1st pari passu charge by way of grant, assign, convey, assure, charge and transfer upto the Senior Lenders by way of continuing security all & singular the beneficial right, title & interest of the all the piece & parcel of Land.
2. Overdraft facility is secured against Fixed Deposit.

SCHEDULE FORMING PART OF BALANCE SHEET

	As At 31.03.2008 (Amount in Rs.)	AS AT 31.03.2007 (Amount in Rs.)
SCHEDULE "E"		
UNSECURED LOANS		
-Inter Corporate Deposit	-	6,806,127
-Others	40,083,124	-
	<u>40,083,124</u>	<u>6,806,127</u>
SCHEDULE "G"		
CURRENT ASSETS, LOANS & ADVANCES		
A CASH & BANK BALANCES		
(a) Cash in Hand	26,233	227,690
(b) Balance with scheduled banks in		
- Current Accounts	3,837,694	140,200
- Fixed Deposit	95,000,000	-
- Fixed Deposit *	-	400,000,000
* Pledge with Banks		
- Fixed Deposit **	15,000	-
** Pledge with Sales Tax		
Total (A)	<u>98,878,927</u>	<u>400,367,890</u>
B OTHER CURRENT ASSETS		
Interest Accrued on Fixed Deposit	457,614	4,082,942
Total (B)	<u>457,614</u>	<u>4,082,942</u>
C LOANS & ADVANCES		
(Unsecured, considered good) Advances Recoverable in Cash or in Kind for value to be received	7,448,798	1,144,990
Total (C)	<u>7,448,798</u>	<u>1,144,990</u>
Total (A+B+C)	<u>106,785,339</u>	<u>405,595,822</u>
SCHEDULE "H"		
CURRENT LIABILITIES & PROVISIONS		
A CURRENT LIABILITIES		
(a) Sundry Creditors	-	11,054,964
-Capital Goods	2,370,810	113,029
(b) Other Current Liabilities		
Total (A)	<u>2,370,810</u>	<u>11,167,993</u>
B PROVISIONS		
(a) Income Tax (Net of Prepaid Taxes)	-	703,640
(b) Fringe Benefit Tax	-	6,035
Total (B)	<u>-</u>	<u>709,675</u>
Total (A+B)	<u>2,370,810</u>	<u>11,877,668</u>

Gwalior Bypass Project Limited

Schedule forming part of the Balance Sheet

Schedule - F

Fixed Assets as on 31st March, 2008

S No.	Particulars	GROSS BLOCK			Rate of Depreciation	DEPRECIATION BLOCK			NET BLOCK	
		Cost as on 1-April-07	Additions during the year	Sold / Adjustment during the year		Total as on 31/03/2008	Upto 31-Mar-08	For the Period	Upto 31-Mar-08	Value as on 31-Mar-08
1	Land	576,385	-	-	-	-	-	-	576,385	576,385
2	Plant & Machinery	-	17,646,714	-	4.75%	-	560,344	560,344	17,086,370	-
		<u>576,385</u>	<u>17,646,714</u>	<u>-</u>		<u>-</u>	<u>560,344</u>	<u>560,344</u>	<u>17,662,755</u>	<u>576,385</u>
3	Capital Work in Progress	11,054,964	721,275,817	11,054,964	-	-	-	-	721,275,817	11,054,964
		<u>11,631,349</u>	<u>738,922,531</u>	<u>11,054,964</u>		<u>-</u>	<u>560,344</u>	<u>560,344</u>	<u>738,938,572</u>	<u>11,631,349</u>

GWALIOR BYPASS PROJECT LIMITED

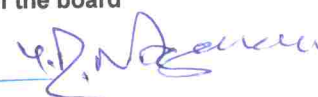
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

Particulars	Year Ended 31st March, 2008	Year Ended 31st March, 2007
Cash Flow from Operating Activities		
Net Profit before taxation	-	5,090,441
Adjustments		
Add		
Interest Expenses	-	2,301
Deduct		
Interest Income	-	5,092,742
Operating cash flow before working capital changes	-	-
Decrease / (Increase) in Inventories	(243,034,647)	(13,836,167)
Decrease / (Increase) in Other Current Assets	3,625,328	(4,082,942)
Decrease / (Increase) in Loan & Advances	(6,303,808)	(1,144,990)
(Decrease) / Increase in Current Liabilities	(8,797,183)	11,167,993
(Decrease) / Increase in Provisions	(87,340)	709,675
Cash generated from operations	(254,597,650)	(7,186,431)
Income Tax Paid Including Fringe Benefit Tax	(671,613)	-
Cash Flow from Operating Activities (A)	(255,269,263)	(7,186,431)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(17,646,714)	(576,385)
Capital Work in progress including capital advances	(452,789,695)	(11,054,964)
Interest Income	-	5,092,742
Provision for Taxes on Income from Investing Activities	-	(1,719,475)
Net Cash from Investing Activities (B)	(470,436,409)	(8,258,082)
Cash Flow from Financing Activities		
Proceeds from Share Capital	116,837,500	500,000
Proceeds from Securities Premium	350,512,500	-
Proceeds from Share Application Money	(400,896,000)	400,896,000
Proceeds from Long Term Borrowings	357,762,709	14,418,704
Interest Paid	-	(2,301)
Net Cash Flow from Financing Activities (C)	424,216,709	415,812,403
Net Increase in Cash & Cash equivalents (A+B+C)	(301,488,963)	400,367,890
Cash & Cash equivalents at beginning of the year	400,367,890	-
Cash & Cash equivalents at end of the year	98,878,927	400,367,890
(See Schedule 5(a) of Financial Statement)		

For & on behalf of the board


[Ajay Kr. Mishra]
Chairman


[J.L. Khushu]
Managing Director


[Y.R. Nagaraja]
Director


[Sanjeev Kumar]
Company Secretary

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of Gwalior Bypass Project Limited for the year ended 31st March, 2008. The Statement Prepared under the Indirect Method by the Company with corresponding Profit & Loss Account and Balance Sheet of the company covered by the Reptot 30th June, 2008 to the members of the Company.

For P.C. Bindal & Co.
Chartered Accountants


(CA. K.C. GUPTA)
Partner
M.No. 088638

Place : New Delhi
Dated :

30 JUN 2008

GWALIOR BYPASS PROJECT LIMITED

SCHEDULE "I"

SCHEDULES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2008

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant presentational requirements of the Companies Act 1956. A summary of important accounting policies applied are set out below;

1. BASIS OF ACCOUNTING

Financial statements are prepared under historical cost convention and on the basis of a going concern.

2. REVENUE RECOGNITION

- a) Revenue has yet not been accounted as the work is still in progress and will be accounted for on accrual basis.
- b) Other Income has been accounted for on accrual basis.

3. FIXED ASSETS

Fixed assets are recorded at cost of acquisition and subsequent improvements thereto including taxes, duties, freight & other incidental expenses related to acquisition and installation. They are stated at historical cost.

4. DEPRICIATION

Depreciation has been provided on the basis of Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions during the period has been provided on pro – rata basis.

5. INCOME TAX

Income taxes are computed using the tax effect accounting method where taxes are accrued in the same period, as the related revenue and expenses to which they relate.

6. PRE OPERATIVE EXPENSES

Pre Operative Expenses shall be capitalized from the year in which the Company will start formal production.

7. CAPITAL WORK IN PROGRESS

Advances paid towards the acquisition of fixed assets, cost of assets not ready for use before the year end, are included under the head "Capital Work-in-progress".

B. NOTES TO ACCOUNTS

1. Maximum amount due at any time during the year from directors and/or their relatives and the Concern /Companies, in which such directors and / or their relatives are interested :-

(A) Era Infra Engineering Limited: - Rs. 4490.92 Lacs

2. Contingent Liabilities: Bank Guarantee of Rs. 902.79 Lacs by an associate company.
3. Managerial Remuneration paid/payable during the period – Nil.
4. The Company does not have any Deferred Tax liability / assets.
5. Estimated amounts of capital contracts remaining to be executed (net of advances) Rs. 22,905.08 Lacs
6. Amount Paid / Payable to Auditors

	Current Year (In Rupees)	Previous Year (In Rupees)
Audit Fee	1, 62,922	56,120
Certification Charges	5,618	--
	<hr/>	<hr/>
	1.68,540	56,120
	<hr/>	<hr/>

7. In the opinion of board of directors all the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated and that all the known liabilities relating to the year have been provided for.
8. On July 1, 2007 the company issued 2% 10, 02,240 redeemable preference shares of the Rs. 100 each at the premium of Rs. 300. The redemption period of these shares is not earlier than 16 years and not later than 20 years from the date of allotment, at the option of the Board. Further, the company alters the terms and conditions of these preference shares, after obtaining the approval of Equity/ Preference Shareholders at their respective Extra Ordinary General Meetings held on March 25, 2008. The revised terms and conditions are as follows:
- (a) The revised coupon rate is 20%.
- (b) The participation rights of dividend are at the same rate which shall be declared and paid to Equity Shareholders.
- (c) The normal redemption period is same as mentioned above. However early redemption can be made at the option of Board after beginning of 11th year from the date of allotment.
- (d) The above mentioned preference Shares shall be redeemed in 16th Year at Rs. 800/-, 17th year Rs. 850/-, 18th year Rs. 900/-, 19th year Rs. 950/-, 20th year Rs. 1,000/-.
- (e) On March 25, 2008, the company issued 166,135 Cumulative Redeemable Preference shares of Rs. 100 each at premium of Rs. 300 per shares on the same terms and conditions as mentioned above.

9. The company could not provide dividend payable to preference shareholders amounting to Rs. 1, 51, 01,949/- because of the insufficient profits.
10. The company could not provide Preference Shares Redemption Reserve because of the insufficient profits.
11. There are no payments due to Micro, Small & Medium Scale Industrial Undertaking.
12. Interest on Fixed Deposit earned by the company has been reduced from the pre-operative expenses account.
13. CIF Value of the Capital Goods- Rs. 213.44 Lacs
14. Expenditure/Earnings in foreign currency –Nil.
15. **EARNING PER SHARE**

CALCULATION OF EARNING PER SHARE- BASIC & DILUTED

	For the Period ended 01.04.2007 to 31.03.2008		For the period 23.06.2006 to 31.03.2007	
	31 st March 08	31 st March 08	31 st March 2007	31 st March 2007
	Basic EPS	Diluted EPS	Basic EPS	Diluted EPS
Earnings				
Net profit attributable to equity shareholders	(49,278)	(49,278)	Rs. 33,70,966	Rs. 33,70,966
Shares				
Weighted average number of equity shares outstanding during the year	50,000	50,000	16,241	16,241
Weighted average number of equity shares resulting from dilutive instruments	-	-	--	1,84,747
Weighted average number of equity shares for calculation of earnings per share	50,000	50,000	16,241	2,00,988
Earning Per Share	(0.99)	(0.99)	Rs. 207.56	Rs. 16.77

16. Related Party Disclosures

- A) Holding Company: Ramky Infrastructure Limited: - There are no transactions with the Holding Company during the period.
- B) Names of other related parties with whom transactions have taken place during the year.
 - i. Associate Company – Era Infra Engineering Limited (Formerly known as Era Constructions (I) Limited)
 - ii. Individual owing significant influence and occupying key management position and his relatives. - Mr. J.L. Khushu (Managing Director): - There are no transactions with the key management person during the period.

Related Party Transactions and Balances:**(Rs. in Lacs)**

Particulars	Associate Company		Total	
	For the period 01.04.2007 to 31.03.2008	For the period 23.06.2006 to 31.03.2007	For the period 01.04.2007 to 31.12.2008	For the period 23.06.2006 to 31.03.2007
- Loan Received	10.00	251.50	125.35	251.50
- Loans Repaid	78.06	185.00	193.41	185.00
- Interest paid	4.69	2.01	4.69	2.01
- Advances against Execution of Project	4562.74	-	4562.74	-
- Labour Charges	2275.95	-	2275.95	-
-Balances outstanding				
-Due from	4490.92	-	4490.92	-
-Due to	-	68.06	-	68.06

17. Current Financial results are related to Financial Year i.e. from 1st April 2007 to 31st March, 2008 while the previous year figures are related to the period starting from 23rd June, 2006 and ending on 31st March, 2007, hence not comparable.
18. All the figures have been stated in rupees.
19. Previous year figures have been regrouped and /or rearranged to conform of those of current year's figures, wherever necessary.
20. Schedule "A" to "I" is integral part of Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For and on Behalf of the Board**For P.C. BINDAL & CO.**
Chartered Accountants**(CA. K. C. Gupta)**
Partner
M. No. 088638

(Ajay Mishra)
Chairman

(J.L. Khushu)
Managing Director

(Y.R. Nagaraja)
Director

(Sanjeev Kumar)
Company Secretary

Place: New Delhi

Dated: 30 JUN 2008

Ramky Infrastructgure Limited

Regd. Office: 6-3-1089/G/10&11, 1st Floor Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500082.

PROXY FORM

Regd.Folio No.	*DP No.
No. of shares held	* Client ID:

I/We _____ of _____ being a Member / Members of Ramky Infrastructure Limited hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to attend and vote for me / us on my / our behalf at the First Annual General Meeting at 6-3-1089/G/10&11, 1st Floor Gulmohar Avenue, Rajbhavan Road, Somajiguda, Hyderabad – 500082 to be held on Tuesday, the 30 September 2008 at 1530 hrs. and at any adjournment thereof.

As witness my/ our hand(s) this _____ day of _____ 2008

Signed by the said _____

Revenue stamp Signature

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

* Applicable for investors holding shares in electronic form.