

INDEPENDENT AUDITORS' REPORT

To
The Members of **Ramky Infrastructure Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ramky Infrastructure Limited ("the Company"), which includes 9 joint operations comprising of the Standalone Balance Sheet as at 31st March 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

Attention is invited to

- a) Note 47 to the standalone financial statements in respect of existence of material uncertainties over the reliability of certain contract assets and trade receivables aggregating to Rs. 839.35 millions as at 31st March 2021 (Rs. 881.73 millions as on 31st March 2020) which are subject matters of arbitration proceedings / negotiations with the customers and contractors due to foreclosure of contracts and other disputes. The management of the Company, keeping in view the status of negotiations and the outcome of arbitration proceedings on the basis of which steps to recover these amounts are currently in process, is confident of recovering the aforesaid dues. In view of pending billing of project WIP / slow progress / termination of these projects, and lack of other alternate audit evidence to corroborate management's assessment of recoverability of these balances, we are unable to comment on the extent to which these balances are recoverable.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditors' response
<p>Foreseeable losses</p> <p>Management estimates the costs to complete the unexecuted portion of the contract and where it is probable that those costs exceed the revenue to be earned from such contracts, a provision for such probable loss is created.</p>	<p>Evidence and historical information is considered to decide on the rationale and appropriateness of the estimates with respect to the costs to complete the project.</p> <p>The relevant covenants of the contract are verified to assess the unearned revenue from the project.</p> <p>Considering the historical information and evidence with respect to probability of incurring losses, an appropriate provision is arrived.</p>
<p>Revenue of the company is mainly from Construction Contracts. Revenue from these contracts are recognized over a period of time in accordance with the requirements of IND AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves survey of work performed, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/onerous obligations. Revenue recognition involves aforesaid significant judgement and estimation. We therefore determined this to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Reading the accounting policy for revenue recognition of the Company. • Obtaining an understanding of the Company's processes and controls for revenue recognition process, evaluating the key controls around such process. • Performing tests of details, on a sample basis and inspecting the underlying customer contracts and relevant supporting documents. • Sample of revenue disaggregated by type and service offerings was tested with the performance obligation specified in the underlying contracts. • Considering the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the standalone financial statements, consolidated financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Board's Report including its annexures is expected to be made available to us after the date of this auditor's report. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 7 joint operations whose annual financial statements reflect total assets of Rs. 552.60 millions as at March 31, 2021, revenues of Rs. 175.50 millions and net cash outflows of Rs. 4.37 millions for the year ended March 31, 2021, as considered in the standalone financial statements which have been audited by their respective independent auditors. The reports of such auditors on financial statements and other financial information of these joint operations have been furnished to us and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the report of such auditors and procedures performed by us as stated in paragraph above.

The accompanying financial statements include the Company's share of total assets of Rs. 22.70 millions as at March 31, 2021, revenues of Rs. 576.75 millions and net cash outflows of Rs. 0.03 millions for the year ended March 31, 2021, in respect 2 joint operations, based on their annual financial information, which have not been audited by their auditors, and have been furnished to us by the Company's management. Our opinion on the standalone financial statements and our report, in so far as it relates to the aforesaid joint operations is based solely on such unaudited management certified financial statements. According to the information and explanations given to us by the management, such financial statements are not material to the Company.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”;
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and

Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 41 to the standalone financial statements;
- ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts; and
- iii. There are no dues required to be transferred to the Investor Education and Protection Fund by the Company.

For M V Narayana Reddy & Co.,
Chartered Accountants
Firm Registration No. 002370 S
Sd/-

M V Narayana Reddy
Partner
Membership No. 028046
UDIN: 21028046AAAAAE4752

Place: Hyderabad
Date : 14-06-2021



Annexure 'A' to the Independent Auditors' Report

The Annexure A referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company for the year ended 31st March, 2021, we report

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material.
- (c) According to the information and explanations given to us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- ii) According to the information and explanations given to us, the inventories were physically verified during the year by the management at reasonable intervals and the discrepancies noticed on such verification of the inventory as compared to book records were not material.
- iii) According to the information and explanation given to us, the Company has granted interest free unsecured loans to two subsidiary companies covered in the register maintained under section 189 of the Act, in respect of such loans;
 - (a) In our opinion, the terms and conditions of the loans granted by the Company are not prejudicial to the interest of the Company, except in the case of interest free unsecured loans granted to two subsidiary companies, aggregating to Rs. 1,807.82 million as at 31st March 2021, having regard to the cost of funds to the Company which are prejudicial to the interest of the Company.
 - (b) The receipt of principal amount and interest, wherever stipulated is regular other than an amount disclosed in (c) below. Further in case of interest free loan granted to two subsidiary companies where the schedule of repayment of the principal and payment of interest has not been stipulated, we are unable to comment as to whether repayments are regular.
 - (c) In case of loans carrying interest, there is an overdue interest amounting to Rs. 332.60 millions for more than 90 days. As per the information and explanations given to us, the Company has made reasonable steps to recover overdue interest portion. Further, in case of interest free unsecured loans granted to two subsidiary companies, as the schedule of repayment has not been stipulated, we are unable to comment whether any amount is overdue and whether any steps for recovery of the principal is required.

According to the information and explanations given to us, apart from the above, the Company has not granted loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given, guarantees given or securities provided are not applicable to the Company, since it is covered as a company engaged in business of providing infrastructural facilities. The Company has complied with the provisions of Section 186 of the Act with respect to the investments made.

- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year within the meaning of section 73 to 76 of the Act and the Rules framed there under to the extent notified.
- vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under section 148 (1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made detailed examination of the records with a view to determining whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) According to information and explanations given to us and records of the Company examined by us, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, cess and other material statutory dues as applicable have been actually/regularly deposited with the appropriate authorities and there have been delays in number of cases during the year. As per information and explanations given to us the Company did not have any dues on the account of excise duty and customs duty. Details of undisputed dues in respect of works contract tax, value added tax, central sales tax and goods and services tax that were in arrears for a period of more than six months from the date they become payable are provided in **Appendix – I**.
 - (b) According to the information and explanations given to us and records of the Company examined by us, particulars of dues outstanding in respect of income-tax, service tax, goods and services tax and value added tax which have not been deposited on account of any dispute are given in **Appendix – II** to this report.
- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to the financial institutions or banks. There are no loans or borrowings payable to Government and debenture holders.
- ix) According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations provided to us, transactions with the related parties are in compliance with section 177 and 188 of the Act, to the extent applicable. The details of related party transactions as required by the applicable accounting standards have been disclosed in the notes to standalone financial statements.

- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For M V Narayana Reddy & Co.,

Chartered Accountants

Firm Registration No. 002370 S

Sd/-

M V Narayana Reddy

Partner

Membership No. 028046

UDIN: 21028046AAAAAE4752

Place: Hyderabad

Date : 14-06-2021



Appendix I as referred to in Para vii (a) of Annexure A to the Independent Auditor's Report

Name of the statute	Nature of the due	Amount (Rs. in mn)	Period to which it pertain
Andhra Pradesh VAT Act, 2005	Value Added Tax(VAT)	15.72	2017-18
Chattisgarh Value Added Tax	Works Contract Tax Deducted at source	1.38	2015-16
Madhya Pradhesh Value Added Tax Act	Works Contract Tax Deducted at source	2.04	2015-16 to 2016-17
New Delhi Value Added Tax Act	Works Contract Tax Deducted at source	3.88	2015-16 to 2016-17
Telangana Value Added Tax Act	Works Contract Tax Deducted at source	0.33	2016-17
West Bengal Value Added Tax Act	Works Contract Tax Deducted at source	2.36	2017-18
Central Sales Tax Act, Karnataka	Central Sales Tax Act,	1.52	2015-16
Jammu & Kashmir Value added Tax Act	Value Added Tax(VAT)	406.66	2017-18

Appendix II as referred to in Para vii (b) of Annexure A to the Independent Auditor's Report

Name of the Statue	Nature of the due	Amount (Rs. in mn)	Period to which it pertain	Forum where dispute pending
Andhra Pradesh General sales Tax Act, 1957	Tax	9.07	2002-03	The Deputy Commissioner, Panjagutta
		(4.53)*		
Andhra Pradesh VAT Act,2005	Tax and Penalty	56.90	2005-07	Sales Tax Appellate Tribunal, Hyderabad
		(61.74)*		
Andhra Pradesh VAT Act,2005	Tax	85.55	2007-09	Commercial Tax Officer, Somajiguda,Hyderabad.
		(12.87)*		
Andhra Pradesh VAT Act,2005	Tax	63.08	2010-11	High Court, Andhra Pradesh and Telangana
Andhra Pradesh VAT Act,2005	Tax	11.89	2007-09	Sales Tax Appellate Tribunal, Hyderabad
		(4.35)*		
Bihar VAT Act, 2005	Penalty	44.27	2010-12	DCCT(Appeal), Patna
Madhya Pradesh Value Added Tax, 2002	Tax	35.62	2013-14	Appellate Tribunal, Bhopal
		(11.78)*		
Maharashtra Value Added Tax	Tax	44.43	2011-14	Maharashtra Sales Tax Tribunal, Mumbai
		(7.90)*		
West Bengal Value Added Tax,2005	Tax	190.31	2005-13	The Additional Commissioner Commercial taxes, Kolkata
		(0.36)*		
West Bengal Value Added Tax,2005	Tax	7.91	2010-12	West Bengal Taxation Tribunal (appeal to be filed)
West Bengal Value Added Tax,2005	Tax	19.93	2010-13	West Bengal Commercial Tax Appellate & Revision Board
		(1.00)*		
West Bengal Value Added Tax,2005	Tax	16.26	2013-14	Joint Commissioner Appeals west Bengal Commercial Tax Appellate & Revision Board
West Bengal Value Added Tax,2005	Tax	3.04	2014-15	Sr.JCCT(Appeal)
West Bengal Value Added Tax,2005	Tax	8.84	2015-16	Sr.JCCT(Appeal)
		(0.95)*		
West Bengal Value Added Tax,2005	Tax	1.05	2016-17	Joint Commissioner Appeals west Bengal Commercial Tax Appellate & Revision Board
		(0.16)*		
Delhi Value Added Tax,2004	Tax	0.39	2013-14	The Department of Trade and Taxes,NCT of Delhi
Telangana Tax On Entry Of Goods Into Local Areas Act,2001	Tax	0.49	2011-12	Additional Commissioner (Appeals), Hyderabad
		(0.172)*		
Telangana Tax On Entry Of Goods Into Local Areas Act,2001	Tax	4.12	2012-13	Additional Commissioner (Appeals), Hyderabad
		(1.440)*		

Appendix II as referred to in Para vii (b) of Annexure A to the Independent Auditor's Report

Name of the Statue	Nature of the due	Amount (Rs. in mn)	Period to which it pertain	Forum where dispute pending
Telangana Tax On Entry Of Goods Into Local Areas Act,2001	Tax	13.15	2013-14	Additional Commissioner (Appeals), Hyderabad
		(4.601)*		
Telangana Tax On Entry Of Goods Into Local Areas Act,2001	Tax	0.43	2015-16	Additional Commissioner (Appeals), Hyderabad
		(0.150)*		
Telangana Tax On Entry Of Goods Into Local Areas Act,2001	Tax	0.15	2016-17	Additional Commissioner (Appeals), Hyderabad
		(0.054)*		
Uttar Pradesh Value Added Tax 2005	Tax	-	2012-14	Case remanded back to Original Assessing Authority (Joint Commissioner, Sonbadra) for fresh assessment

* indicates pre-security deposits with respective authorities

Appendix II as referred to in Para vii(b) of Annexure A to the Independent Auditor's Report

Name of the Statue	Nature of the due	Amount (Rs. in mn)	Period to which it pertain	Forum where dispute pending
Finance Act 1994	Tax	30.50	2004-05 to 2006-07	Central Excise & Service Tax Appellate Tribunal (CESTAT), Bengaluru
Finance Act 1994	Tax	7.98	2004-05 to 2006-07	Central Excise & Service Tax Appellate Tribunal (CESTAT), Kolkata
		(0.80)*		
Finance Act 1994	Tax	10.45	2007-08 to 2009-10	Central Excise & Service Tax Appellate Tribunal (CESTAT), Bengaluru
		(4.00)*		
Finance Act 1994	Tax	442.35 (2.30)*	2004-05 to 2007-08	Central Excise & Service Tax Appellate Tribunal (CESTAT), Bengaluru
Finance Act 1994	Tax	142.61 (2.00)*	01-04-2007 to 30-09-2008	Central Excise & Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act 1994	Tax	17.90	2005-07	Central Excise & Service Tax Appellate Tribunal (CESTAT), Kolkata
Finance Act 1994	Tax	17.33	01-07-2005 to 30-06-2010	Central Excise & Service Tax Appellate Tribunal (CESTAT), Hyderabad
		(1.30)*		
Finance Act 1994	Tax	42.86	01.04.2007 to 31.03.2010	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Tamilnadu
Finance Act 1994	Tax	1.92	01.04.2010 to 31.03.2011	Commissioner of Service tax Tamilnadu-35
Finance Act 1994	Tax	138.72	01.04.2007 to 31.03.2012	Commissioner of Service tax Andhra Pradesh
Finance Act 1994	Tax	6.82	01.04.2010 to 31.03.2011	Commissioner of Service tax Tamilnadu
Finance Act 1994	Tax	21.75	01.10.2007 to 31.03.2012	Commissioner of Service tax Andhra Pradesh
		(1.63)*		
Finance Act 1994	Tax	27.07	2009-10 to 2011-12	Central Excise & Service Tax Appellate Tribunal (CESTAT), Hyderabad
		(2.03)*		
Finance Act 1994	Tax	26.09	2010-11 to 2012-13	Hyderabad II Service Tax Commissionerate
Finance Act 1994	Tax	12.99	2010-11 to 2011-12	Central Excise & Service Tax Appellate Tribunal (CESTAT), Kolkata
		(0.487)*		
Finance Act 1994	Tax	27.56	2011-12 to 2013-14	Commissioner of Service tax, Telangana

Appendix II as referred to in Para vii(b) of Annexure A to the Independent Auditor's Report

Name of the Statute	Nature of the due	Amount (Rs. in mn)	Period to which it pertain	Forum where dispute pending
Finance Act 1994	Tax	1.99	2011-12 to 2013-14	Asst. Commissioner (Audit), Service Tax Cell, Visakhapatnam
Finance Act 1994	Tax	5.24	2011-12 to 2013-14	Additional Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Tamilnadu
Finance Act 1994	Tax	0.26	2004-05 to 2006-07	Commissioner of Customs, Central Excise & Service Tax (CCCE&S)
Finance Act 1994	Tax	0.38	2007-08	Commissioner of Customs, Central Excise & Service Tax (CCCE&S) (Appeals), Chennai.
Finance Act 1994	Tax	1.34	2010-11 to 2012-13	Commissioner of Customs, Central Excise & Service Tax (CCCE&S) (Appeals), Hyderabad.
Finance Act 1994	Tax	9.85	2007-08	Central Excise & Service Tax Appellate Tribunal (CESTAT), Bengaluru
Finance Act 1994	Tax	48.41 (3.63)*	01.08.2012 to 31.03.2015	Central Excise & Service Tax Appellate Tribunal (CESTAT), Hyderabad
Finance Act 1994	Tax	9.38	2015-16	Additional Commissioner of Central Tax & Customs, Hyderabad
Finance Act 1994	Tax	41.94 (10.00)*	1-06-2007 to 31-05-2008	High Court of Andhra Pradesh
Finance Act 1994	Tax	19.35	01.06.2008 to 31.03.2009	High Court of Andhra Pradesh
Finance Act 1994	Tax	23.00	01.04.2009 to 31.03.2010	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad
Finance Act 1994	Tax	6.38	01.04.2010 to 31.03.2011	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad
Uttar Pradesh Value Added Tax 2005	Tax	4.65	01.04.2011 to 31.03.2012	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad
Finance Act 1994	Tax	1.91	01.04.2009 to 31.03.2010	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad
Finance Act 1994	Tax	6.54	01.04.2010 to 31.03.2011	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad
Finance Act 1994	Tax	6.11	01.04.2011 to 31.03.2012	Commissioner of Customs, Central Excise & Service Tax (CCCE&S), Hyderabad
Finance Act 1994	Tax	3.58	01.04.2016 to 30.09.2016	The Deputy Commissioner of Central Tax, Ameerpet GST Division, Hyderabad
Finance Act 1994	Tax	1.56	01.10.2016 to 30.06.2017	The Deputy Commissioner of Central Tax, Ameerpet GST Division, Hyderabad
Finance Act 1994	Tax	1.81	01.04.2014 to 31.03.2017	The Deputy Commissioner of Central Tax, Ameerpet GST Division, Hyderabad
Finance Act 1994	Tax	1.54	01.04.2014 to 30.06.2017	The Deputy Commissioner of Central Tax, Ameerpet GST Division, Hyderabad

* indicates pre-security deposits with respective authorities

Annexure 'B' to the Independent Auditor's Report of even date on the standalone financial statements of Ramky Infrastructure Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ramky Infrastructure Limited ("the Company") as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. *However, the Company needs to improve its systems with respect to realisation of receivables including retention monies, other contract receivables, etc.*

For M V Narayana Reddy & Co.,
Chartered Accountants
Firm Registration No. 002370 S
Sd/-

M V Narayana Reddy
Partner
Membership No. 028046
UDIN: 21028046AAAAAE4752

Place: Hyderabad
Date : 14-06-2021