

**Ramco Industries Limited**

**ANNUAL REPORT 2013 - 2014**



A view of Cone Tank at Kotputli Factory



A view of Destacker at Kotputli Factory



## Board of Directors

Shri P.R. Ramasubrahmaneya Rajha, B.Sc.  
*Chairman*

Shri P.R. Venketrama Raja, B.Tech., MBA  
*Vice Chairman & Managing Director*

Shri S.S. Ramachandra Raja, B.Sc.

Shri K.T. Ramachandran, B.E.

Shri N.K. Shrikantan Raja, B.Com.

Shri R.S. Agarwal, B.Sc., B.E.

Shri M.B.N. Rao, B.Sc. (Agri)

## Registered Office

47, P.S.K. Nagar  
RAJAPALAYAM - 626 108  
Tamil Nadu

## Corporate Office

“Auras Corporate Centre”, VI Floor  
98-A, Dr. Radhakrishnan Road  
Mylapore, CHENNAI - 600 004  
Tamil Nadu  
CIN No. L26943TN1965PLC005297

Website : [www.ramcoindltd.com](http://www.ramcoindltd.com)  
[www.ramcohilux.com](http://www.ramcohilux.com)

## FACTORIES

### I. Building Products Division

Arakkonam, Tamil Nadu  
Bihiya, Bihar  
Gangaikondan, Tamil Nadu  
Karur, Karnataka  
Kharagpur, West Bengal  
Kotputli, Rajasthan  
Maksi, Madhya Pradesh  
Sinugra, Gujarat  
Silvassa, Union Territory of Dadra & Nagar Haveli  
Vijayawada, Andhra Pradesh

### II. Textile Division (Cotton Yarn)

Sri Ramco Spinners, Rajapalayam, Tamil Nadu

## Subsidiary Companies

Sudharsanam Investments Limited, India  
Sri Ramco Lanka (Private) Limited, Sri Lanka  
Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka

## Bankers

Canara Bank  
HDFC Bank Limited  
DBS Bank Limited  
IDBI Bank Limited  
Indian Bank  
Kotak Mahindra Bank Limited  
State Bank of India  
Tamilnad Mercantile Bank Limited  
The Karur Vysya Bank Limited  
HSBC Bank  
ICICI Bank Limited

## Auditors

M/s. M.S. Jagannathan & N. Krishnaswami  
Chartered Accountants  
Unit - 5, Ground Floor, Abirami Apartments,  
No.14, V.O.C. Road, Cantonment,  
TIRUCHIRAPALLI - 620 001, Tamil Nadu

M/s. CNGSN & Associates  
Chartered Accountants  
20, Raja Street, T. Nagar  
CHENNAI - 600 017, Tamil Nadu

## Contents

	Page No.
Financial Highlights	2
Notice to the Members	3-14
Directors' Report	15-22
Corporate Governance Report	23-31
Auditors' Report and Financial Statements of Ramco Industries Limited	32-65
Auditors' Report and Consolidated Financial Statements of Ramco Industries Limited and its Subsidiaries	66-88
Proxy Form	

₹ in lakhs

<b>FINANCIAL HIGHLIGHTS</b>	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Earnings</b>							
Sales & Other Income	40,268	47,069	54,297	57,788	70,676	81,054	69,204
Operating Profit	8,461	10,227	11,876	11,927	12,886	12,606	6,212
Cash Generation	6,512	7,701	9,754	9,858	10,624	9,787	2,846
Net Profit / (Loss) [PAT]	2,548	3,565	5,359	5,321	6,135	5,449	(600)
<b>Assets Employed</b>							
Net Fixed Assets	24,946	23,513	24,335	25,577	27,491	35,174	37,573
Investments	19,283	20,262	20,262	20,262	20,262	20,316	20,319
Other Net Assets net off other Liabilities	9,984	12,832	15,711	17,776	21,737	38,465	30,780
<b>TOTAL</b>	<b>54,213</b>	<b>56,607</b>	<b>60,308</b>	<b>63,615</b>	<b>69,490</b>	<b>93,955</b>	<b>88,672</b>
<b>Financed By:</b>							
<b>A. Shareholders' Funds</b>							
Share Capital	100	100	100	100	100	100	100
Bonus Shares	333	333	767	767	767	767	767
Reserves and Surplus	24,161	27,315	32,037	36,505	41,531	45,873	45,139
Deferred Tax	3,214	2,939	2,638	2,408	2,289	2,019	1,140
<b>Total Shareholders' Funds(A)</b>	<b>27,808</b>	<b>30,687</b>	<b>35,542</b>	<b>39,780</b>	<b>44,687</b>	<b>48,759</b>	<b>47,146</b>
<b>B. Borrowed Funds</b>							
Short-term and Long-term	26,405	25,920	24,766	23,835	24,803	45,196	41,526
<b>Total Borrowings (B)</b>	<b>26,405</b>	<b>25,920</b>	<b>24,766</b>	<b>23,835</b>	<b>24,803</b>	<b>45,196</b>	<b>41,526</b>
<b>TOTAL (A) + (B)</b>	<b>54,213</b>	<b>56,607</b>	<b>60,308</b>	<b>63,615</b>	<b>69,490</b>	<b>93,955</b>	<b>88,672</b>
Book value per share (₹)	558	631	36.95	42.10	47.90	52.91	52.06
Earnings Per Share (₹)	59	82	6.18	6.14	7.08	6.28	(0.69)
Dividend Per Share (₹)	15	15	0.85	0.90	1.10	1.10	0.25
Dividend Payout (₹ in lakhs)	650	650	737	780	953	953	217
Dividend Payout Ratio %	25	18	14	15	16	17	(36)
Operating Profit Ratio %	21.01	21.73	21.87	20.64	18.23	15.55	8.98
Gross Fixed Assets Per Share (₹)	900	938	51.04	52.86	60.79	62.24	80.93
Debt - Equity Ratio %	1.07	0.93	0.75	0.64	0.59	0.98	0.92
Market Price of Share (₹)							
a. As on 31st March*(Close)	733	375	57.40	45.95	44.75	52.70	37.60
b. high**	1,740	925	73.30	83.35	46.00	52.90	61.40
c. low**	545	346	48.60	41.60	44.10	50.10	29.00
P/E Ratio as at 31st March@	12.46	4.55	9.29	7.49	6.32	8.39	(54.49)
Market Capitalisation@ (₹ in lakhs)	31,762	16,249	49,744	39,822	38,782	45,671	32,585

\*NSE Quotations

\*\*High &amp; Low prices during the year ended 31st March at NSE.

@ Based on the market price as on 31st March at NSE.

# From 2009-10, Figures relating to Shares are after Stock-Split (F.V.of each Share: ₹1/-w.e.f 16-09-2009) and 1:1 Bonus Issue Figures have been regrouped for comparison purposes.

## NOTICE TO THE MEMBERS

Notice is hereby given that the 49th Annual General Meeting of the Company will be held at 11.00 A.M on Monday, the 28th July, 2014 at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam, Tamil Nadu to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit & Loss for the year ended 31st March 2014 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year 2013-14.
3. To appoint a Director in the place of Shri. S S Ramachandra Raja who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and, if thought fit, to pass with or without modification the following Resolution as an ORDINARY RESOLUTION:  
  
“RESOLVED that M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants and M/s. CNGSN & Associates, Chartered Accountants be and are hereby jointly appointed as Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the 52nd Annual General Meeting.  
  
“RESOLVED FURTHER that each of the Auditors shall be paid for the financial year 2014-15 and 2015-16 a remuneration of Rs. 3,50,000/- (Rupees Three lakhs fifty thousand only) per year, exclusive of out-of-pocket expenses and for the financial year 2016-17, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee.”

### SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
  
“RESOLVED that Article 16A of the Articles of Association of the Company, be amended as follows:  
  
16A. The Board of Directors may appoint one or more amongst them including the Chairman/ Vice Chairman of the Board as Managing Director of the Company to carry on the management of the Business and affairs of the Company on such terms and conditions including remuneration as the Board may, from time to time determine, subject to the approval of the members, in accordance with the provisions of Schedule V read with sections 196 and 197 of the Companies Act, 2013 and the rules in force.
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
  
“RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions and the Rules there under, read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to the appointment of Shri. P R Venketrama Raja (DIN 00331406) as Vice Chairman & Managing Director of the Company for a period of 3 years with effect from 01-04-2014, to manage the entire business and affairs of the Company subject to the superintendence, control and directions of the Board, at a remuneration equivalent to 5% of the net profits of the Company by way of monthly salary, allowances, other perquisites / benefits and commission.  
  
RESOLVED FURTHER that in accordance with the provisions of Sections 196, 197 and 203 and any other applicable provisions and the Rules thereunder, read with Schedule V of the Companies Act, 2013 the total remuneration payable by the Company and M/s Ramco Systems Limited (RSL) of which also Shri. P R Venketrama Raja is the Vice Chairman and Managing Director shall not exceed 5% of the net profits of the Company or the net profits of RSL whichever is higher.  
  
RESOLVED FURTHER that the Nomination and Remuneration Committee be and is hereby authorised to fix the quantum and periodicity of the remuneration payable to the Managing Director, subject however the annual remuneration does not exceed 5% of the net profits of the Company or RSL whichever is higher in an accounting year.  
  
RESOLVED FURTHER that where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, the Vice Chairman & Managing Director shall be paid remuneration as approved by the Nomination and Remuneration Committee which shall not exceed the maximum remuneration as permissible under Section II, Part II of Schedule V of the Companies Act, 2013 after deducting payment made by RSL.”
7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION :  
  
“RESOLVED that pursuant to Sections 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri R.S. Agarwal (DIN 00012594), Director of the Company whose period of office is liable to



retire by rotation and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:  
**“RESOLVED** that pursuant to Sections 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri M.B.N.Rao (DIN 00287260), Director of the Company who has been appointed as an Additional Director and holds office until this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”
9. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:  
**“RESOLVED** that pursuant to Sections 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri.K T Ramachandran (DIN 00351334), Director of the Company whose period of office is liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”
10. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :  
**“RESOLVED** that subject to the approval of the Financial Institutions/Banks, in supersession of the resolution passed at the 31st Annual General Meeting held on 28th August 1996 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money with or without security which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may not exceed Rs.125 crores over and above the aggregate of the paid up capital of the Company and its free reserves.”
11. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :  
**“RESOLVED** that in supersession of the resolution passed by Postal Ballot by members on 16th November 2011 and pursuant to Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to bonafide and charitable funds , Scientific Research and Development Organizations, Educational Institutions, Universities, Medical Institutions, Rural Development Organizations, Social Organizations and/or Charitable Institutions or Welfare Associations, or directly undertake activities for promotion of social welfare, scientific research and development, sports and other charitable purposes not directly relating to the business of the Company or welfare of its employees, from time to time, in any financial year, any amounts in aggregate, not exceeding Rs. 6,00,00,000/- (Rupees Six Crores only) or 5% of its average net profits for the three immediately preceding financial years, whichever is greater.”
12. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:  
**“RESOLVED** that pursuant to Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers, Returns required to be maintained by the Company under Section 94 of the Companies Act, 2013, may be maintained at the Company’s Corporate Office at “Auras Corporate Centre”, No:98-A, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004, with effect from 1st August 2014.”

By Order of the Board,  
For RAMCO INDUSTRIES LIMITED,  
**P.R.RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

Place : Chennai  
Date : May 22, 2014

**NOTES :**

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
2. A member entitled to attend at the meeting is entitled to appoint a Proxy to attend instead of himself and the Proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22-07-2014 to 28-07-2014 (both days inclusive).
4. A Dividend of Re.0.25 /- per share has been recommended by the Board of Directors for the year ended 31-03-2014 and subject to the approval of the Shareholders at the ensuing Annual General Meeting, is proposed to be paid in respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 28-07-2014 and in respect of shares held in electronic form to the beneficial owners whose names appear in the list furnished by the Depositories for this purpose as on 21-07-2014. The dividend is proposed to be paid on and from the date of Annual General Meeting.
5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. In the absence of NECS facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company is in compliance with SEBI's directive in this regard.
6. Under the provisions of Section 124 (5) of the Companies Act, 2013, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
<b>31-03-2007</b> Final Dividend	27-07-2007	26-07-2014	24-08-2014
<b>31-03-2008</b> 1st Interim Dividend 2nd Interim Dividend Final Dividend	23-10-2007 31-01-2008 11-08-2008	22-10-2014 30-01-2015 10-08-2015	20-11-2014 28-02-2015 08-09-2015
<b>31-03-2009</b> 1st Interim Dividend 2nd Interim Dividend Final Dividend	23-10-2008 29-01-2009 05-08-2009	22-10-2015 28-01-2016 04-08-2016	21-11-2015 26-02-2016 02-09-2016
<b>31-03-2010</b> Interim Dividend Final Dividend	27-10-2009 02-08-2010	26-10-2016 01-08-2017	24-11-2016 31-08-2017
<b>31-03-2011</b> Interim Dividend Final Dividend	25-10-2010 10-08-2011	24-10-2017 09-08-2018	23-11-2017 07-09-2018
<b>31-03-2012</b> Interim Dividend Final Dividend	21-03-2012 02-08-2012	20-03-2019 01-08-2019	18-04-2019 30-08-2019
<b>31-03-2013</b> Interim Dividend Final Dividend	13-02-2013 29-07-2013	12-02-2020 28-07-2020	12-03-2020 26-08-2020

7. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2013-14 are being sent to all the members whose E-Mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - [www.ramcoindltd.com](http://www.ramcoindltd.com) for their download.
8. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, those who have not got their E-Mail IDs recorded are requested to register their E-Mail address and changes therein with the Company in respect of physical shares and with Depository Participants with respect to dematerialised shares.
9. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members facility to exercise their right to vote at the 49th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Select the "THE RAMCO INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

\* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number has been provided as Sl.No. in the Address label pasted in the cover and /or in the e-mail sent to members in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Vasudevan with sequence number 1 then enter VA00000001 in the PAN field.

# Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.



- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (x) Click on the relevant EVSN for Ramco Industries Limited.
  - (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
  - (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
  - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.
- II. The voting period begins on 22-07-2014 (9.00 am) and ends on 24-07-2014 (6.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as of 25-06-2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 25-06-2014.
  - V. Shri.K.Srinivasan, Chartered Accountant (Membership No: 21510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants has been appointed as the Scrutiniser to scrutinize the e-voting process in a fair and transparent manner.
  - VI. The Scrutiniser shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - VII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutiniser’s Report shall be placed on the Company’s website [www.ramcoindltd.com](http://www.ramcoindltd.com) and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Place : Chennai  
Date : May 22, 2014

By Order of the Board,  
For RAMCO INDUSTRIES LIMITED,  
**P.R.RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

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

### Item No.5

As per Section 203 (1) of the Companies Act, 2013, the Articles of Association of the Company should specifically enable for appointment of Managing Director of the Company as Chairperson/Vice Chairperson of the Company as well. As the Company's Articles of Association does not contain this provision, it is proposed to amend the Articles of Association to incorporate such an enabling provision, as mentioned in the Resolution. As per Section 14 of the Companies Act, 2013, alteration of the Articles of Association requires the approval of the Members by way of a Special Resolution.

#### Disclosure of Interest:

Shri.P.R.Venketrama Raja (DIN 00331406) is deemed to be interested in the Resolution as alteration of Articles of Association is to enable him to be the Company's Vice Chairman and Managing Director.

Shri.P.R.Ramasubrahmaneya Rajha is related to Shri.P.R.Venketrama Raja

No other Director or Key Managerial Personnel or any of their relatives are deemed to be interested in this Resolution.

### Item No.6

Shri P R Venketrama Raja , Vice Chairman and Managing Director, 53 years, holds a Bachelor's Degree in Chemical Engineering and a Masters in Business Administration from the University of Michigan, USA.

During his tenure as Vice Chairman and Managing Director, the Company has expanded its business by opening new plants in Gangaikondan (Tamil Nadu), Bihiya (Bihar), Kotputli (Rajasthan) and one more subsidiary company at Srilanka and the Company achieved substantial growth in volume of business, operations and profitability.

Recognising his valuable contributions and to accelerate the growth of the Company, Shri.P.R.Venketrama Raja (DIN 00331406) was re-appointed as the Vice Chairman and Managing Director of the Company by the Members of the Company at the 48th Annual General Meeting held on 29.07.2013 for a period of 5 years with effect from 28th June 2013.

It is now proposed to have his appointment approved by the shareholders under the provisions of the Companies Act, 2013 in lieu of his earlier appointment. The appointment is for a period of 3 years starting from 01-04-2014.

#### Terms of Remuneration :

\* 5% of the net profits of the Company or Ramco Systems Limited (RSL) calculated as per Section 198 of the Companies Act, 2013 whichever is higher.

\* In any financial year, where the Company has no profits or inadequacy of profits, the Vice Chairman & Managing Director shall be paid the maximum remuneration as per Section II Part II of Schedule V of the Companies Act, 2013.

The proposed appointment and the payment of remuneration has been approved by the Remuneration Committee (subsequently rechristened as Nomination and Remuneration Committee) at its meeting held on 21-05-2014 and by the Board of Directors at their meeting held on 22-05-2014.

The reappointment and the remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required.

A copy of the terms and conditions of reappointment of the Vice Chairman & Managing Director is available for inspection without any fee by the members at the Registered Office of the Company between business hours on any working day up to and including the date of the Annual General Meeting.

Shri. P R Venketrama Raja holds 55,00,000 equity shares of Re.1/- each in the Company.

Shri. P R Venketrama Raja is the Director in the following Companies:

1.	The Ramco Cements Limited	Director
2.	Ramco Industries Limited	Vice Chairman and Managing Director
3.	Rajapalayam Mills Limited	Director
4.	Ramco Systems Limited	Vice Chairman and Managing Director
5.	The Ramaraju Surgical Cotton Mills Limited	Director
6.	Thanjavur Spinning Mill Limited	Director
7.	Sri Vishnu Shankar Mill Limited	Director

8.	Sandhya Spinning Mill Limited	Director
9.	Sudharsanam Investments Limited	Director
10.	Rajapalayam Spinners Limited	Director
11.	Sri Harini Textiles Limited	Director
12.	Sri Sandhya Farms (India) Private Limited	Director
13.	Sri Saradha Deepa Farms Private Limited	Director
14.	Ramamandiram Agricultural Estate Private Limited	Director
15.	Nalina Agricultural Farms Private Limited	Director
16.	Nirmala Shankar Farms & Estates Private Limited	Director
17.	Sri Nithyalakshmi Farms Private Limited	Director
18.	Ram Sandhya Farms Private Limited	Director
19.	RCDC Securities and Investments Private Limited	Director
20.	Ramco System Corporation USA	Director
21.	Sri Ramco Lanka (Private) Limited, Sri Lanka	Director
22.	Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka	Director
23.	Deccan Renewable Wind Electrics Limited	Chairman
24.	Ramco Systems Ltd., Switzerland	Director
25.	Ramco Systems Sdn. Bhd., Malaysia	Director
26.	Ramco Systems Pte. Ltd., Singapore	Director
27.	RSL Enterprises Solutions (Pty.) Ltd., South Africa	Director
28.	Ramco Systems Canada Inc., Canada	Director
29.	Ramco Systems Fz-LLC	Director
30.	Ramco Systems Australia Pty. Limited, Australia	Director

Details of Committee memberships of Shri. P.R.Venketrama Raja, Vice Chairman and Managing Director :

No	Name of the Company	Name of the Committee	Position
1	The Ramco Cements Limited	Project Management Committee	Chairman
2	The Ramco Cements Limited	Investors Grievance Committee	Chairman
3	The Ramco Cements Limited	Audit Committee	Member
4	The Ramco Cements Limited	Share/Debtenture Committee	Member
5	Ramco Industries Limited	Investors Grievance Committee	Member
6	Ramco Industries Limited	Share Transfer Committee	Member
7	Ramco Systems Limited	Shareholders Committee	Member
8	Ramco Systems Limited	Allotment Committee	Member
9	Rajapalayam Mills Limited	Investors Grievance Committee	Member
10	The Ramaraju Surgical Cotton Mills Limited	Shareholders / Investors Grievance Committee	Member

None of the Directors and Key Managerial Personnel except Shri.P.R.Venketrama Raja as an appointee and Shri.P.R.Ramasubrahmaneya Rajha as a relative may be deemed to be concerned or interested in the Resolution.

The Notice together with this Statement may be regarded as a disclosure under Clause 49 of the Listing Agreement.

**I. General Information :**

1.	Nature of Industry	Building Products and Textiles			
2.	Date of Commencement of Business	27.01.1965			
3.	Financial performance based on given indicators	Year	Turnover - Rs. in Crs.	Net Profit - Rs. in Crs.	Dividend per Share - in Rs.
		2012-13	804.57	54.49	1.10
		2011-12	706.76	61.35	1.10
		2010-11	577.88	53.21	0.90
4.	Foreign investments or collaborations, if any	Investments made in 2 subsidiaries in Sri Lanka viz. Sri Ramco Lanka (Pvt.) Limited and Sri Ramco Roofings Lanka (Pvt.) Limited			

**II. Information about the appointee :**

1.	Background details	Shri P.R. Venketrama Raja is a Promoter and Vice Chairman & Managing Director
2.	Past Remuneration	He has been paid a remuneration @ 5% of the net profits of the Company or Ramco Systems Limited (RSL) whichever is higher
3.	Recognition or awards	Has won several recognitions and awards
4.	Job Profile and his suitability	Overall in-charge for Management of the affairs of the Company
5.	Remuneration proposed	5% of the net profits of the Company or RSL whichever is higher and in case of inadequacy of profits, maximum permissible remuneration, in accordance with Schedule V of the Companies Act, 2013 after deducting payment made by RSL
6.	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person
7.	Relationship with managerial personnel	He is related to Shri P.R. Ramasubrahmaneya Rajha, Chairman of the Company

**III. Other Information :**

1.	Reasons of loss or inadequate profits	<ul style="list-style-type: none"> <li>• Increase in the prices of Chrysotile fibre due to depreciation of Rupee Versus USD.</li> <li>• Shift to galvanized steel sheets by end users</li> <li>• Failure of monsoon</li> <li>• Calcium Silicate Board (CSB) market yet to pick-up</li> </ul>
2.	Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> <li>• Cost Control measures</li> <li>• Pan India market penetration</li> <li>• Aggressive marketing of Calcium Silicate Boards, R-Boards, etc.</li> </ul>
3.	Expected increase in productivity and profits in measurable terms	<ul style="list-style-type: none"> <li>• Focus on improving the CSB market by offering multiple products meeting the customer requirements.</li> <li>• Market penetration in Fibre Cement products</li> </ul>

**Item No.7**

Shri.R.S.Agarwal (DIN 00012594) is a Non-Executive Independent Director of the Company.

Shri.R.S.Agarwal, B.Sc., B.E. (Chemical Engineering) started his career in 1965 and after serving in various capacities with a leading paper mill of Northern India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as Executive Director of IDBI.

While in service with IDBI, he had dealt with many subjects and projects including -

Member of “Satyam Committee” set up by Government of India in 1999-2000 for formulation of policy for textile industry and involvement in preparation of policy notes, detailed guidelines and implementation of “Technology Upgradation Fund (TUF)” introduced by the Ministry of Textiles, Government of India in April 1999.

Preparation of policy paper and guidelines on development of “Special Economic Zone” in the country for the Ministry of Commerce, Government of India in January 2002.

Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

He has been on the Board of Ramco Industries Limited since 2008.

He is also the Chairman of the Audit Committee and Remuneration Committee (subsequently rechristened as Nomination and Remuneration Committee) of the Company.

He is a Member in the Board of Directors of the following Companies:-

- 1 The Ramco Cements Limited
- 2 Ramco Systems Limited
- 3 Surya Lakshmi Cotton Mills Ltd.
- 4 Surya Lata Spinning Mills Ltd
- 5 GVK Jaipur Expressway Pvt. Ltd.
- 6 Elegant Marbles & Grani Industries Ltd.
- 7 Videocon Industries Ltd
- 8 Liberty Videocon General Insurance Company Limited
- 9 Loop Mobile (India) Limited

He is also a Member in the following Committees

Name of the Company	Name of the Committee	Position
The Ramco Cements Limited	Audit Committee	Chairman
	Remuneration Committee	Chairman
Surya Lakshmi Cotton Mills Ltd	Audit Committee	Member
Surya Lata Spinning Mills Ltd	Audit Committee	Member
GVK Jaipur Expressway Pvt Ltd	Audit Committee	Member
Elegant Marbles & Grani Industries Ltd	Audit Committee	Member
Videocon Industries Ltd	Audit Committee	Chairman

He holds 132 shares in Ramco Industries Limited.

Shri.R.S.Agarwal is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri.R.S.Agarwal being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years from 01-04-2014 to 31-03-2019. In the opinion of the Board, Shri.R.S.Agarwal fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management.

A copy of the draft letter of appointment for Shri.R.S.Agarwal as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

#### Disclosure of Interest :

Except Shri.R.S.Agarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

#### Item No. 8

Shri.M.B.N.Rao (DIN 00287260) is a Non-Executive Independent Director of the Company.

Shri.Rao, a graduate in Agriculture holds Diploma in Computer Studies from University of Cambridge and National Computing Centre, London and Certificate in Industrial Finance.



He started his Banking career in the year 1970 when he joined Indian Bank as a Probationary Officer. He has handled various assignments in the Banking Industry in India and Overseas and rose to become the Chairman and Managing Director of Indian Bank and later Chairman & Managing Director of Canara Bank, from where he retired.

He has visited USA, UK, Germany, France, Switzerland, Spain, Malaysia, Philippines, Thailand, Hong Kong and China in connection with multifarious responsibilities assigned to him.

He is a Member in the Board of Directors of the following Companies:-

- 1 The Ramco Cements Limited
- 2 EID Parry (India) Ltd.
- 3 Taj GVK Hotels and Resorts Ltd.
- 4 Electro Steel Castings Ltd.
- 5 Cholamandalam Investment and Finance Company Ltd
- 6 Apollo Munich Health Insurance Company Limited
- 7 Lanco Amarkantak Power Limited
- 8 Indian Clearing Corporation Limited
- 9 Aircel Limited
- 10 Aircel Cellular Limited
- 11 Dishnet Wireless Limited
- 12 CRISIL Risk and Infrastructure Solutions Limited
- 13 Nuziveedu Seeds Limited
- 14 Lanco Power Limited
- 15 Franklin Templeton Asset Management (India) Pvt. Ltd
- 16 MMTC - PAMP India Pvt. Ltd
- 17 Mandava Holdings Pvt. Ltd
- 18 BFSI Sector Skill Council of India

He is also a Member in the following Committees:-

Name of the Company	Name of the Committee	Position
Cholamandalam Investment and Finance Company Limited	Audit Committee	Member
	Business Committee	Member
	Risk Management Committee	Member
	Compensation & Nomination Committee	Member
EID Parry (India) Limited	Audit Committee	Chairman
	Risk Management Committee	Chairman
	Compensation & Nomination Committee	Member
Apollo Munich Health Insurance Company Limited	Audit Committee	Chairman
Indian Clearing Corporation Limited	Audit Committee	Chairman
	Committee of Board to advise on USE and BOISL	Member
	Risk Management Committee	Member
	Public Interest Directors Committee	Member
	Membership Selection Committee	Member
	Investment Committee	Chairman
	Independent Oversight Committee on Membership Regulations	Member
	Ethics Committee	Member
	Investor Services Committee	Member
	Grievance Redressal Committee	Member
Lanco Amarkantak Power Limited	Audit Committee	Chairman

Name of the Company	Name of the Committee	Position
Electro Steel Castings Limited	Audit Committee	Member
	Banking & Finance Committee	Member
TAJ GVK Hotels and Resorts Limited	Audit Committee	Member
Nuziveedu Seeds Limited	Audit Committee	Member
	IT Committee	Member
Lanco Power Limited	Audit Committee	Member

He holds no shares in Ramco Industries Limited.

Shri.M.B.N.Rao was co-opted as an Additional Director by the Board of Directors of the Company on 29.01.2014. He holds office till the date of the Annual General Meeting. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri.M.B.N.Rao being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years from 01-04-2014 to 31-03-2019. In the opinion of the Board, Shri.M.B.N.Rao fulfils the conditions specified in the Act and the Rules made there under and that he is independent of the Management.

A copy of the draft letter of appointment for Shri.M.B.N.Rao as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

#### Disclosure of Interest:

Except Shri.M.B.N.Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

#### Item No.9

Shri.K.T.Ramachandran, (DIN 00351334) is a Non-Executive Independent Director of the Company.

Shri.K.T.Ramachandran, is B.E in Civil Engineering from Madras University. He was first appointed as a Director of the Company in 1986 and since then he continues to be a Director extending valuable guidance. He is a Member of the Audit Committee, Remuneration Committee and the Share Transfer Committee of the Board of Directors of the Company. He holds 2,20,000 shares of the Company.

He is also a Director of M/s Thanjavur Spinning Mill Limited.

Shri.K.T.Ramachandran is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri.K.T Ramachandran being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for 5 consecutive years from 01-04-2014 to 31-03-2019. In the opinion of the Board, Shri. K.T Ramachandran fulfils the conditions specified in the Act and the Rules made thereunder and that he is independent of the Management.

A copy of the draft letter of appointment for Shri. K.T Ramachandran as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

#### Disclosure of Interest :

Except Shri. K.T Ramachandran, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolution. The Notice and this Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement.

#### Item No.10

The Members of the Company at the 31st Annual General Meeting held on 28-08-1996 have passed an Ordinary Resolution, permitting the Company to borrow such that the maximum outstanding amount shall not, at any time exceed Rs.125 crores in excess of Paid-up Share Capital and Free Reserves of the Company, under Section 293(1)(d) of the Companies Act, 1956.

As per Circular No:4/2014 dated 25-3-2014, issued by the Ministry of Corporate Affairs, the validity of the resolution is restricted upto 11-09-2014.

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors are entitled to borrow in excess of the Company's Paid-up Capital and Free Reserves, with the consent of the Members by way of Special Resolution. Accordingly, approval is sought from Members

by way of Special Resolution to authorise the Board of Directors to borrow such that the maximum outstanding, shall not at any time exceed Rs.125 crores in excess of Paid-up Share Capital and Free Reserves of the Company.

As provided under Section 180(1)(c) of the Companies Act, 2013, the limit is exclusive of loans repayable on demand or within six months from the date of the loan such as short term, cash credit, discounting of bills and other short term loans of seasonal character.

#### **Item No.11**

The Members of the Company by Postal Ballot on 16th November, 2011 have passed an Ordinary Resolution, permitting the Company to donate / Contribute to Charitable and other Institutions of Rs. 6 Crores or 5% of average Net Profits whichever is greater under Section 293(1)(e) of the Companies Act, 1956.

As per Circular No:4/2014 dated 25-3-2014, issued by the Ministry of Corporate Affairs, the validity of the resolution is restricted upto 11-09-2014.

Under Section 181 of the Companies Act, 2013, the Board of Directors with prior consent of the Members by way of Special Resolution may donate or contribute to bonafide Charitable and other Funds etc., in excess of 5% of its average net profits of last three years. Accordingly, approval is sought from Members by way of Special Resolution to authorise the Board of Directors to donate or contribute to bonafide Charitable and other Funds etc., an amount of Rs. 6 Crores or 5% of average Net Profits for the three immediately preceding financial years, whichever is greater.

Your Directors recommend the resolution for your approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

#### **Item No.12**

The Register of Members is presently required to be maintained in the Registered Office. In terms of Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers, Returns required to be maintained under Section 94 of the Companies Act, 2013, can be maintained at any other place in India, in which more than one-tenth of total members reside, if so authorised by way of a Special Resolution. It is proposed to maintain these registers at the Company's Corporate Office at Chennai, since more than 11% of the members reside in Chennai.

Place : Chennai  
Date : May 22, 2014

By Order of the Board,  
For RAMCO INDUSTRIES LIMITED,  
**P.R.RAMASUBRAHMANEYA RAJHA**  
CHAIRMAN

### **Additional Information on Director seeking re-election at the Annual General Meeting**

#### **Shri S S RAMACHANDRA RAJA**

Shri. S S Ramachandra Raja, a Science Graduate, has been Director of the Company since 1992 extending valuable guidance.

He is also a Director in the following companies:

- 1 Rajapalayam Mills Limited
- 2 Ramco Systems Limited
- 3 Sri Vishnu Shankar Mill Limited
- 4 Ramco Management Private Limited
- 5 Sri Sethu Ramasamy Farms Private Limited

He holds 4,07,680 shares in Ramco Industries Limited

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 49th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2014.

### FINANCIAL RESULTS

	For the Year ended 31.03.2014 ₹ in lakhs	For the Year ended 31.03.2013 ₹ in lakhs
<b>Operating Profit : Profit before Interest, Depreciation and Tax (PBITD)</b>	<b>6,212</b>	12,606
Less : Interest and Finance charges	<b>3,366</b>	2,892
<b>Profit before Depreciation and Tax (PBDT)</b>	<b>2,846</b>	9,714
Less : Depreciation	<b>4,325</b>	3,318
Add : Exceptional items	-	73
<b>Profit / (Loss) before Tax (PBT)</b>	<b>(1,479)</b>	6,469
Less: Provision for Taxation - Current	-	1,290
Deferred	<b>(879)</b>	(270)
<b>Profit / (Loss) after Tax (PAT)</b>	<b>(600)</b>	5,449
Add : Balance Profit from last year	<b>2,535</b>	994
<b>Surplus for Appropriation</b>	<b>1,935</b>	6,443
Transfer to General Reserve	-	2,800
Interim Dividend-₹ Nil per Equity Share (P.Y: ₹ 0.90 per Equity Share of ₹ 1/- each)	-	780
Final Dividend-Re 0.25 per Equity Share ( P.Y: ₹ 0.20 per Equity Share of ₹ 1/- each)	<b>216</b>	173
Tax on Dividend	<b>37</b>	155
Balance carried over to Balance Sheet	<b>1,682</b>	2,535
<b>TOTAL</b>	<b>1,935</b>	6,443

### SHARE CAPITAL

The paid-up capital of the Company is ₹ 8,66,63,060/- consisting of 8,66,63,060 shares of ₹ 1/- each.

### DIVIDEND

Your Directors have pleasure in recommending a Dividend of ₹ 0.25 per Equity Share of ₹ 1/- each as part of continuous dividend track record of the Company.

### TAXATION

In respect of Deferred Tax, an amount of ₹ 879 lakhs has been adjusted against liability.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### REVIEW OF OPERATIONS AND CURRENT TRENDS

#### A. BUILDING PRODUCTS DIVISION :

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER ₹ in lakhs	
	31.03.14	31.03.13	31.03.14	31.03.13	31.03.14	31.03.13
Fibre Cement Sheets	<b>3,97,064</b>	5,65,189	<b>4,41,285</b>	5,39,844	<b>44,664</b>	55,833
Calcium Silicate Boards	<b>14,451</b>	13,297	<b>12,851</b>	12,733	<b>2,965</b>	2,862

#### (a) Fibre Cement (FC) Sheets :

During the year under review, Sale of FC Sheets has dropped by 19% compared to last year. Lower Offtake from the market is due to unseasonal and extended monsoon during the year, disruption due to Telangana agitation and reduction in the price gap

between FC Sheets and Steel Sheets. Margins are under pressure as the market could not absorb the increase in operational costs such as material costs (due to Indian Rupee depreciation), power cost, etc. Your Company is taking all efforts to reduce the operational costs.

**(b) Calcium Silicate Boards (CSBs) :**

The new State-of-the-art plant for manufacture of Calcium Silicate Boards has been commissioned during the year under review. Capacity utilization of the plant is expected to go up during the year in view of focussed actions to improve the market of CSB. While there has been marginal increase in production compared to last year, Sales have remained stagnant due to poor demand.

**(c) Cement Clinker Grinding (CCG) Plant at Kharagpur, West Bengal :**

The Unit recorded continuous improvement in its performance during the year under review. The Plant had produced 1,40,765 M.T. of Cement during the year under review as against 1,40,174 M.T. of Cement during the Previous Year, registering 4% growth.

Similarly, Sale of Cement also increased from 1,40,033 M.T during the last year to 1,40,868 M.T. during 2013-14. The drop in Profitability is due to the full utilization of the incentives of the Government of West Bengal.

**(d) Fibre Cement Pressure Pipes :**

Operations of Pressure Pipes continued to be under pressure owing to the slow down in infrastructural activities during the year under review.

**B. WIND MILLS :**

During the Financial Year 2013-14, the Wind energy was low compared to last year, from the existing 15 Wind Mills.

Position regarding Wind Mills was as follows:-

Total Capacity Installed	:	16.73 MW
Total Units generated	:	253 lakh Units (P.Y: 343 lakh Units)
Income earned (by generation/sale of power)	:	₹ 1,327 lakhs (P.Y: ₹ 1,727 lakhs)

**C. COTTON YARN DIVISION - SRI RAMCO SPINNERS :**

**Production and Sales :**

During the year 2013-14, the Unit had produced 32.60 lakh Kgs. of Cotton Yarn as compared to 33.40 lakh Kgs. produced during the Previous Year. The Unit had registered its sale of Yarn at 33.29 lakh Kgs. (including traded yarn) during the year under review as against 33.19 lakh Kgs. during 2012-13.

Your Directors are glad to inform you that the performance of the Company during the year was good due to good demand for our yarn, both in domestic as well as export market. Though there was volatility in cotton prices, constant demand for the value added yarn produced by your Company has helped to maintain the yarn prices at reasonable levels. The capacity of spinning and other value added facilities have been utilized well during the year. Better yarn realisation coupled with higher capacity utilization have contributed for overall improved financial performance of the Company.

The power cut in Tamilnadu is still continuing. Timely decision taken by your Directors to install Windmills in previous years has helped the Company to mitigate the power shortfall during peak wind season. During this year, there was an unusual restrictions imposed by the Tamilnadu Generation and Distribution Corporation (TANGEDCO) in evacuation of power generated by wind mills, which has resulted in loss in generation of power from wind mills to the extent of approximately 6 million units, which translated into ₹ 3.50 Crores in monetary terms.

Due to shut-down of wind mills by TANGEDCO, the Company was forced to purchase the power from power generating companies / run the DG & HFO sets, which are costly compared to wind mills. Due to this, the power cost during the year has gone up substantially.

In spite of spiraling wage cost, power cost and logistics cost, the strategic decisions taken by the Company to focus on high quality value added yarn catering to the premium customers in fabric and garment segments, both in domestic and export markets have helped the Company to improve operational and financial performance.



#### Prospects for the Current Year

The cotton prices are currently ruling high at uneconomical levels. Due to sluggish demand for yarn, the Spinning Mills are not able to increase the yarn prices in line with the increased cotton cost. While the cost of major inputs are increasing steeply, the yarn prices are falling due to sluggishness in both domestic and global yarn markets. There is no parity between cotton cost and yarn selling prices.

The Company is maintaining high standards of yarn quality, cost effective production and stringent waste control measures and focusing on more automation with a view to utilize the skilled manpower more efficiently. The Company is making all efforts to cope up with the current challenges through continuous cost reduction, imparting training to the employees at all levels, re-engineering of process and improved customer service to protect the profit margins. Your Directors are hopeful of achieving satisfactory results for the current year with the implementation of above steps.

#### D. OVERSEAS OPERATIONS OF SUBSIDIARIES - SRI RAMCO LANKA (PRIVATE) LIMITED AND SRI RAMCO ROOFINGS LANKA (PRIVATE) LIMITED, SRI LANKA :

The production of FC plant of Sri Ramco Roofings Lanka (Private) Limited (SRRLPL), which commenced commercial production in 2012, was 52,207 M.T. and Sales was 52,724 M.T. during the year under review, compared to 45,869 M.T. and 41,804 M.T., registering an increase of 14% and 26% respectively.

Due to sluggish market conditions, there was drop in Net Sales of Sri Ramco Lanka (Private) Limited, during the year under review. This was partially offset by supplies effected from Sri Ramco Roofings Lanka (Private) Limited. At a Consolidated level of both the Companies, the Net Sales were SLR 31,710 lakhs (INR 14,729 lakhs) as against SLR 31,097 lakhs (INR 13,085 lakhs) during the corresponding Previous Year.

#### TAXES AND DUTIES :

During the year under review, Customs/Central Excise Duties paid on the Company's products amounted to ₹ 8,905.07 lakhs. Together with VAT and CST amounting to ₹ 5,954.99 lakhs, the Company's total contribution to the Public Exchequer was ₹ 14,860.06 lakhs say ₹ 149 Crores.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Company continues to take keen interest in conservation of energy and the information required under Section 217(1)(e) of the Companies Act, 1956, read with the relevant Rules, with regard to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure which forms part of this Report.

#### INDUSTRIAL RELATIONS :

Industrial relations continue to be cordial and harmonious at all the Units. Employees are extending their fullest co-operation for the various cost reduction measures of the Company.

#### PARTICULARS OF EMPLOYEES :

In terms of provisions of Section 217(2A) of the Companies Act, 1956, read with The Companies (Particulars of Employees) Rules, 1975, as amended, the names and particulars of Employees are set out in the Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Any Member interested in obtaining such particulars may write to the Corporate Office of the Company.

#### RESEARCH AND DEVELOPMENT EFFORTS :

During the year under review, the Company continued its Research & Development efforts in respect of conventional and non-conventional Fibres and in production technology for manufacture of Fibre Cement Sheets/Calcium Silicate Boards.

#### INTERNAL CONTROL SYSTEM :

Your Company has adequate internal control procedures commensurate with the size and nature of its operations. The audit committee constituted by the Board of Directors is functioning effectively. All significant audit observations were discussed in the audit committee, which met four times during the year under review. ERP System developed by Ramco Systems Ltd., has been installed for online monitoring of all functions and management information reports are being used to have better control and to take decisions in time.

#### **DIRECTORS :**

We regret to report the sad demise of Dr.A. Ramakrishna on 20.08.2013. The Directors place on record Dr.A. Ramakrishna's valuable and constructive contribution in the Board and Committee Meetings during his association of 7 years with the Company.

The Board of Directors at their meeting held on May 22, 2014 re-appointed Shri P.R. Venketrama Raja as Vice Chairman and Managing Director with effect from 1.04.2014 and approval of members for his re-appointment and remuneration payable is being sought at the ensuing 49th Annual General Meeting.

Shri M B N Rao, has been co-opted as an Additional Director by Board on 29.01.2014 and will hold Office till the date of the forthcoming Annual General Meeting. A Notice in writing has been received from a Member signifying his intention to propose the appointment of Shri M B N Rao as a Director at the Annual General Meeting.

As per provisions of Companies Act, 2013 the Board of Directors at their meeting held on May 22, 2014 nominated Shri K.T. Ramachandran, Shri R.S. Agarwal and Shri M.B.N. Rao as Independent Directors for appointment by Members in the ensuing 49th Annual General Meeting. Further, various Committees of Board such as Nomination and Remuneration Committee, Stakeholders Relationship Committee were re-constituted and details of which will be mentioned elsewhere in the annual report.

In accordance with the provisions of the Companies Act, 2013/Articles of Association, Shri S.S. Ramachandra Raja is the Director who will be retiring by rotation and is eligible for re-election.

#### **PUBLIC DEPOSITS :**

The Total Deposits from the general public outstanding with the Company as on 31st March 2014 were ₹ 8.80 lakhs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956.

As per provisions of Section 74 of the Companies Act, 2013 an option has been provided to repay the existing deposits accepted on or before 31.03.2014. The Company has decided not to accept fresh deposits from 01.04.2014 and to repay all the existing deposits by complying with the formalities required in this regard.

#### **SHARES:**

The Company's shares are listed in Madras Stock Exchange, Bombay Stock Exchange and National Stock Exchange and Annual Listing Fees have been paid to the three Stock Exchanges for the F.Y. 2014-15.

#### **AUDITORS :**

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants and M/s. CNGSN & Associates, Chartered Accountants, are Auditors of the Company.

Under section 139 of the Companies Act, 2013 a listed Company can appoint an Audit Firm as Auditor for a maximum of 2 terms of 5 consecutive years. However, they are eligible for re-appointment after a period of 5 years from the completion of such term. Both the Auditors have completed the maximum threshold limit of 10 consecutive years. However, a period of 3 years is given for compliance of the new requirement. Since a period of 3 years is available to continue with the existing Auditors, it is proposed to appoint them for remaining eligibility period of 3 years.

#### **COST AUDITOR :**

The Government has approved the Company's proposal to appoint M/s. Geeyes & Co., Cost Accountants, Chennai for audit of cost accounts of the Company relating to Fibre Cement Products, Cement Clinker Grinding, Windmill operations and Textiles Divisions for the year ended 31.3.2014 on a remuneration of ₹ 2,50,000/-, exclusive of out-of-pocket expenses.

The Cost Audit Report for the financial year 2012-13 had been filed with Ministry of Corporate Affairs on 23.09.2013. The Cost Audit Report for the financial year 2013-14 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

Under Section 148 of the Companies Act, 2013, the Government is yet to notify the class of companies to which the Cost Audit is applicable. Based upon such notification as and when issued, the Company will be taking steps for implementation.

#### **SUBSIDIARY COMPANIES :**

Government of India, Ministry of Corporate Affairs, vide their General Circular No: 2/2011 dated 08.02.2011, has granted general exemption under Section 122(8) of the Companies Act, 1956 to the Companies from attaching the full text of the Financial Statements of the Subsidiaries along with the Company's accounts/Annual Report subject to certain conditions being fulfilled. As required under the said general exemption Circular, the Consolidated Financial Statements have been presented in this Annual Report and the other

required disclosures on the Company's three Subsidiaries namely (a) M/s. Sudharsanam Investments Limited, (b) Sri Ramco Lanka (Private) Limited, Sri Lanka and (c) Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka have also been made in this Report.

The Annual Accounts of the three Subsidiary Companies and the related detailed information will be made available to the Shareholders of the Company as also the Shareholders of the Subsidiary Companies seeking such information at any point of time. The Annual Accounts of the three Subsidiary Companies will also be kept for inspection by any Shareholder, at the Corporate Office of the Company and of the Subsidiary Companies concerned.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the three Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31.03.2014 along with the Auditors' Report thereon are annexed hereto and the same form part of this Annual Report.

#### **CORPORATE GOVERNANCE :**

The Company has complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreements with the Stock Exchanges. A Report on Corporate Governance followed by the Company is enclosed. The Certificate from the Statutory Auditors of the Company, regarding compliance of the requirements under Corporate Governance stipulated by the Stock Exchanges has also been reproduced in this Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors confirm that -

In the preparation of the annual accounts for the year ended 31st March 2014, the applicable Accounting Standards had been followed;

The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made 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;

Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

The Annual Accounts were prepared on a going concern basis.

#### **ACKNOWLEDGEMENT :**

The Directors are grateful to the various Departments and agencies of the Central and State Governments for their help and co-operation. They are thankful to the Financial Institutions and Banks for their continued help, assistance and guidance. The Directors wish to place on record their appreciation of employees at all levels for their commitment and their contribution.

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED

P.R.RAMASUBRAHMANEYA RAJHA  
CHAIRMAN

Place : CHENNAI  
Date : May 22, 2014

## ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2014

In terms of Section 217(1) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2014.

### A. CONSERVATION OF ENERGY (pertaining to Cotton Yarn Division)

(a)	Energy conservation measures taken	The Practice of computing monthly UKG (40's converted) being continued to monitor monthly fluctuation.
		Internal Energy Audit and conservation measure is being adopted periodically.
		The air leakage in the compressor pipelines and in the machines are checked monthly once and deviation are corrected by using pump up test.
		Installed super low loss chokes for lighting and regularly replacing the conventional chokes.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	Trial installation of LED fitting is under progress and there is a scope for energy saving.
(c)	Impact of measures at (a) and (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods	There is saving in energy cost due to the above measures taken
(d)	Total energy consumption per unit of production of goods	Particulars given in Form A (pertaining to Cotton Yarn Division)

### B. TECHNOLOGY ABSORPTION

(e)	Efforts made in Technology Absorption	Particulars given in Form B
-----	---------------------------------------	-----------------------------

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO (pertaining to Cotton Yarn Division)

(f)	(i) Activities relating to Exports	Exporting Cotton Yarn to Japan, Italy at minimum level.
	(ii) Initiatives taken to increase exports	At present export market is not encouraging. However, we are trying our level best to obtain Export orders.
	(iii) Development of new export markets for products and service	
	(iv) Export plans	
(g)	Total foreign exchange used	₹ 2,867.35 lakhs
	Total foreign exchange earned	₹ 3,395.67 lakhs

Form - A (See rule - 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

**A. POWER AND FUEL CONSUMPTION (pertaining to Cotton Yarn)**

		Year ended 31.03.2014	Year ended 31.03.2013
<b>1</b>	<b>ELECTRICITY</b>		
	Units Purchased	2,51,81,812	2,19,28,670
	Total amount	₹ 16,87,37,878	₹ 14,84,48,586
	Rate/unit	₹ 6.70	₹ 6.77
	Own Generation		
	(i) Thro Diesel Generator		
	Units	2,32,275	5,75,158
	Units per ltr. of diesel oil	₹ 3.65	₹ 3.67
	Cost/Unit	₹ 14.25	₹ 11.97
	(ii) Thro HFO Generator		
	Units	1,53,782	20,62,550
	Units per ltr. of furnace oil	4.02	3.75
	Cost/Unit	₹ 11.08	₹ 12.30
	(iii) Thro Steam Turbine Generator		
	Units	-	-
	Units per ltr. of fuel oil/gas	-	-
	Cost/Unit	-	-
<b>2</b>	<b>COAL</b>	-	-
<b>3</b>	<b>OTHERS</b>	-	-

**B. CONSUMPTION PER UNIT OF PRODUCTION (pertaining to Cotton Yarn Division)**

	Standards (if any)	Current year 2013-14	Previous Year 2012-13
Products (with details)			
100% Cotton yarn 40's converted production	-	42,69,716	40,41,185
Unit per Kg.			
Electricity	-	5.01	5.00
Furnace Oil	-	-	-
Coal (Specify quality) %	-	-	-
Others (Specify)	-	-	-

Form - B

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY**

**A. RESEARCH AND DEVELOPMENT (R & D)**

**1. SPECIFIC AREAS IN WHICH R&D IS CARRIED OUT BY THE COMPANY**

**In Building Products Division :**

1. Trials are conducted with dispersion agent with a view to reduce Asbestos Fibre content and Cement substitution.
2. Fibre mix has been optimized to maintain quality with reduced cost.
3. Rainbow Sheets (Colour coated Sheets) introduced in the market.
4. Trials are being carried out on Wall Panels



**2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R& D**

1. Raw materials cost reduced without affecting quality of the product.
2. Reduction in Asbestos contents.
3. Colour sheets already in the market.

**3. FUTURE PLAN OF ACTION**

1. Development of Non-Asbestos Corrugated Sheets
2. Development of design Boards
3. Development of Hicem Boards and tiles
4. Development of Hicem design boards

**4. Expenditure on R & D**

Recurring expenditure	: ₹ 30.72 lakhs
Capital Expenditure	: Nil
Total	: ₹ 30.72 lakhs
R&D expenditure as a % age of total turnover of FC Sheets	: Negligible

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION  
(pertaining to Cotton Yarn Division)**

1. Efforts, in brief, made towards technology Absorption, adaptation and innovation	<ol style="list-style-type: none"> <li>1. In our “A” unit, we have Installed LMW make Swift Floc Bale Plucker Machine, to reduce 15 man power / day and avoid the shade variation in the yarn.</li> <li>2. In our “A” and “B” units Blow room Line, we have Installed Nestling -iScan contamination Detector machine. By this machine we can reduce white colour polypropylene, synthetic materials and coloured contaminations like jute, lengthly thread etc, effectively by air jets.</li> <li>3. In our “C” unit, we have installed for flats cleaning Conversion Kit, we can avoid the fibre loading from flats and improve the fibre to fibre separation and reduce the neps from sliver.</li> <li>4. In our B Unit, we have installed LMW make LC300A-V3 Conversion kit (Mechanical). By attaching this mechanical kit, we can save the power and improve the fibre to fibre separation and reduce the neps from sliver.</li> </ol>
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.	Improved product being offered for Indian and International Yarn market with less man power
3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished (a)Technology Imported; (b) Year of Import; (c) Had technology been fully absorbed (d) If not, areas where this had not taken place, reason therefor & future plans of action.	Not Applicable

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company firmly believes that Good Corporate Governance inspires and strengthens investors' confidence, enhances the value of all the Stakeholders of the Company viz., Shareholders, Creditors, Customers and Employees and also aware that Corporate Governance is integral to the existence of the Company.

With this belief, the Company, since inception, assiduously follows its self-determined goals on Corporate Governance and strives to achieve these objectives through set of systems procedures, Policies, Practices and high standards in dealings and following business ethics in all its activities. The Company is conscious of the fact that observance of good Corporate Governance principles would go a long way in maintaining the relationship with various Stakeholders in a transparent and honest manner.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company lays great emphasis on team building and motivation. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

### 2. BOARD OF DIRECTORS

The Board of Directors of the Company is headed by the Chairman, Shri P.R. Ramasubrahmaneya Rajha. Shri P.R. Venketrama Raja is the Vice Chairman and Managing Director. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering etc. The Board has 7 Directors out of which 6 Directors are Non-Executive, including 3 Independent Directors as per the provisions of Section 149 of the Companies Act, 2013. The Board is taking steps for fulfilling the conditions relating to optimum composition, as stipulated under the Code of Corporate Governance. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

During the year under review, four Board Meetings were held, one each on 30.05.2013, 29.07.2013, 23.10.2013 and 12.02.2014.

Details of attendance of each Director at the Board Meetings held during the year are as follows :

Sl. No	Name of the Director	Directorship	No. of Board Meetings attended during the year
1.	Shri P.R.Ramasubrahmaneya Rajha (Chairman - Non-Executive)	PD	4
2.	Shri P.R. Venketrama Raja (Vice Chairman & Managing Director)	PD	3
3.	Shri S.S. Ramachandra Raja	NED	4
4.	Shri N.K. Shrikantan Raja	NED	3
5.	Shri K.T. Ramachandran	NEID	3
6.	Dr. A. Ramakrishna*	NEID	2
7.	Shri R.S. Agarwal	NEID	4
8.	Shri M.B.N. Rao**	NEID	1

\* Expired on 20.08.2013

\*\* Co-opted as Director on 29.01.2014

PD - Promoter Director; NED - Non-Executive Director; NEID - Non-Executive Independent Director

The previous Annual General Meeting of the Company was held on 29th July, 2013 at Rajapalayam. The following Directors attended the Annual General Meeting :

Sl. No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri P.R. Venketrama Raja, Vice Chairman and Managing Director
3.	Shri S.S. Ramachandra Raja
4.	Shri N.K. Shrikantan Raja
5.	Dr. A. Ramakrishna
6.	Shri R.S. Agarwal

#### **CODE OF CONDUCT :**

The Board has laid down the Code of Conduct for the Board Members and Senior Management Personnel of the Company. The Code of Conduct is given below :-

##### **1. FOR DIRECTORS :**

A Director being a Trustee of the Shareholders shall -

- Act always in the best interest of the Shareholders.
- Maintain a high standard of probity in his relations with the Company, its subsidiaries, employees, contractors, suppliers and customers.
- Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- Always conduct himself in a manner that befits his position.
- Assist the Company to observe the provisions of the Company law and other laws applicable to the Company, both in letter and in its spirit.
- Not use this position in any manner to his personal advantage or that of his family or friends.

##### **2. FOR SENIOR MANAGEMENT PERSONNEL:**

A Senior Management person is one who occupies the rank of General Manager or above and notified from time to time as a Senior Management person.

A Senior Management personnel shall -

- By his personal behaviour and conduct, set an example to his fellow employees.
- Conduct himself in a manner that upholds his integrity, rectitude and fair name of the Company and give no occasion to the Management to explain his actions or behaviour.
- Refrain his position for personal benefit from the employees, contractors, suppliers and customers of the Company.
- Maintain the confidentiality of the Company's information that has come to his notice, except where disclosure is authorised in writing by the Management.
- Observe all prescribed safety and environmental related norms.
- Not divulge to any member of the press or media any matter concerning the company unless authorised by the Management.
- Not engage himself in any business relationship or commercial activity with or without remuneration, without the prior written permission of the Management.

The Code of Conduct has also been posted on the Company's Website [www.ramcoindltd.com](http://www.ramcoindltd.com). The compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2013-14 has been affirmed by the Vice Chairman and Managing Director.

##### **3. COMMITTEES OF THE BOARD OF DIRECTORS :**

The Board has constituted Committees of Directors to deal with matters in detail and to monitor the activities falling within the terms of reference. The Board Committees are as follows :

**A) AUDIT COMMITTEE :**

The terms of reference of the Audit Committee include :

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review the strength and weakness of the internal controls and to provide recommendations relating thereto.
- iv) To generally assist the Board to discharge their functions more effectively.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed under Corporate Governance requirements and the Companies Act from time to time.

The Audit Committee consists of the following Directors :

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri R.S. Agarwal, Chairman of the Committee	4
2.	Shri K.T. Ramachandran	3
3.	Dr. A. Ramakrishna	2
4.	Shri M.B.N. Rao	1

No. of Meetings held during the year : Four

Date of Meetings : 28.05.2013, 28.07.2013, 22.10.2013 and 11.02.2014

The Statutory Auditors, Chief Executive Officer, Head of the Finance, Accounts & Internal Audit Departments are invitees to the Audit Committee Meetings. The Company Secretary acts as the Secretary to the Committee.

All the three members of the Audit Committee are Independent Directors as against the requirement of 2/3rd under the Code of Corporate Governance.

**B) REMUNERATION COMMITTEE (Renamed as NOMINATION AND REMUNERATION COMMITTEE ON 22-05-2014)**

Sl. No.	Name of the Director
1.	Shri R.S. Agarwal, Chairman of the Committee
2.	Shri K.T. Ramachandran

No. of Meeting held during the year : One

Date of the Meeting : 28.05.2013

**C ) INVESTOR GRIEVANCES COMMITTEE (Renamed as STAKEHOLDERS RELATIONSHIP COMMITTEE)**

Sl. No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri P.R. Venketrama Raja, Vice Chairman & Managing Director

No. of Meeting held during the year : One

Date of the Meeting : 08.01.2014

**D) SHARE TRANSFER COMMITTEE**

Sl. No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri P.R. Venketrama Raja, Vice Chairman & Managing Director
3.	Shri K.T. Ramachandran

All the above Committees meet as and when necessity arises.

#### 4. BOARD PROCEDURE

The details about performance of the various Units of the Company, financial position, legal action, quarterly results, market environment and all other aspects of the Company which are relevant for review by the Board of Directors are being given in a structured format at each meeting. The said information complies with the requirements of the Code of Corporate Governance with regard to the information to be placed before the Board of Directors.

No Director is a Member in more than 10 Committees or acts as Chairman of more than 5 Committees of Companies in which he is a Director. Every Director informs the Company about the position he occupies in other Companies and notifies the changes as and when they take place.

#### 5. REMUNERATION OF DIRECTORS :

The details of remuneration paid to the Managing Director have been given in the Notes on Accounts attached to the Balance Sheet/Profit and Loss Account.

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees which is being paid at the rate of ₹ 15,000/- for each meeting of the Board/Committees of the Board attended by them. Sitting Fee of ₹ 2,500/- is being paid for attending each of the Share Transfer Committee Meeting.

#### 6. DISCLOSURE OF SHAREHOLDINGS OF NON - EXECUTIVE DIRECTORS

Following are the details of Shareholdings of the Non-Executive Directors in the Company, in their names, as on 31.03.2014 :-

Sl.No.	Name of the Non-Executive Director	No. of Shares held as on 31.03.2014	% to Paid-up Capital
1.	Shri P.R. Ramasubrahmaneya Rajha	28,82,621	3.33%
2.	Shri S.S. Ramachandra Raja	4,07,680	0.47%
3.	Shri N.K. Shrikantan Raja	1,20,140	0.14%
4.	Shri K.T. Ramachandran	2,20,000	0.25%
5.	Shri R.S. Agarwal	132	-
6.	Dr. A. Ramakrishna	Nil	
7.	Shri M.B.N. Rao	Nil	-

#### 7. MANAGEMENT

The matters that are required to be discussed under Management Discussion and Analysis report have been included in the Directors' Report to the Shareholders. Whenever commercial and financial transactions have been entered into with the Companies in which Directors are interested, the nature of interest is being disclosed to the Board of Directors.

#### 8. SHAREHOLDERS

For appointment/re-appointment of Directors, Shareholders are being provided with information at the Annual General Meeting about the Directors, their expertise and Companies in which they are interested. The information is also included in the Notice calling the Annual General Meeting.

##### OTHER SHAREHOLDER INFORMATION :

Registered Office : 47, P.S.K. Nagar, Rajapalayam 626 108 (Tamil Nadu)

Corporate Office : "Auras Corporate Centre", VI Floor, 98-A, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004

CIN No. : L26943TN 1965 PLC 005297



#### PLANT LOCATIONS :

(a)	Building Products Division :	1. Arakkonam, <a href="#">Tamil Nadu</a>
	(i) Fibre Cement Sheet Units :	2. Karur, <a href="#">Karnataka</a>
		3. Maksi, <a href="#">Madhya Pradesh</a>
		4. Silvassa, <a href="#">U.T of Dadra &amp; Nagar Haveli</a>
		5. Kharagpur, <a href="#">West Bengal</a>
	(ii) Fibre Cement Pressure Pipes unit:	6. Ibrahimpatnam, <a href="#">Vijayawada, A.P.</a>
	(iii) Calcium Silicate Board unit :	7. Sinugra Village, Anjar Taluk, <a href="#">Gujarat</a>
	(iv) Cement Clinker Grinding unit :	8. Gangaikondan, Tirunelveli Dist., <a href="#">Tamil Nadu</a>
		9. Bihiya, Bhojpur District, <a href="#">Bihar</a>
(b)	Textile Division : Cotton Yarn Spinning unit	Rajapalayam, <a href="#">Tamil Nadu</a>
(c)	Wind farm Division :	1. Tirunelveli and Coimbatore Districts, <a href="#">Tamil Nadu</a>
		2. Chitradurga and Hassan Districts, <a href="#">Karnataka</a>
		3. Kutch District, <a href="#">Gujarat</a>

#### Person to be contacted for shareholder enquiries :

##### S. BALAMURUGASUNDARAM

Company Secretary (Compliance Officer) & General Manager - Legal  
Ramco Industries Limited  
“Auras Corporate Centre”, VI Floor  
98-A, Dr.Radhakrishnan Road  
Mylapore, Chennai - 600 004  
Phone: 044-2847 8585; Fax: 044-28478597; e-mail : bms@ril.co.in

Share Transfer Documents are to be sent to the Company’s Registrar viz., **M/s. Cameo Corporate Services Limited, Subramanian Building, No: 1, Club House Road, CHENNAI - 600 002. (Telephone No. : 044-2846 0390 ; Fax No. : 044-2846 0129).**

#### LISTING ON STOCK EXCHANGES

The Company’s Shares are listed in The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing Fees for the year 2014-15 have been paid to all the three Stock Exchanges.

#### Stock Code :

Name of the Stock Exchange	Code
The Madras Stock Exchange Limited	RAMCOINDS
Bombay Stock Exchange Limited	532369
National Stock Exchange of India Limited	RAMCOIND EQ

#### GENERAL MEETINGS

The last 3 Annual General Meetings (AGMs) were held as under:

Year ended	Date	Time	Venue
31.03.2011	10.08.2011	11.00 A.M.	P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2012	02.08.2012	11.00 A.M.	- do -
31.03.2013	29.07.2013	11.45 A.M.	- do -

No resolution on matters requiring postal ballot as per Section 192A of the Companies Act, 1956, were passed during the year.

#### ENSUING ANNUAL GENERAL MEETING

Date	Time	Venue
28 <sup>th</sup> July 2014	11.00 a.m.	P.A.C.R.Centenary Community Hall Sudharsan Gardens, P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)

#### FINANCIAL CALENDAR : (For the Financial Year April 2013 to March 2014)

Board Meeting for consideration of Audited Accounts and recommendation of Dividend	May 22, 2014
Posting of Annual Report	On or before 05.07.2014
Book Closure dates	22.07.2014 to 28.07.2014 (Both days inclusive)
Last date for receipt of Proxy forms	Before 11.00 a.m. on Saturday, the 26th July, 2014
Date of the 49th AGM	28 <sup>th</sup> July, 2014
Dividend Payment date	Date of AGM

#### TENTATIVE FINANCIAL CALENDAR FOR 2014-15

1.	Unaudited results for Q.E. 30.06.2014	Before 15th August, 2014
2.	Unaudited results for Q.E. 30.09.2014	Before 15th November, 2014
3.	Unaudited results for Q.E. 31.12.2014	Before 15th February, 2015
4.	Audited results for Quarter/Year ending 31.03.2015	Before 30th May, 2015
5.	AGM for the year ending 31.03.2015	July/August 2015

#### MEANS OF COMMUNICATION

The Un-audited Quarterly and Half yearly Financial Results and Audited Annual Results were published in English in Financial Express (All editions) and in Tamil in Makkal Kural (All editions in TN). All the Financial Results were also faxed/e-mailed immediately to the three Stock Exchanges where the Shares of the Company are listed and also displayed on the Company's website [www.ramcoindltd.com](http://www.ramcoindltd.com).

#### DEPOSITORY SYSTEM

The Company's Shares have already been mandated for trading in dematerialized form by all categories of investors. The Company's shares are available for dematerialization both under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As per SEBI directive, the Company has retained the services of M/s. Cameo Corporate Services Limited, "Subramanian Building", No: 1, Club House Road, Chennai - 600 002 (Phone No: 044 - 2846 0390 and Fax No: 044 - 2846 0129) for the Depository Services relating to both NSDL and CDSL and also for the Share Registry Services in respect of Shares held in Physical form. As on 31st March 2014, 92.13% of the Company's Shares have been dematerialized.

In view of the advantages offered by the Depository System, Members who have not yet dematerialized their Shares are requested to avail the facility of dematerialization of the Shares.

They have the choice to open account with Depository Participants of either of the Depositories by quoting the Company's ISIN No.INE 614A01028.

The Company has not issued any ADR/GDR/Warrants or any Convertible instruments.

#### SHARES HELD IN ELECTRONIC FORM

Shareholders holding Shares in electronic form may please note that :

- all instructions regarding bank details which they wish to be incorporated in their dividend warrants will have to be submitted to their Depository Participants. As per the Regulations of NSDL and CDSL, the Company is obliged to print the Bank details on the Dividend Warrants as furnished by these Depositories to the Company;

- (ii) instructions already given by them in respect of Shares held in physical form will not be applicable to the Dividend payable on Shares held in electronic form and the Company will not entertain any request for deletion/change of Bank details already printed on Dividend Warrants as per information received from the concerned Depositories;
- (iii) all instructions regarding change of address, Bank Account, nomination, power of attorney etc., should be given directly to their Depository Participants and the Company will not entertain any such request directly from the Shareholders.

#### REDRESSAL OF GRIEVANCES

There is no pending Share transfer as on 31.03.2014. Complaints from Shareholders with regard to Non-receipt of Certificates after transfer, Non-receipt of Dividend, Non-receipt of Annual Reports, etc., are being acted upon by the Company immediately on receipt. Any Shareholder who is having grievance may kindly send e-mail to [investors\\_grievances@ril.co.in](mailto:investors_grievances@ril.co.in)

#### DISCLOSURES

- (i) The Company has no Related Party Transactions that may have potential conflict with the interests of the Company at large. The Audit Committee reviews the details of the significant Related Party Transactions. A summary of the significant Related Party Transactions have been disclosed under "Notes on Accounts".
- (ii) There has been no penalty/stricture imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years.
- (iii) Mandatory requirements have been complied with. Non-mandatory aspects wherever complied with have been incorporated in this Corporate Governance Report.
- (iv) The Company recognises the substance of the voluntary guidelines on Corporate Governance and Corporate Social Responsibility issued by the Ministry of Corporate Affairs, New Delhi. The basic principles of the guidelines are generally espoused with the practices of the Company.

#### SOCIAL COMMITMENTS

During the year 2013-14, the Company's contribution for various Charitable and other social causes, including renovation of temples amounted to ₹ 139.98 lakhs.

#### DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2014.

Place : Chennai  
Date : April 25, 2014

P. R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

#### AUDITORS' CERTIFICATE

This is to certify that we, the Auditors of M/s. RAMCO INDUSTRIES LIMITED, Rajapalayam, have reviewed the compliance by the Company of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges and report that all the conditions contained therein have been complied with by the Company.

For M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085)

K. SRINIVASAN  
Partner  
Membership No.: 021510

Place : Chennai  
Date : May 22, 2014

For CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155

C.N. GANGADARAN  
Partner  
Membership No.: 011205

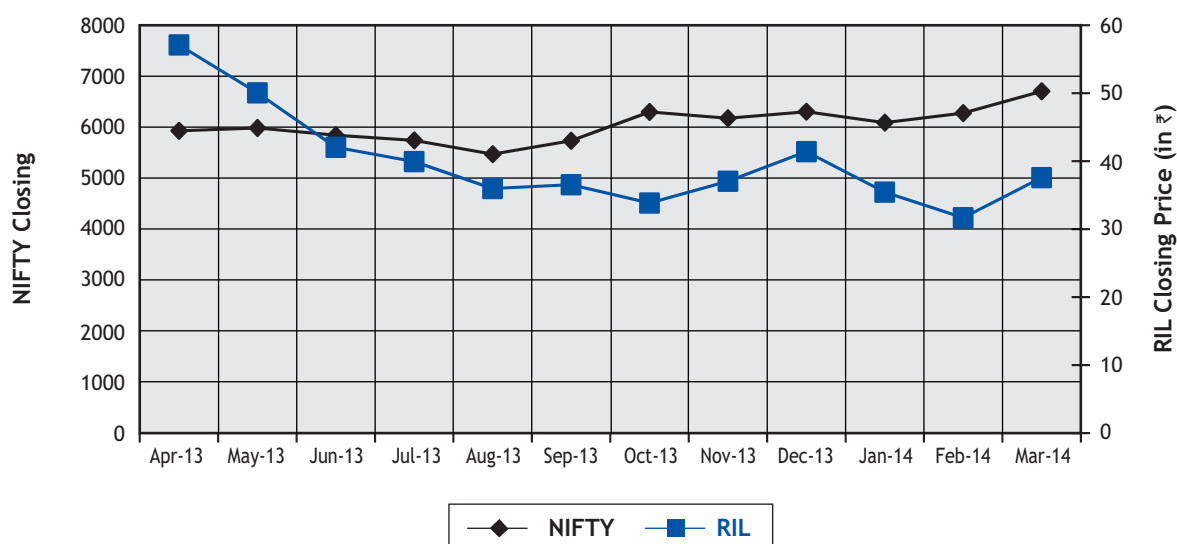
## STATISTICAL DATA

Share Price - High & Low - Traded Volume  
(During April, 2013 to March, 2014 in NSE and BSE)

Month	NSE			BSE		
	High Price ₹	Low Price ₹	Qty.Traded	High Price ₹	Low Price ₹	Qty.Traded
April, 2013	58.00	43.65	2,88,923	57.90	45.95	1,79,736
May, 2013	61.40	45.40	4,04,209	61.50	48.55	4,39,764
June, 2013	53.00	41.55	2,30,000	54.50	36.30	62,714
July, 2013	54.60	39.45	4,30,711	54.80	39.75	3,32,482
August, 2013	41.60	34.50	1,39,444	46.50	33.00	82,981
September, 2013	41.30	31.00	4,17,043	41.45	34.85	3,11,845
October, 2013	39.30	33.05	4,26,055	38.95	33.55	1,51,700
November, 2013	37.95	33.10	2,63,536	39.00	34.00	1,04,343
December, 2013	43.70	36.00	3,08,973	43.90	36.00	2,01,745
January, 2014	42.30	34.25	4,09,908	42.00	34.55	1,48,375
February, 2014	35.70	29.00	3,18,263	35.35	29.00	1,05,219
March, 2014	39.90	30.50	3,90,174	40.65	30.60	1,24,010

## Share Price Movement - RIL vis-à-vis NSE's NIFTY

RIL Share Price Movement in 2013-14



**Pattern of Shareholding as on 31.03.2014**

Description	No. of Share-holders	%	No. of Shares (₹ 1/- each)	% to Capital
<b>A. PROMOTERS HOLDING</b>				
Promoter & Promoter Group	17	0.16	4,67,24,821	53.92
<b>B. NON-PROMOTERS HOLDING</b>				
1. Mutual Funds & UTI	6	0.06	45,472	0.05
2. F.Is / Banks	4	0.04	53,93,838	6.22
3. Central/State Govt/s; VCF; Ins. Companies	0	0	0	0
4. Foreign Institutional Investors	1	0.01	2,000	0
5. Bodies Corporate	289	2.79	19,56,332	2.26
6. Individual Shareholders holding nominal Share Capital :				
a. Up to ₹ 1.00 Lac	9,472	91.54	1,31,88,690	15.22
b. In excess of ₹ 1.00 Lac	50	0.48	1,70,85,319	19.71
7. Others-HUF/NRI/Clearing Members etc.	509	4.92	22,66,588	2.62
<b>Grand Total</b>	<b>10,348</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

**Distribution of Shareholding as on 31.03.2014**

Range (No. of Shares of ₹ 1 each)	No. of Share holders	%	No: of Shares (₹ 1/- each)	%
Upto - 500	7,294	70.49	11,40,671	1.32
501 to 1000	1,220	11.79	10,76,240	1.24
1001 to 2000	687	6.64	11,68,197	1.35
2001 to 3000	221	2.13	5,82,263	0.67
3001 to 4000	190	1.84	7,08,072	0.82
4001 to 5000	113	1.09	5,38,431	0.62
5001 to 10000	257	2.48	19,50,526	2.25
10001 & above	366	3.54	7,94,98,660	91.73
<b>Total</b>	<b>10,348</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

**Category of Shareholding as on 31.03.2014**

Category	No. of Share Holders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	6,744	65.17	5,98,35,424	69.04
CDSL	3,303	31.92	2,00,05,916	23.09
Physical Form	301	2.91	68,21,720	7.87
<b>Total</b>	<b>10,348</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

## INDEPENDENT AUDITORS' REPORT

### To the Members of M/s. Ramco Industries Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Ramco Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that :
  - 2.1. 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;
  - 2.2. 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;
  - 2.3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- 2.4. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular No 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and
- 2.5. On the basis of written representations received from the Directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.

For M/s. M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085

K.SRINIVASAN  
Partner  
Membership No.: 021510

Place : Chennai  
Date : May 22, 2014

For M/s. CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155

C.N.GANGADARAN  
Partner  
Membership No.: 011205

## ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in item no. 1 of paragraph 'Report on Other Legal and Regulatory Requirements'.

In our opinion and to the best of knowledge and belief as per the information and explanation given to us and on the basis of the books and records examined by us in the normal course of audit, we report that:

1. Fixed assets
  - 1.1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 1.2. The management at reasonable intervals has physically verified the fixed assets of the company and no material discrepancies were noticed on such verification.
  - 1.3. The fixed assets disposed during the year were not substantial and therefore, do not affect the going concern assumption.
2. Inventories
  - 2.1. The management has conducted physical verification at reasonable intervals in respect of its inventory.
  - 2.2. The procedure for physical verification of inventory followed by the management is reasonable and is adequate in relation to the size of the company and the nature of its business.
  - 2.3. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. Loans and advances
  - 3.1. The company has granted loan to a party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was ₹ 663.89 lakhs (Previous Year ₹ 738.49 lakhs) and the amount outstanding as on 31 March 2014 is ₹ 631.33 lakhs (Previous Year ₹ 663.86 lakhs)
  - 3.2. The rate of interest and other terms and conditions of loans given by the company referred to paragraph 3.1 above are not, *prima facie*, prejudicial to the interest of the company.
  - 3.3. The payment of the principal amounts and the interest wherever applicable are regular.
  - 3.4. There is no overdue amount with respect to above loans.
  - 3.5. The company has taken loans aggregating to ₹ 184.66 lakhs (Previous Year ₹ 383.52 lakhs) from parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was ₹ 157.54 lakhs (Previous Year ₹ 192.87 lakhs) and the outstanding as on 31 March 2014 was ₹ 28.56 lakhs (Previous Year ₹ 78.93 lakhs).



3.6. The rate of interest and other terms and conditions of loan taken by the company are not, *prima facie*, prejudicial to the interest of the company.

3.7. The loans given/taken by the company are repayable on demand and have been received/paid on demand.

4. The company has an internal control system which is adequate and is commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in internal control system during the course of our audit.

**5. Section 301 contracts**

5.1. Particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section.

5.2. The transaction made in pursuance of contracts and arrangements referred to in 5.1 above and exceeding value of ₹ 5 lakhs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under, wherever applicable have been complied with.

7. The company has an internal audit system commensurate with its size and nature of its business.

8. The cost accounts and the records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 have been made and maintained.

**9. Statutory dues**

9.1. The company is 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 statutory dues with the appropriate authorities.

According to information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Investor Education and Protection Fund, Sales Tax, Income Tax, Wealth Tax, Service Tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than 6 months from the date that became payable.

9.2. The disputed statutory dues aggregating to ₹ 2,000.44 lakhs (Previous Year ₹ 2927.84 lakhs) that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl No.	Name of the Statute	Forum where dispute is pending	Amount (₹ in lakhs)
1	Income Tax Act	Commissioner Appeals	1,751.40
2	Sales Tax Act	Appellate Authority	112.71
3	CST Act	Appellate Authority	0.27
		Asst/Deputy/Joint Commissioner Appeal	38.18
		West Bengal Fast Track Court	18.45
4	VAT Act	West Bengal Fast Track Court	50.32
5	Central Excise Act & Cenvat Credit Rules	CESTAT (Central Excise Service Tax Appellate Tribunal)	17.81
		Appellate Authority	11.30
Total			2,000.44

10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. The company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. Based on information and explanations given to us, the terms and conditions of the guarantee given by the Company to related parties ([Ramco Systems Limited - Guarantee given ₹ 6,550 lakhs (Previous Year ₹ 6,550 lakhs); Loans Outstanding ₹ 4,260.42 lakhs (Previous Year ₹ 4,185.22 lakhs)], [Sri Harini Textiles Limited - Guarantee given ₹ 3,629 lakhs (Previous Year ₹ 3,629 lakhs)], Loans Outstanding ₹ 2,233.61 lakhs (Previous Year ₹ 2,424.50 lakhs)], [Deccan Renewal Wind Electrics Limited / Axis Wind Energy Limited - Guarantee given ₹ Nil (Previous Year ₹ 770 lakhs) ]) to secure loans availed from banks by the respective companies, are not prejudicial to the interests of the Company.
16. The Company has raised term loans during the year and these have been applied for the purposes for which they were raised.
17. The funds raised on short-term basis have not been used for long-term investment.
18. 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.
19. The company has no outstanding amount under Debentures that require creation of security/charge during the year.
20. The company has not raised any money by way of public issues during the year.
21. No material fraud on or by the company has been noticed or reported during the course of audit.

For M/s M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085

K.SRINIVASAN  
Partner  
Membership No.: 021510

Place : Chennai  
Date : May 22, 2014

For M/s. CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155

C.N.GANGADARAN  
Partner  
Membership No.: 011205

## BALANCE SHEET AS AT 31ST MARCH 2014

	Note No.	As at 31.03.2014		As at 31.03.2013	
		₹ in lakhs		₹ in lakhs	
I EQUITY AND LIABILITIES					
SHARE HOLDERS' FUND					
Share Capital	1	866.63		866.63	
Reserves and Surplus	2	45,138.96	46,005.59	45,872.79	46,739.42
NON-CURRENT LIABILITIES					
Long-term Borrowings	3	17,420.31		19,150.80	
Deferred Tax Liabilities (Net)	4	1,139.65		2,018.56	
Other Long-term Liabilities	5	2,105.31		1,993.70	
Long-term Provisions	6	295.42	20,960.69	368.52	23,531.58
CURRENT LIABILITIES					
Short-term Borrowings	7	17,361.31		16,726.84	
Trade Payables		1,966.58		2,235.12	
Other Current Liabilities	8	9,022.37		11,704.36	
Short-term Provisions	9	281.35	28,631.61	1,534.53	32,200.85
TOTAL			95,597.89		102,471.85
II ASSETS					
NON-CURRENT ASSETS					
FIXED ASSETS					
Tangible Assets	10	36,867.55		24,613.46	
Intangible Assets	11	130.07		169.49	
Capital Work in Progress		575.13		10,390.78	
Non-Current Investments	12	20,319.16		20,315.95	
Long-term Loans and Advances	13	1,350.57		2,622.47	
Other Non-Current Assets		1,304.71	60,547.19	1,699.90	59,812.05
CURRENT ASSETS					
Inventories	14	22,094.70		28,665.92	
Trade Receivables	15	6,523.81		6,874.17	
Cash and Cash Equivalents	16	1,272.53		1,228.66	
Short-term Loans and Advances	17	2,929.56		4,123.31	
Other Current Assets		2,230.10	35,050.70	1,767.74	42,659.80
TOTAL			95,597.89		102,471.85
Significant Accounting Policies					
Contingent Liabilities and commitments	25(1)				
Notes on Financial Statements	25				

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN &  
N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 001208S  
K.SRINIVASAN  
Partner  
Membership No.: 021510  
Place: Chennai  
Date : May 22, 2014

For M/s.CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 004915S  
C.N.GANGADARAN  
Partner  
Membership No.: 011205

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman  
P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director  
S. BALAMURUGASUNDARAM  
Company Secretary

For and on behalf of the Board

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

INCOME	Note No.	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Revenue from operations	18	66,862.51	78,209.67
Other Income	19	2,341.71	2,844.18
<b>Total Revenue</b>		<b>69,204.22</b>	<b>81,053.85</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	41,096.34	50,767.28
Cost of Resale materials		161.99	650.37
Change in inventories of Finished Goods and Work in Progress	21	2,247.31	(4,220.07)
Employee benefit expenses	22	4,713.92	4,248.55
Finance costs	23	3,365.82	2,891.92
Depreciation and amortisation expenses	10	4,324.95	3,317.63
Other expenses	24	14,772.46	17,001.62
<b>Total Expenses</b>		<b>70,682.79</b>	<b>74,657.30</b>
Profit / (Loss) before exceptional and extraordinary items and tax		(1,478.57)	6,396.55
Exceptional Items		-	72.76
Profit / ( Loss) before Tax		(1,478.57)	6,469.31
Tax expense			
Current Tax		-	1,290.00
Deferred Tax		(878.91)	(270.00)
<b>Profit / (Loss) for the year</b>		<b>(599.66)</b>	<b>5,449.31</b>
Earnings per equity share - Basic and diluted (in ₹ )		(0.69)	6.29
Face Value of Equity share		₹ 1	₹ 1
Significant Accounting Policies			
Notes on Financial Statements	25		

The accompanying notes form an integral part of the financial statements  
As per our Report Annexed

For M/s.M.S. JAGANNATHAN &  
N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085  
K.SRINIVASAN  
Partner  
Membership No.: 021510  
Place: Chennai  
Date : May 22, 2014

For M/s.CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155  
C.N.GANGADARAN  
Partner  
Membership No.: 011205

For and on behalf of the Board

<p>P.R. RAMASUBRAHMANEYA RAJHA Chairman</p> <p>P.R. VENKETRAMA RAJA Vice Chairman &amp; Managing Director</p> <p>S. BALAMURUGASUNDARAM Company Secretary</p>	<p>S.S. RAMACHANDRA RAJA K.T. RAMACHANDRAN N.K. SHRIKANTAN RAJA R.S. AGARWAL M.B.N.RAO Directors</p>
--	--

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2014**

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>A Cash flow from operating activities</b>		
Net profit / (loss) after tax as per Profit and Loss Account	(599.66)	5,449.31
Adjusted for		
Provision for taxation		
Current tax	-	1,290.00
Deferred tax	(878.91)	(270.00)
Loss on sale of assets	24.82	6.11
Depreciation	4,324.95	3,317.63
Dividend Income	(603.59)	(1,319.66)
Profit on sale of assets	(3.72)	(73.02)
Interest income	(70.63)	(37.12)
Effects on Exchange rate	-	58.36
Interest paid	3,365.82	2,891.92
Royalty receipts	(1,314.32)	(1,237.59)
	<u>4,844.42</u>	<u>4,626.63</u>
Operating profit before working capital changes	4,244.76	10,075.94
Adjusted for		
Trade and other receivables	350.36	(905.00)
Inventories	6,571.22	(13,548.38)
Trade payables	(261.41)	4,338.77
Other Current Assets	1,126.58	(239.16)
Other current Liabilities	(3,665.40)	1,702.56
	<u>4,121.35</u>	<u>(8,651.21)</u>
Cash (used in) / generated from operations	8,366.11	1,424.73
Taxes paid	(350.00)	(1,250.00)
Net cash (used in) / generated from operating activities	8,016.11	174.73
<b>B Cash flow from Investing activities</b>		
Purchase of fixed assets	(16,579.27)	(1,749.65)
Sale of fixed assets	18.54	457.79
Interest income	70.63	37.12
Dividend income	603.59	1,319.66
Changes in Capital work-in-progress	9,815.65	(9,641.81)
Advance for Long-term purpose	1,271.90	(1,145.33)
Investment subsidy	119.31	0.00
Purchase of investment	(3.21)	(54.28)
Royalty receipts	1,314.32	1,237.59
Net cash (used in) / from investing activities	<u>(3,368.54)</u>	<u>(9,538.91)</u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2014 Contd...**

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>C Cash flow from financing activities</b>		
Proceeds from Long-term borrowing	(1,730.48)	5,617.30
Proceeds from other Long-term liabilities	111.61	2,530.74
Proceeds from Short-term borrowings	634.47	5,114.86
Dividend paid	(253.48)	(1,107.93)
Finance cost	(3,365.82)	(2,950.28)
<b>Net cash from / (used in) Financing activities</b>	<b>(4,603.70)</b>	9,204.69
Net increase / (decrease) in cash and cash equivalents (A+B+C)	43.87	(159.49)
Cash and cash equivalents as at the beginning of the year	1,228.66	1,388.15
<b>Cash and Cash equivalents as at end of the year</b>	<b><u>1,272.53</u></b>	<b><u>1,228.66</u></b>

For and on behalf of the Board

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

S. BALAMURUGASUNDARAM  
Company Secretary

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

Place: Chennai  
Date : May 22, 2014

**Auditors' Certificate**

To  
The Board of Directors  
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited. The Statement has been prepared based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of Ramco Industries Limited covered by our report of 22nd May 2014 to the members of the Company

For M/s M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 001208S

K.SRINIVASAN  
Partner  
Membership No.: 021510

Place : Chennai  
Date : May 22, 2014

For M/s. CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 004915S

C.N.GANGADARAN  
Partner  
Membership No.: 011205

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014		As at 31st March, 2013	
	Numbers	₹ in lakhs	Numbers	₹ in lakhs
<b>1. SHARE CAPITAL</b>				
Authorised Share Capital:				
Equity Shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued, Subscribed and Paid up:				
Equity Shares of ₹ 1/- each	8,66,63,060	866.63	8,66,63,060	866.63

### 1.1 The reconciliation of the number of shares outstanding is set out below

Particulars	As at 31st March, 2014	As at 31st March, 2013
Equity Shares at the beginning of the year	8,66,63,060	8,66,63,060
Equity Shares at the end of the year	8,66,63,060	8,66,63,060

### 1.2 The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% held	No. of Shares	% held
The Ramco Cements Ltd	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	79,20,680	9.14	79,20,680	9.14
Shri.P.R.Venketrama Raja	55,00,000	6.35	55,00,000	6.35
Smt.Saradha Deepa	55,00,000	6.35	55,00,000	6.35
Smt.Nalina Ramalakshmi	55,80,000	6.44	55,80,000	6.44
	3,78,73,180	43.70	3,78,73,180	43.70

### 1.3 Of the above, 4,33,31,530 equity shares were allotted in the year 2009-10 as fully paid Bonus Shares by capitalisation of General Reserves.



## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31st March, 2014 ₹ in lakhs	As at 31st March, 2013 ₹ in lakhs
<b>2. RESERVES AND SURPLUS</b>		
2.1 Capital Reserve		
As per last Balance Sheet	1,410.71	1,410.71
Add : Received during the year	119.31    1,530.02	-    1,410.71
	<hr/>	<hr/>
2.2 Securities Premium Reserve		
As per last Balance Sheet	209.53	209.53
2.3 General Reserve		
As per last Balance Sheet	41,717.55	38,917.55
Add: Transferred from Profit and Loss Account	-    41,717.55	2,800.00    41,717.55
	<hr/>	<hr/>
2.4 Profit and Loss Account		
As per last Balance Sheet	2,535.00	993.62
Add: Profit / (Loss) for the year	(599.66)	5,449.31
	<hr/>	<hr/>
	1,935.34	6,442.93
Less: Appropriations		
Interim Dividend	-	779.97
Tax on Interim Dividend	-	126.52
Proposed Dividend on Equity Shares	216.66	173.33
Tax on Dividend	36.82	28.11
Transferred to General Reserve	-	2,800.00
	<hr/>	<hr/>
	1,681.86	2,535.00
<b>TOTAL</b>	<hr/> <b>45,138.96</b> <hr/>	<hr/> <b>45,872.79</b> <hr/>

**NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
<b>3 LONG-TERM BORROWINGS</b>		
<b>Secured:</b>		
Term Loan from Banks {Refer: Note 25 (point no:9 a)}	15,432.27	17,157.16
<b>Unsecured:</b>		
Term Loan from Banks	1,988.04	1,988.04
Deposits from Public	-	5.60
	<u>17,420.31</u>	<u>19,150.80</u>
<b>4 DEFERRED TAX LIABILITY</b>		
<u>Deferred Tax Liabilities</u> {Refer: Note 25 (point no:3) }		
Timing difference on account of book depreciation and depreciation as per Income Tax Act, 1961	1,186.98	2,119.46
<u>Deferred Tax Assets</u>		
Expenses pending allowance in Income Tax	(47.33)	(100.90)
	<u>1,139.65</u>	<u>2,018.56</u>
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security Deposit from Customers	2,105.31	1,993.70
	<u>2,105.31</u>	<u>1,993.70</u>
<b>6 LONG-TERM PROVISIONS</b>		
Provision for Gratuity	31.34	95.89
Provision for Leave Encashment	264.08	272.63
	<u>295.42</u>	<u>368.52</u>
<b>7 SHORT-TERM BORROWINGS</b>		
<b>Secured:</b>		
Loan from Banks {Refer : Note 25 (point no: 9 b)}	9,324.35	11,767.20
<b>Unsecured:</b>		
Loan from Banks	7,999.60	4,872.41
Deposits from Public	8.80	8.30
Deposits from Directors	28.56	78.93
	<u>17,361.31</u>	<u>16,726.84</u>
<b>8 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-term Debt - Secured	4,639.32	7,324.30
Interest accrued on Fixed Deposit but not due	0.75	1.98
Unpaid Dividends	23.16	27.94
Statutory Duties and Taxes recovery repayable	675.89	2,149.24
Advance received from Customers	1,096.70	694.08
Other Liabilities	2,586.55	1,506.82
	<u>9,022.37</u>	<u>11,704.36</u>
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for Leave Encashment	27.87	31.24
Provision for Proposed Dividend	253.48	201.44
Provision for Taxation	-	1,301.85
	<u>281.35</u>	<u>1,534.53</u>

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

(Figures in ₹ lakhs)

10. TANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As At 01-APR-2013	Additions	Withdrawals/ Adjustments	As At 31-MAR-2014	As At 01-APR-2013	For the year 2013-2014	Withdrawals/ Adjustments	As At 31-MAR-2014	As At 31-MAR-2014	As At 31-MAR-2013
LAND - FREEHOLD	750.66	1,011.06		1,761.72	-	-		-	1,761.72	750.66
LAND - LEASEHOLD	1,419.80	-		1,419.80	8.67	28.34		37.01	1,382.79	1,411.13
BUILDINGS	10,687.44	4,773.62		15,461.06	3,092.48	724.92		3,817.40	11,643.66	7,594.96
RAILWAY SIDINGS	20.68	-		20.68	19.65	-		19.65	1.03	1.03
PLANT AND MACHINERY	35,584.75	8,131.40	284.47	43,431.68	23,220.17	2,887.54	264.53	25,843.18	17,588.50	12,364.59
ELECTRICAL MACHINERY	3,643.25	2,577.38	32.06	6,188.57	1,909.53	555.66	30.04	2,435.15	3,753.42	1,733.72
FURNITURE	241.03	52.86	21.02	272.87	113.85	16.86	16.39	114.32	158.55	127.18
OFFICE EQUIPMENTS	192.47	8.76		201.23	126.33	7.06		133.39	67.84	66.14
VEHICLES	478.59	24.19	35.86	466.92	227.91	44.96	22.81	250.06	216.86	250.68
AIRCRAFT IN JOINT VENTURE #	360.49			360.49	47.12	20.19		67.31	293.18	313.37
	53,379.16	16,579.27	373.41	69,585.02	28,765.71	4,285.53	333.77	32,717.47	36,867.55	24,613.46
CAPITAL WORK-IN-PROGRESS	10,390.78	6,763.62	16,579.27	575.13					575.13	10,390.78

# The Company owns 1/6 share in aircraft as joint ownership

11. INTANGIBLE ASSETS

	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
Particulars	As At 01-APR-2013	Additions	Withdrawals/ Adjustments	As At 31-MAR-2014	As At 01-APR-2013	For the year 2013-2014	Withdrawals/ Adjustments	As At 31-MAR-2014	As At 31-MAR-2014	As At 31-MAR-2013
COMPUTER SOFTWARE	584.54			584.54	415.05	39.42		454.47	130.07	169.49
	584.54	-	-	584.54	415.05	39.42	-	454.47	130.07	169.49
GRAND TOTAL	53,963.70	16,579.27	373.41	70,169.56	29,180.76	4,324.95	333.77	33,171.94	36,997.62	24,782.94
PREVIOUS YEAR	52,706.82	1,753.83	496.95	53,963.70	25,965.04	3,317.63	101.91	29,180.76	24,782.94	26,741.78

**NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
<b>12 INVESTMENTS</b>		
<b><u>INVESTMENTS - Quoted</u></b>		
<b>I Investments in Equity Instruments - Associates</b>		
Shares in The Ramco Cements Ltd:		
4,93,12,420 Equity shares of ₹ 1/- each fully paid-up	5,815.85	5,815.85
Shares in Rajapalayam Mills Ltd:		
8,47,360 Equity Shares of ₹ 10/- each fully paid-up	411.09	411.09
Shares in Ramco Systems Ltd:		
48,22,215 Equity shares of ₹ 10/- each fully paid up	12,216.19	12,216.19
<b>TOTAL</b>	<b>18,443.13</b>	<b>18,443.13</b>
<b>II Investments in Equity Instruments - Others</b>		
Shares in Indian Bank		
1,391 Equity shares of ₹ 10/- each fully paid-up	1.27	1.27
Shares in HDFC Ltd:		
3,10,200 Equity Shares of ₹ 2/- each fully paid-up	8.27	8.27
Shares in HDFC Bank Ltd:		
5,500 Equity Shares of ₹ 2/- each fully paid-up	0.11	0.11
Shares in DHFL Vysya Housing Finance Ltd.		
30,000 Equity Shares of ₹ 10/-each fully paid-up	3.00	3.00
	<b>12.65</b>	<b>12.65</b>
<b><u>INVESTMENTS - Unquoted</u></b>		
<b>III Investments in Equity Instruments - Associates</b>		
50,000 Equity shares of ₹ 10/- each fully paid-up in Ontime Transport Company Ltd	5.00	5.00
325,000 Equity shares of ₹ 1/- each fully paid up in Ramco Windfarms Ltd	3.25	-
	<b>8.25</b>	<b>5.00</b>
<b>IV Investments in Equity Instruments - Subsidiaries</b>		
42,50,000 Equity Shares of ₹ 10/- each fully paid-up in Sudharsanam Investments Limited	425.00	425.00
2,30,00,000 Equity Shares of SLR 10/- each fully paid-up in		
Sri Ramco Lanka (Private) Ltd, Srilanka	1,365.32	1,365.32
12,90,000 Equity Shares of SLR 10/- each fully paid-up in		
Sri Ramco Roofings Lanka (Private) Ltd, Srilanka	54.27	54.27
<b>TOTAL</b>	<b>1,844.59</b>	<b>1,844.59</b>
<b>V Investment in Government or Trust Securities</b>		
National Savings Certificates	0.52	0.52
<b>VI Investments in Mutual Funds</b>		
1,00,000 units of ₹ 10/- each in HDFC Balanced Fund	10.00	10.00
<b>VII Investment Others</b>		
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	0.02	0.03
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur	-	0.03
2 nos. Shares of ₹ 100/- each of Simandhar Shopping Centre Owners Association	-	-
<b>TOTAL</b>	<b>0.02</b>	<b>0.06</b>
<b>GRAND TOTAL</b>	<b>20,319.16</b>	<b>20,315.95</b>
Aggregate amount of quoted investments :		
At cost	18,455.78	18,455.78
At Market value	120,579.57	135,605.68
Aggregate amount of unquoted investments at cost	1,863.38	1,860.17

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
<b>13 LONG-TERM LOANS AND ADVANCES</b>		
Secured and considered good		
Advances towards Capital goods	236.08	1,543.74
Security Deposit	462.59	406.24
Unsecured and Considered good		
- related parties	631.33	663.86
- others	20.57	8.63
	<u>1,350.57</u>	<u>2,622.47</u>
<b>14 INVENTORIES</b>		
Raw Materials	8,871.79	12,394.62
Raw Materials in transit	-	274.91
Work-in-progress	2,040.83	208.03
Finished goods	10,521.20	15,191.28
Finished goods-in-transit	51.09	21.52
Stores and spares	609.79	575.56
{for valuation: Refer: Note no 9 of accounting policy}	<u>22,094.70</u>	<u>28,665.92</u>
<b>15 TRADE RECEIVABLES</b>		
Trade receivables outstanding for more than 6 months, unsecured considered doubtful	164.93	4.28
Trade receivables outstanding for more than 6 months, provision	(164.93)	(4.28)
Trade receivables outstanding for more than 6 months, unsecured, considered good	138.75	85.61
Trade receivables, unsecured considered good	6,016.09	5,647.13
Trade receivables unsecured considered good- Related Parties	368.97	1,141.43
	<u>6,523.81</u>	<u>6,874.17</u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	9.97	10.39
Balance with Bank Current account	1,229.77	1,181.93
Margin Money	9.63	8.40
Balance with Bank - Unpaid Dividend Warrant Account	23.16	27.94
	<u>1,272.53</u>	<u>1,228.66</u>
<b>17 SHORT-TERM LOANS AND ADVANCES</b>		
Unsecured and Considered good:		
Advance Income Tax and Tax Deducted at source	616.96	1,335.67
Tax Credit - Indirect Taxes	1,205.51	1,029.47
Advance - Supplies	748.62	1,426.33
Advance - Expenses	22.55	37.14
Prepaid Expenses	335.92	294.70
	<u>2,929.56</u>	<u>4,123.31</u>



# NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>18 REVENUE FROM OPERATIONS</b>		
Sale Revenue	72,878.86	85,392.84
Less: Excise Duty	(6,874.44)	(8,339.58)
Net Revenue	66,004.42	77,053.26
Industrial promotion assistance	600.68	875.90
Income from Wind power generation	257.41	280.51
	<u>66,862.51</u>	<u>78,209.67</u>
<b>19 OTHER INCOME</b>		
Interest Income	70.63	37.12
Dividend Income	587.63	1,319.66
Dividend Income from Subsidiaries	15.96	-
Other Miscellaneous Income	342.20	249.81
Carbon Credit	10.97	-
Royalty Received	1,314.32	1,237.59
	<u>2,341.71</u>	<u>2,844.18</u>
<b>20 COST OF MATERIALS CONSUMED</b>		
Chrysotile Fibre	18,666.80	24,039.89
Cement	7,788.53	10,960.67
Clinker	3,244.39	3,055.65
Cotton	8,353.70	9,416.24
Other Additives	3,042.92	3,294.83
	<u>41,096.34</u>	<u>50,767.28</u>
<b>21 (INCREASE) / DECREASE IN STOCK</b>		
Closing Stock of Finished Goods	10,572.30	15,212.80
Closing Stock of Process Stock	2,040.83	208.03
	<u>12,613.13</u>	<u>15,420.83</u>
Opening Stock of Finished Goods	15,212.80	10,656.32
Opening Stock of Process Stock	208.03	224.49
	<u>15,420.83</u>	<u>10,880.81</u>
(Increase) / Decrease	2,807.70	(4,540.02)
Excise duty on stock variance	(560.39)	319.95
(Increase) / Decrease	<u>2,247.31</u>	<u>(4,220.07)</u>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	4,023.08	3,536.60
Contribution to and provision for		
- Provident Fund	301.12	281.93
- Gratuity Fund	45.24	95.89
- Superannuation Fund	37.51	35.63
Staff welfare	306.97	298.50
	<u>4,713.92</u>	<u>4,248.55</u>

**NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>23 FINANCE COSTS</b>		
Interest on Bank Borrowings	2,820.18	2,323.56
Others	285.95	234.02
Exchange rate variation	259.69	334.34
	<u>3,365.82</u>	<u>2,891.92</u>
<b>24 OTHER EXPENSES</b>		
<b><u>Manufacturing</u></b>		
Stores Consumed	957.61	1,224.44
Power and Fuel (net off power from Wind Mills)	4,527.94	4,383.87
Repairs and Maintenance - Building	84.69	89.53
Repairs and Maintenance - General	191.25	207.30
Repairs and Maintenance - Plant and Machinery	1,521.97	1,650.90
<b><u>Administration</u></b>		
Insurance	102.27	67.01
Travelling expenses	532.24	474.77
Rates and Taxes	506.77	596.22
Exchange fluctuation in foreign currency-other than AS 11	-	58.36
Rent	113.77	103.41
Managerial Remuneration	13.20	324.74
Printing and Stationery	41.17	38.45
Communication Expenses	90.77	79.67
Corporate Social Responsibility	139.98	289.26
Legal and Consultancy Expenses	256.55	242.66
Loss on Sale of Assets	20.87	6.12
Repairs and Maintenance - Vehicle / Aircraft	380.30	319.09
Directors Sitting fees	5.73	6.74
Audit Fees and Expenses	16.30	12.40
Miscellaneous Expenses	730.37	657.84
<b><u>Selling and Distribution Expenses</u></b>		
Sole selling agency commission	343.95	423.61
Advertisement Expenses	130.69	405.21
Discounts	1,308.00	2,129.40
Bad and Doubtful Debts	162.06	1.40
Transportation and Handling Expenses	2,594.01	3,209.22
	<u>14,772.46</u>	<u>17,001.62</u>



## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### Significant Accounting Policies

#### 1. Basis of preparation and presentation of financial statements

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles {“GAPP”} in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006, prescribed by the Central Government (as amended). However, certain claims are accounted for as and when admitted by the appropriate authorities.

#### 2. Use of Estimates

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts/ advances, future obligations in respect of retirement benefit plans etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

#### 3. Revenue recognition

i. Revenue from sale of goods is recognised when all significant risks and rewards of ownership is transferred to the buyer under the terms of the contract and we retain no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exist regarding the amount of consideration that will be derived from sale of the goods.

Sales exclude excise duty and sales tax.

ii. Other income is accounted on accrual basis as and when the right to receive arises.

iii. Dividend income is accounted in the period in which the right to receive the same is established.

iv. Interest income on deposits is recognised at the agreed rate on time proportion basis.

v. Income from Wind mills:

a. Under wheeling and banking arrangement:

Units generated from windmills are adjusted against the consumption of power at our factories. The value of unadjusted units as on the Balance Sheet date has been included under Other Current Assets.

b. Under Power purchase agreement:

Units generated from windmills are sold to State Electricity Board at agreed rates and the income is included in Value of power generated from wind farms.

#### 4. Tangible Fixed assets

Fixed assets are stated at original cost less accumulated depreciation, accumulated amortisation and cumulative impairment.

Pre-operative expenses including administrative and other general overhead expenses which are specifically attributable to the project, incurred up to the date of commencement of commercial operation are capitalised as a part of the cost of the fixed asset.

Gains or losses arising from disposal of fixed assets, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the statement of profit and loss.

#### 5. Depreciation

i. Owned Assets

Depreciation is provided under straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, in respect of Fibre Cement Sheet Plants at Arakkonam, Karur, Maksi, Silvassa, Corporate Office and Textiles Division.

Depreciation is provided under written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956, in respect of Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Bhuj, Gangaikondan, Bihiya, Calcium Silicate Board Plants at Arakkonam and Jaipur, Clinker Cement Grinding unit at Kharagpur and Wind Electric Generators.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Depreciation on additions/deductions is calculated pro-rata from/ to the month of additions/deductions. Assets costing less than ₹ 5,000/- each are fully depreciated in the year of purchase.

Depreciation charge for impaired assets is adjusted in the future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

### ii. Leasehold Land

Land acquired under long-term lease is classified under “tangible assets” and is amortised over the primary lease period

## 6. Intangible Assets and Amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets are amortised under straight line method as follows:

Amortisation on impaired assets is adjusted in the future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Internally generated software, if any, is not capitalised and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

## 7. Impairment of assets

As at each Balance Sheet date, the carrying amount of asset is tested for impairment so as to determine:

- the provision for impairment loss, if any; and
- the reversal of impairment loss recognised in previous periods, if any,

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- in the case of an individual asset, at the higher of the net selling price and the value in use; and
- in the case of a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

(Value in use is determined as the present value of estimated future cash flows from the continuing use of an asset and from its disposal at the end of its useful life.)

## 8. Investments

All Investments being non-current and non-trade are valued at cost. Provision for diminution is made to recognise the decline other than temporary, in the value of investments.

## 9. Inventories

- Raw-materials, stores, spares and packing materials etc. are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition or net realisable value whichever is lower.
- Work-in-progress is valued at weighted average cost, including the cost of conversion with systematic allocation of production and administration overheads.
- Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition including excise duty.

## 10. Foreign currency transactions and forward contracts

- The reporting currency of the Company is Indian Rupee.
- Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

- iii. The exchange differences on settlement/ restatement are included in pre-operative expenses up to the date of commercial operation and recognised as income or expense thereafter in the period in which they arise.
- iv. Forward contracts, other than those entered into to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Exchange differences arising on such contracts are recognised in the period in which they arise. Gains and losses arising on account of roll over/cancellation of forward contracts are recognised as income/expenses of the period in which such roll over/cancellation takes place. The premium paid/ received on a foreign currency forward contract is accounted as expenses/income over the period of the contract.

### 11. Employee Benefits

#### a. Short-term employee benefits :

Short-term employee benefits viz., Salaries, Wages etc., are recognised as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.

#### b. Post Employment Benefits :

##### i. Defined Contribution plans

Contributions to Provident fund and Superannuation fund are recognised as an expense in the profit and loss account for the year in which the employees have rendered services. The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of ₹ 1 lakh per annum to LIC. There are no other obligations other than the above defined contribution plans.

##### ii. Defined Benefit Plan :

##### Gratuity:

The Company has its own approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement and death while in employment or on termination of employment of an amount equivalent to 15 Day's basic salary payable for each completed year of service. Vesting occurs upon completion of 5 years of continuous service. The Company makes annual contributions to funds administered by Life Insurance Corporation of India, based on the Actuarial Valuation by an independent external actuary as at the Balance sheet date using the "projected unit credit method".

##### Leave Encashment :

The Company has a policy of providing encashment of unavailed leave for its employees. The obligation for the leave encashment is recognised based on an independent external actuarial valuation at the Balance Sheet date. The expense is recognised at the present value of the amount payable determined based on actuarial valuation using "projected unit credit method".

#### c. Long-term employee benefits :

The obligation for Long-term employee benefits such as Long-term compensated absences is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

### 12. Lease

Lease rentals are expensed off with reference to the lease terms.

### 13. Borrowing costs

Specific borrowing costs that are directly attributable to the acquisition and construction of qualifying assets are capitalised as part of the cost of those assets as per AS 16. All other borrowing costs are charged to revenue.

### 14. Research and Development Expenditure

Expenditure on Research and Development of revenue nature incurred by the Company is charged to statement of Profit and Loss account under the respective revenue heads, while those of capital nature are treated as fixed assets, under respective asset heads.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 15. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/ appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets relating to unabsorbed depreciation/business losses are recognised and carried forward to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Other deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 16. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past event and it is possible that there will be an outflow of resources. Un-provided contingent liabilities are disclosed in the accounts by way of notes. Contingent assets are not recognised.

### 17. Segment Accounting

- i. The Company identifies business segment as the primary segment as per AS-17. Under the primary segment, there are three reportable segments viz., Building products, Textile and Power generation from Windmills. These were identified considering the nature of the products, the differing risks and returns. The valuation of inter segment transfers are based on prevailing market prices.
- ii. Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general corporate income and expenses which are not allocated to any business segment.
- iii. The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### 18. Subsidies and Government Grants

Revenue related grants are recognised on accrual basis wherever there is reasonable certainty. Investment Subsidy/Grant received/receivable from the Government is treated as Capital Reserve or Revenue receipt based on the nature of subsidy/grant as per AS 12.

Interest Subsidy under Technology Upgradation Fund Scheme (TUF) is credited to the Interest and Finance Charges.

### 19. Earnings Per Share

Earnings per share (EPS) is calculated by taking into account, the net profit after tax, divided by the weighted average number of Equity Shares outstanding as on the Balance Sheet date.

### 20. Operating cycle for current/non-current classification

Operating cycle for the business activities of the Company is taken as twelve months for classification of its assets and liabilities into current/non-current.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 25. NOTES ON ACCOUNTS:

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
1. I. Contingent Liabilities and commitments not provided for		
A. Claims against the Company / disputed liabilities not acknowledged as debts		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	2,000.44	2,927.84
B. Guarantees		
Guarantees to Banks/Financial institutions against credit facilities extended to third parties		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	10,179.00	10,949.00
II. Commitments		
A. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	438.41	1,739.84
B. Other Commitments		
a. Letters of Credit	181.45	NIL
b. Bank Guarantees	344.05	259.01
III. Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) has raised the demand towards alleged violation of the terms and conditions of supply of electricity for ₹ 27.41 lakhs. The Company has deposited a sum of ₹ 16.87 lakhs under protest and filed writ petition before the Honourable High Court of Madras and the same has been admitted. The management is confident of resolving the matter in its favour and hence no provision is made in the books of account.		
IV. TANGEDCO has withheld an amount of ₹ 46.54 lakhs pending resolution of Power Tariff Concession applicability to fibre cement sheet plant at Arakkonam. This amount was withheld against our dues towards power sold to Tamil Nadu Electricity Board covered under the power purchase agreement. The Company preferred an appeal against TANGEDCO and the matter is pending with the Honourable High Court of Madras. The management is confident of collecting the withheld amount and no provision is made in the books of account		
2. Audit fees and expenses include fees (inclusive of service tax) paid to Statutory Auditors towards:		
	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Statutory Audit Fees	7.87	7.87
Tax Audit Fees	0.84	0.44
Fees for certification	1.72	0.67
Expenses of Audit	3.17	2.40
Cost Audit Fees	2.70	2.25
	<u>16.30</u>	<u>13.63</u>
3. The break up of Deferred tax liability as at 31.03.2014 of ₹ 1,139.65 lakhs (Previous Year ₹ 2,018.56 lakhs) is as under:		
Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income-tax Act, 1961	1,287.88	2,119.46
Tax effect of provision for Leave Encashment	(94.72)	(99.28)
Tax effect of provision for Bad and Doubtful debts	(53.51)	(1.62)
	<u>1,139.65</u>	<u>2,018.56</u>

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

4. The Company has not utilized Short-term Loans for Long-term purposes.
5. Income Tax Assessment has been completed upto the Accounting Year 2010-2011 (i.e. Assessment Year 2011-12) and demands raised by the Income Tax Department amounting to ₹ 256.64 lakhs (upto the Assessment year 2010.11-₹ 1,494.76 lakhs) which have been disputed by the Company and necessary appeals have been filed. Based on the nature of the claim disputed, no provision has been considered necessary.
6. Sales Tax and Central Excise demands amounting to ₹ 249.04 lakhs (Previous year ₹ 46.94 lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision has been considered necessary.
7. Trade receivables include due from Overseas Subsidiary Company viz., Sri Ramco Lanka (Private) Limited, Sri Lanka to the extent of ₹ 191.68 lakhs (Previous Year ₹ 664.23 lakhs) and Sri Ramco Roofing Lanka (Private) Limited (wholly owned subsidiary of Sri Ramco Lanka (Private) Limited) to the extent of ₹ 177.28 lakhs (Previous Year ₹ 474.11 lakhs). Maximum amount outstanding during the year from Sri Ramco Lanka (Private) Ltd is ₹ 1,109.32 (Previous Year ₹ 664.23 lakhs) and Sri Ramco Roofing Lanka (Private) Limited is ₹ 1,016.32 (Previous Year ₹ 474.11 lakhs)
8. The Company's Shares are listed in Madras Stock Exchange Ltd, National Stock Exchange of India Ltd and BSE Ltd and the listing fees in respect of all the three exchanges for the Financial year 2014-2015 have been paid.
9. a. i. Long-term Loans of ₹ 15,432.27 lakhs borrowed from banks are secured by *pari-passu* first charge on the fixed assets and *pari-passu* second charge on current assets of the Company.

(₹ in lakhs)

Rate of interest	Outstanding as on 31.03.14	Repayment schedule				
		2015-16	2016-17	2017-18	2018-19	2019-20
11.25%	4,625.00	425.00	1,050.00	1,575.00	1,325.00	250.00
12.50%	66.90	66.90	-	-	-	-
11.75%	1,051.15	529.40	521.75	-	-	-
11.45%	1,250.00	833.33	416.67	-	-	-
11.45%	2,470.59	705.88	705.88	705.88	352.95	-
10.85%	2,000.00	1,000.00	1,000.00	-	-	-
*5.62%	3,842.40	3,842.40	-	-	-	-
*9.88%	126.23	126.23	-	-	-	-
<b>TOTAL</b>	<b>15,432.27</b>	<b>7,529.14</b>	<b>3,694.30</b>	<b>2,280.88</b>	<b>1,677.95</b>	<b>250.00</b>

- Includes the cost of hedging
- b. Short-term Loans of ₹ 9,324.35 lakhs borrowed from banks are secured by hypothecation of Stocks of raw materials, work-in-progress, stores, spares and finished goods and book debts and second charge on fixed assets.
- c. i) External Commercial Borrowing Loan of USD 1.25 million amounting to ₹ 748.50 lakhs borrowed from DBS Bank Ltd., Singapore is secured by *pari-passu* first charge on the fixed assets and *pari-passu* second charge on current assets in favour of Security Trustee DBS Bank, Chennai.

As per requirements of Accounting Standard 11 (revised 2005 "The Effects of changes in Foreign Exchange Rates"), ECB loan has been valued at ₹ 59.88 per USD, as the closing rate on 31/03/2014. This has resulted in a notional loss of ₹ 69.88 lakhs which has been capitalised as per Notifications dated 31/03/2009 and 09th Aug 2012.

The premium on forward exchange contracts not intended for trading or speculative purpose is amortised as expense over the life of the contract, During the current year ₹ 259.69 lakhs (Previous Year: ₹ 123.02 lakhs) has been amortised and the same is included in interest and finance charges.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10. As per Accounting Standard 15 (revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:	<b>2013-14</b>	2012-13
	<b>₹ in lakhs</b>	₹ in lakhs
Employer's Contribution to Provident Fund	<b>300.54</b>	237.18
Employer's Contribution to Superannuation Fund	<b>37.51</b>	35.63
Details of post retirement Gratuity plan (Funded) are as follows:		
Reconciliation of opening and closing balances of obligation:		
Defined Benefit obligation as on 1-4-2013	<b>848.07</b>	840.67
Current Service Cost	<b>63.63</b>	63.39
Interest Cost	<b>67.06</b>	64.82
Actuarial (gain) / loss	<b>(31.15)</b>	65.30
Benefits paid	<b>(60.51)</b>	(186.11)
Past Service Cost (Vested Benefits)	-	-
Defined Benefit obligation as on 31-3-2014	<b>887.10</b>	848.67
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 1-4-2013	<b>752.18</b>	861.27
Expected return on plan assets	<b>61.42</b>	61.46
Actuarial gain / (loss)	<b>10.89</b>	15.56
Employer contribution	<b>91.77</b>	-
Benefits paid	<b>(60.51)</b>	(186.11)
Fair value of plan assets as on 31-3-2014	<b>855.75</b>	752.18
Actual Return of plan assets:		
Expected return on plan assets	<b>61.42</b>	61.46
Actuarial gain / (loss) on plan assets	<b>10.89</b>	15.56
Actual return on plan assets	<b>72.31</b>	77.02
Actuarial gain / loss recognised		
Actuarial gain / (loss) for the period-Obligation	<b>31.15</b>	(65.29)
Actuarial gain/(loss) for the period - Plan assets	<b>10.89</b>	15.56
Total (gain) / loss for the period	<b>(42.04)</b>	(49.73)
Actuarial (gain) / loss recognised in the period	<b>(42.04)</b>	(49.73)
Unrecognised actuarial (gain)/loss at the end of the year	-	-
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	<b>855.75</b>	752.18
Present value of obligation	<b>887.10</b>	848.07
Difference	<b>31.35</b>	95.89
Unrecognised transitional liability	-	-
Unrecognised past service cost-non vested benefits	-	-
Amount recognised in Balance Sheet	-	-



## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Expense recognised during the year:		
Current Service Cost	63.63	63.39
Interest Cost	67.06	64.82
Expected return on plan assets	(61.42)	(61.46)
Net Actuarial (gain) / loss recognised in the year	(42.05)	49.74
Transitional liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
Effect of Limit as per para 59(b) read with para 61(g) of AS15R	-	(20.60)
Net Cost	27.22	95.89
Movement in the Liability recognised in the Balance Sheet		
Opening Net liability	95.89	-
Expense as above	27.22	95.89
Contribution paid	(91.77)	-
Closing Net liability	31.34	95.89
Amount for the period:		
Present value of obligation	887.10	848.07
Plan Assets	855.75	752.18
Surplus / (deficit)	(31.34)	(95.89)
Experience adjustments on plan liabilities-(loss) / gain	(36.23)	19.42
Experience adjustments on plan assets-(loss) / gain	10.89	15.56
Investment Details as on 31-3-2014:		
GOI Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Funds with LIC	100.00%	100.00%
Bank balance	0.00%	0.00%
Others	0.00%	0.00%
Actuarial assumptions:		
Discount rate p.a	9.10%	8.20%
Rate of escalation in salary p.a	6.00%	6.00%
Attrition rate	3.00%	3.00%
Expected rate of return on plan assets p.a	8.85%	8.00%

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
11. Details of the Leave Encashment plan (Un-funded) are as follows:		
Reconciliation of opening and closing balances of obligation		
Defined Benefit obligation as on 1-4-2013	303.86	372.84
Current Service Cost	14.55	21.10
Interest Cost	22.72	27.39
Actuarial (gain) / loss	4.33	(3.59)
Benefits paid	(53.51)	(113.88)
Past Service Cost (Vested Benefits)	-	-
Defined Benefit obligation as on 31-3-2014	291.95	303.86
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 1-4-2013	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Employer contribution	53.51	113.88
Benefits paid	(53.51)	(113.88)
Fair value of plan assets as on 31-3-2014	-	-
Actual Return of plan assets:		
Expected return on plan assets	-	-
Actuarial gain / (loss) on plan assets	-	-
Actual return on plan assets	-	-
Actuarial gain / loss recognised		
Actuarial gain / (loss) for the period-Obligation	(4.33)	3.59
Actuarial gain/(loss) for the period - Plan assets	-	-
Total (gain) / loss for the period	4.33	(3.59)
Actuarial (gain) / loss recognised in the period	4.33	(3.59)
Unrecognised actuarial (gain)/loss at the end of the year	-	-
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	-	-
Present value of obligation	291.95	303.86
Difference	291.95	303.86
Unrecognised transitional liability	-	-
Unrecognised past service cost-non vested benefits	-	-
Amount recognised in Balance Sheet	291.95	303.86

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Expense recognised during the year:		
Current Service Cost	14.55	21.10
Interest Cost	22.72	27.39
Expected return on plan assets	-	-
Net Actuarial (gain) / loss recognised in the year	4.33	(3.59)
Transitional liability recognised in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
Effect of Limit as per para 59(b) read with para 61(g) of AS15R	-	-
Net Cost	41.60	44.90
Movement in the Liability recognised in the Balance Sheet		
Opening Net liability	303.86	372.84
Expense as above	41.60	44.90
Contribution paid	(53.51)	(113.88)
Closing Net liability	291.95	303.86
Amount for the period:		
Present value of obligation	291.95	303.86
Plan Assets	-	-
Surplus / (deficit)	(291.95)	(303.86)
Experience adjustments on plan liabilities-(loss) / gain	(25.22)	31.24
Experience adjustments on plan assets-(loss) / gain	-	-
Actuarial assumptions: ₹ in lakhs		
Discount rate p.a	9.10%	8.20%
Rate of escalation in salary p.a	6.00%	6.00%
Attrition rate	3.00%	3.00%
Expected rate of return on plan assets p.a	0.00%	0.00%

12. The Company is eligible for Incentive under the “West Bengal Incentive Scheme 2000” in respect of its Fibre Cement Plant and Clinker Grinding unit at Kharagpur in the State of West Bengal. A sum of ₹ 99.02 lakhs (Previous Year: ₹ 394.35 lakhs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account.

The company is eligible for incentives under the “Bihar Industrial Incentive Policy 2006” in respect of its Fibre Cement Plant at Bihiya in the State of Bihar . During the year under review ,

- A sum of ₹ 501.66 lakhs (Previous Year ₹ 481.53 lakhs) accrued as Industrial Promotion Incentive and credited to Profit and Loss account.
- A sum of ₹ 100 lakhs (Previous Year ₹ Nil) received as capital subsidy on investment in Plant and Machinery and credited to Capital Reserve Account .
- A sum of ₹ 19.31 lakhs (Previous Year ₹ Nil) received as incentive grant for investment in Diesel Generating set and credited to Capital Reserve Account.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

13. Out of units of 264.95 lakhs units (Previous Year 336.40 lakhs units) generated net of wheeling and banking at wind farms -
- 74.60 lakhs units (Previous Year 81.57 lakhs units) were sold to concerned State Electricity Board for ₹ 245.63 lakhs (Previous Year ₹ 280.51 lakhs), shown under "Power generated from windmills".
  - 178.36 lakhs units (Previous Year 242.44 lakhs units) were consumed at the plants and ₹ 1069.92 lakhs (Previous Year ₹ 1446.11 lakhs), which is not recognised in the financial statements.
  - 11.99 lakhs units (Previous Year 12.39 lakhs units) remain unadjusted and its monetary value of ₹ 53.01 lakhs (Previous Year: ₹ 41.24 lakhs) has been included in "Other Current Assets".

### 14. Earnings Per Share:

Basic and diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20)

Particulars	For the year ended	
	31.03.2014	31.03.2013
	₹ in lakhs	₹ in lakhs
Net Profit after Tax (A)	(599.66)	5,449.31
No. of Shares (B)	866,63,060	866,63,060
Basic and Diluted earnings per share of ₹ 1 each (A/B)	(0.69)	6.29

15. The Company does not have taxable income for the year, both under the conventional method of computation of income and under section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax). Accordingly, no provision for income tax has been made for the year.

16. Additional information as required by Schedule VI of the Companies Act, 1956.

(a) CIF Value of Imports	Year ended 31.03.14 ₹ in lakhs	Year ended 31.03.13 ₹ in lakhs
Raw Material	15,297.32	28,293.08
Spares	18.08	49.65
Capital Goods	2,845.19	2,751.34

(b) Expenditure in Foreign Currency on account of Travelling & other matters	191.45	145.64
--	--------	--------

(c) Number of Non-resident Shareholders	142	160
---	-----	-----

- (d) Value of Consumption of Imported and indigenous raw material and spares

	Year ended 31.03.14		Year ended 31.03.13	
	₹ in lakhs	%	₹ in lakhs	%
Raw Material				
Imported	16,126.30	39	25,645.59	49
Indigenous	24,970.04	61	25,121.69	51
	<u>41,096.34</u>		<u>50,767.28</u>	
Spares				
Imported	20.85	1	21.39	2
Indigenous	936.76	99	1,203.05	98
	<u>957.61</u>		<u>1,224.44</u>	

- (e) Earnings in Foreign Currency

Export of Goods	3,498.78	4,343.49
Royalty Income	1,314.32	1,237.59
Dividend from Srilankan Subsidiary	15.96	0.00

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 17. Related Party Disclosure

As per Accounting Standard (AS 18) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

#### a. Subsidiary Companies:

1. Sudharsanam Investments Ltd
2. Sri Ramco Lanka (Private) Ltd., Srilanka
3. Sri Ramco Roofings Lanka (Private) Ltd., Srilanka (Wholly owned subsidiary of Sri Ramco Lanka (Private) Limited)

#### b. Key Management Personnel and relatives:

P.R. Ramasubrahmaneya Rajha, Chairman  
P.R. Venketrama Raja, Vice Chairman and Managing Director

#### c. Enterprises over which the above persons exercise significant influence and with which the Company has transactions during the year.

Rajapalayam Mills Ltd  
The Ramco Cements Ltd  
Ramco Systems Ltd  
The Ramaraju Surgical Cotton Mills Ltd  
Sri Vishnu Shankar Mills Ltd  
Sandhya Spinning Mills Ltd  
Thanjavur Spinning Mills Ltd  
Sri Harini Textiles Ltd

#### Public Trust

- Raja Charity Trust
- P A C R Educational & Charitable Trust
- P A C R Sethurammal Charities
- Shri Abinava Vidyatheertha Seva Trust

Related Party Transactions during the year 2013-14 and amount due to or due from related parties

Sl. No	Related Party	Transaction During		Amount due to	Amount Due from
		2013-14	2012-13	2013-14	2012-13
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
1	<b>The Ramco Cements Ltd</b>			-	-
	Sales	52.75	42.52		
	Purchase of Goods	3,034.82	5,427.13		
	Purchase of Electrical Energy	120.28	117.09		
	Assets Held Jointly				
	Aircraft 1: Jointly Freehold	16.67%	16.67%		
	Aircraft 2 : Jointly Leasehold	16.67%	16.67%		

**NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

Sl. No	Related Party	Transaction During		Amount due to	Amount Due from
		2013-14	2012-13	2013-14	2012-13
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
2	<b>Rajapalayam Mills Ltd</b>			-	-
	Sales	221.16	204.66		
	Purchase of Goods	1,481.41	3,607.89		
	Purchase of Asset	-	123.44		
	Services rendered to	17.58	4.67		
	Services rendered by	75.89	479.48		
3	<b>Rajapalayam Spinners Limited</b>			-	-
	Sales	-	36.23		
	Services rendered to	-	0.43		
4	<b>The Ramaraju Surgical Cotton Mills Limited</b>			-	-
	Sales	308.89	228.06		
	Purchase of Goods	79.29	284.76		
	Services rendered to	0.88	-		
	Services rendered by	-	246.94		
	Sale of Asset	-	14.06		
5	<b>Sri Vishnu Shankar Mills Limited</b>			-	-
	Sales	317.61	746.66		
	Purchase of Goods	563.49	291.91		
	Purchase of Asset	935.16	-		
	Services rendered to	0.69	1.25		
	Services rendered by	-	28.92		
6	<b>Sandhya Spinning Mills Limited</b>			-	-
	Sales	761.80	231.81		
	Purchase of Goods	0.09	296.14		
	Sale of Asset	1.59	-		
	Services rendered by	-	3.58		
	Services rendered to	1.42	0.54		
7	<b>Thanjavur Spinning Mills Limited</b>			-	-
	Sales	411.58	-		
	Purchase of Goods	257.41	-		
	Sale of Asset	-	2.12		
	Purchase of Asset	-	2.12		
	Services rendered to	0.35	1.34		
8	<b>Sri Harini Textiles Limited</b>			-	-
	Sales	89.23	267.54		
9	<b>Ramco Systems Limited</b>			5.62	0.97
	Sales	0.97			
	Software related services	72.16	88.53		

**NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

Sl. No	Related Party	Transaction During		Amount due to	Amount Due from
		2013-14	2012-13	2013-14	2012-13
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
10	<b>Sri Ramco Lanka Private Limited</b>			-	191.68 (667.32)
	Sale of Traded Goods	52.87	407.48		
	Service Income - Royalty	600.12	664.23		
11	<b>Sri Ramco Roofings Lanka Private Limited</b>			-	177.28 (474.11)
	Sale of Traded Goods	34.89	247.62		
	Service Income - Royalty	714.20	573.35		
12	<b>Sudharsanam Investments Limited</b>			-	-
	Intercompany Loan - Outstanding	631.33	663.86		
13	<b>Sri. P.R. Ramasubhramaneya Rajha</b>			-	-
	Sitting Fees	0.75	1.23		
14	<b>Sri. P.R. Venketrama Raja</b> Managerial Remuneration	13.20	324.74	-	-
15	<b>Corporate Guarantees - Issued</b>				
	Ramco Systems Limited	6,550.00	6,550.00	-	-
	Harini Textiles Limited	3,629.00	3,629.00	-	-
	Deccan Renewable Wind Electrics / Axis Wind Energy Ltd	-	770.00	-	-
16	<b>Transaction with Public Trusts</b>				
a	<b>Raja Charity Trust</b>	-	-	-	5.44 (3.99)
	Sales	44.19	12.80		
	Sole selling commission paid	343.95	423.61		
	Cost of Services Received	166.99	161.24		
b	<b>P A C R Educational &amp; Charitable Trust</b>				
	Sales	2.51	-		
c	<b>P A C R Sethurammal charities</b>				
	Sales	-	1.35	-	-
d	<b>Shri Abinava Vidhyatheertha Seva Trust</b>				
	Sales	0.85	-	-	-
	Lease Rent Received	0.03	0.03	-	-
	Donation	6.60	1.50	-	-

Note: Figures within bracket represents Previous Year

18. During the year under review, The Company has paid ₹ 343.95 lakhs (Previous Year ₹ 423.61 lakhs) as sole selling agency commission to a related company M/s. Raja Charity Trust pending approval for re-appointment of M/s. Raja Charity Trust from Ministry of Corporate Affairs, Government of India as required under sub-section (3) of Section 294AA of the Companies Act, 1956. The Company has filed relevant application for renewal of appointment of M/s. Raja Charity Trust as sole selling agent which is pending as on reporting date.

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

19. Short-term Loans and Borrowings under “Unsecured Loans” include loans from Directors as per the following break-up:

Name	Closing Balance as on 31.03.2014 inclusive of interest accrued (₹ in lakhs)	Interest (@ 7% p.a. for the year 2013-14 ₹ in lakhs)
Sri. P.R. Venketrama Raja	28.68	4.92

20. The lease rentals recognised on non-cancellable operating lease of aircraft on Joint venture basis in the statement of profit and loss account grouped in Note No.24 under the head Vehicle / Aircraft Maintenance are as detailed below:

Particulars	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)
Lease Payments	115.25	48.02
Contingent rent (Usage Charges)	192.07	103.84

- a) Operating Lease obligations payable for future periods from the Balance sheet date:

Particulars	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)
Not Later than one Year	115.00	142.00
Later than one year and not later than five years	250.00	365.00
Later than five years	-	-

21. In respect of the electricity matters relating to our Textile Division, the company has filed appeals/ writ petition for ₹ 281.07 lakhs against various subject matter of the appeal and the same is pending with Tamilnadu Electricity Regulatory Commission (TNERC) / Honourable High Court / Honourable Supreme Court for resolution. The company is confident of resolving the matter in its favour and hence no provision is made in the books of account
- 21 (a). During the year, the Company made an investment of ₹ 100.00 lakhs in the Equity Shares of Cauvery Power Generation Chennai Private Limited in order to enable the company to purchase electricity from them under Group Captive arrangement for the period from October 2013 to March 2014 for our Textile Division namely Sri Ramco Spinners and Ramco Textile Mill. The Company has not renewed the power purchase agreement beyond March 2014 and hence sold the above investment for ₹ 100.00 lakhs during March 2014
22. There are no dues to Micro and Small Enterprises as at 31.03.2014 (Previous Year : ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 23. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in Lakhs

As required under Accounting Standard (AS17), the Segmentwise Revenue, Results and Capital employed are furnished below:-

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013
<b>1. Revenue/Income from operations</b>										
External Customers	52,729.70	64,608.02	14,166.06	13,559.80	1,352.88	1,727.16	2,025.50	2,605.52	70,274.14	82,500.50
Inter-segment	-	-	-	-	(1,069.92)	(1,446.65)	-	-	(1,069.92)	(1,446.65)
<b>Total Revenue</b>	<b>52,729.70</b>	<b>64,608.02</b>	<b>14,166.06</b>	<b>13,559.80</b>	<b>282.96</b>	<b>280.51</b>	<b>2,025.50</b>	<b>2,605.52</b>	<b>69,204.22</b>	<b>81,053.85</b>
<b>2. Results:</b>										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	(1,475.13)	5,904.40	728.05	(176.21)	622.36	961.16	1,408.37	1,352.22	1,283.65	8,041.57
Interest expenses									3,365.82	2,891.92
Interest Income/ Dividend income									603.59	1,319.66
Income Tax - Current									-	1,290.00
- Deferred									(878.91)	(270.00)
Profit from Ordinary activities									(599.66)	5,449.31
Extraordinary Profit/Loss										
Net Profit									(599.66)	5,449.31
<b>3. Other Information</b>										
Segment Assets	53,584.44	59,759.49	11,308.49	10,325.36	2,261.93	2,589.89	27,826.06	28,461.54	94,980.92	101,136.28
Unallocated corporate assets										
<b>Total Assets</b>	<b>53,584.44</b>	<b>59,759.49</b>	<b>11,308.49</b>	<b>10,325.36</b>	<b>2,261.93</b>	<b>2,589.89</b>	<b>27,826.06</b>	<b>28,461.54</b>	<b>94,980.92</b>	<b>101,136.28</b>
Segment Liabilities	54,820.35	52,998.93	10,000.48	10,975.80	1,784.99	1,824.95	(18,049.77)	(10,067.26)	48,556.05	55,732.42
Unallocated corporate liabilities										
<b>Total Liabilities</b>	<b>54,820.35</b>	<b>52,998.93</b>	<b>10,000.48</b>	<b>10,975.80</b>	<b>1,784.99</b>	<b>1,824.95</b>	<b>(18,049.77)</b>	<b>(10,067.26)</b>	<b>48,556.05</b>	<b>55,732.42</b>
Capital Expenditure	15,341.71	902.22	182.23	374.49	3.40	126.93	1,051.93	350.20	16,579.27	1,753.84
Depreciation	2,838.75	1,799.08	1,125.38	1,106.57	359.12	410.49	1.70	1.48	4,324.95	3,317.62
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

## NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

24. Previous year's figures have been regrouped / restated wherever necessary so as to make them comparable with that of the current year.
25. Figures have been rounded off in lakhs with two decimal.

For and on behalf of the Board

For M/s.M.S. JAGANNATHAN &  
N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 001208S  
K.SRINIVASAN  
Partner  
Membership No.: 021510  
Place: Chennai  
Date : May 22, 2014

For M/s.CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 004915S  
C.N.GANGADARAN  
Partner  
Membership No.: 011205

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

S. BALAMURUGASUNDARAM  
Company Secretary

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

- I Name of Subsidiary company: **SUDHARSANAM INVESTMENTS LIMITED** (Wholly Owned Subsidiary)
- The Company holds 42,50,000 shares of ₹ 10/- each as on 31.03.2014
  - The Net Profit of ₹ 29.65 lakhs of the Subsidiary Company for the year ended 31.03.2014 has not been dealt with in the Company's account
  - The Cumulative Net Profit of ₹ 201.46 lakhs for the previous financial years ended upto 31.03.2013 have not been dealt with in the Company's accounts.
- II Name of Subsidiary Company: **SRI RAMCO LANKA (PRIVATE) LIMITED, SRILANKA** (Wholly Owned Subsidiary)
- The Company holds 2,30,00,000 shares of SLR 10/- each as on 31.03.2014
  - The Net Profit of SLR. 274.72 lakhs after providing Taxation, of the Subsidiary Company for the year ended 31.03.2014 has not been dealt with in the Company's accounts
  - The Cumulative Net Profit of SLR 16891.72 lakhs for the previous financial years ended upto 31.03.2013 have not been dealt with in the Company's accounts.
- III Name of Subsidiary Company: **SRI RAMCO ROOFINGS LANKA (PRIVATE) LIMITED, SRI LANKA** (Wholly Owned Subsidiary of Sri Ramco Lanka (Private) Limited)
- Ramco Industries Limited holds 12,90,000 shares and Sri Ramco Lanka (Private) Limited holds 10,02,14,099 shares of SLR. 10/- each as on 31.03.2014.
  - The Net profit of SLR 38.02 lakhs of the Subsidiary Company for the year ended 31.03.2014 has not been dealt with in the Company's account
  - The Cumulative Net Profit of SLR.312.66 lakhs for the previous financial years ended upto 31.03.2013 have not been dealt with in the Company's accounts.

For and on behalf of the Board

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

Place: Chennai  
Date : May 22, 2014

S. BALAMURUGASUNDARAM  
Company Secretary

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

## DETAILS OF SUBSIDIARY COMPANIES for the year ended 31.03.2014

SLR in lakhs & In ₹ in lakhs

Sl. No	Name of Subsidiary Company	Sudharsanam Investments Limited, Rajapalayam (in ₹ )	Sri Ramco Lanka (Private) Limited, Sri Lanka	Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka
1	Capital	425.00	SLR 2,300.04 ₹ 985.79	10,150.43 4,473.74
2	Reserves & Surplus	231.11	SLR 15,429.43 ₹ 7,047.03	746.67 342.20
3	Total Assets	1287.43	SLR 22,722.03 ₹ 10,413.51	11,906.43 5,456.72
4	Total Liabilities	1287.43	SLR 22,722.03 ₹ 10,413.51	11,906.43 5,456.72
5	Total Investments	1286.25	SLR 10,021.41 ₹ 4,592.81	- -
6	Total Income	29.83	SLR 13,651.87 ₹ 6,341.27	15,414.06 7,159.83
7	Profit before Taxation	29.65	SLR 539.41 ₹ 353.00	46.80 69.43
8	Provision for Taxation	NIL	SLR 264.69 ₹ 122.95	8.77 4.07
9	Profits after Taxation	29.65	SLR 274.72 ₹ 230.05	38.02 65.35
10	Proposed Dividends	NIL	SLR ₹	

Exchange rate as on 31.03.2014 - 1 Sri Lankan Rupee (SLR) - ₹ 0.4583

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF M/S RAMCO INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of M/s. Ramco Industries Limited ("the Company"), which comprise the Consolidated Balance Sheet as at 31 March 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The audit of financial statements of one of the subsidiaries Sudharsanam Investments Limited was audited by M/s M.S.Jagannathan & N.Krishnaswami, Chartered Accountants being one of the joint auditors of the company. We did not audit separate financial statements of Sri Ramco Lanka (Private) Limited and Sri Ramco Roofings Lanka (Private) Limited. These audited financial statements and reports in respect of above subsidiaries have been furnished to us and our opinion in so far as it relates to the amounts included in respect of the subsidiaries, is based on solely on the report of the other auditors.

#### Management's Responsibility for the Consolidated Financial Statements

The management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

---

For M/s M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085

K.SRINIVASAN  
Partner  
Membership No.: 021510

Place : Chennai  
Date : May 22, 2014

For M/s. CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155

C.N.GANGADARAN  
Partner  
Membership No.: 011205

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### BALANCE SHEET AS AT 31ST MARCH 2014

	Note No.	As at 31.03.2014		As at 31.03.2013	
		₹ in lakhs		₹ in lakhs	
<b>I. EQUITY AND LIABILITIES</b>					
<b>SHARE HOLDERS' FUND</b>					
Share Capital	1	866.63		866.63	
Reserves and Surplus	2	51,310.27	52,176.90	51,844.51	52,711.14
<b>NON-CURRENT LIABILITIES</b>					
Long -term Borrowings	3	18,302.80		20,538.02	
Deferred Tax Liabilities (Net)	4	1,324.01		2,152.34	
Other Long -term Liabilities	5	2,105.31		1,993.70	
Long-term Provisions	6	369.69	22,101.81	437.15	25,121.21
<b>CURRENT LIABILITIES</b>					
Short-term Borrowings	7	17,367.13		16,729.77	
Trade Payables		3,211.60		3,289.25	
Other Current Liabilities	8	9,576.54		12,253.53	
Short -term Provisions	9	309.96	30,465.23	2,228.69	34,501.24
<b>TOTAL</b>			<b>104,743.94</b>		<b>112,333.59</b>
<b>II. ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Tangible Assets	10	40,972.92		28,979.94	
Intangible Assets	11	130.07		169.49	
Capital Work-in-Progress		1,189.07		10,993.22	
Non-current Investments	12	19,760.83		19,757.61	
Long-term Loans and Advances	13	719.24		1,958.61	
Other Non-current Assets		1,304.70	64,076.83	1,699.90	63,558.77
<b>CURRENT ASSETS</b>					
Inventories	14	24,477.45		33,372.47	
Trade Receivables	15	6,229.88		6,193.24	
Cash and Cash Equivalents	16	3,976.04		2,208.98	
Short-term loans and advances	17	2,965.14		4,933.07	
Other current assets		3,018.60	40,667.11	2,067.06	48,774.82
<b>TOTAL</b>			<b>104,743.94</b>		<b>112,333.59</b>
Significant Accounting policies					
Contingent Liabilities and Commitments	25(1)				
Notes on Financial Statements	25				

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN &  
N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085  
K.SRINIVASAN  
Partner  
Membership No.: 021510  
Place: Chennai  
Date : May 22, 2014

For M/s.CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155  
C.N.GANGADARAN  
Partner  
Membership No.: 011205

For and on behalf of the Board

P.R. RAMASUBRAHMANEYA RAJHA Chairman	S.S. RAMACHANDRA RAJA K.T. RAMACHANDRAN N.K. SHRIKANTAN RAJA
P.R. VENKETRAMA RAJA Vice Chairman & Managing Director	R.S. AGARWAL M.B.N.RAO Directors
S. BALAMURUGASUNDARAM Company Secretary	

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

INCOME	Note No.	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
Revenue from operations	18	81,504.10	90,932.68
Other Income	19	1,153.23	1,737.26
Total Revenue		<u>82,657.33</u>	<u>92,669.94</u>
<b>EXPENDITURE</b>			
Cost of materials consumed	20	49,405.54	58,688.55
Cost of resale materials		92.61	328.69
Change in inventories of Finished Goods and Work-in-progress	21	2,603.07	(5,242.15)
Employee benefit expenses	22	5,424.90	4,920.78
Finance costs	23	3,605.76	3,080.17
Depreciation and amortisation expenses	10	4,862.99	3,746.39
Other expenses	24	17,724.19	19,176.54
Total Expenses		<u>83,719.06</u>	<u>84,698.97</u>
Profit /(loss) before exceptional and extraordinary items and tax		(1,061.73)	7,970.97
Exceptional items		-	72.76
Profit / (loss) before tax		(1,061.73)	8,043.73
Tax expense			
Current Tax		74.74	1,510.95
Deferred Tax		(828.33)	(212.76)
Profit / (Loss) for the period		<u>(308.14)</u>	<u>6,745.54</u>
Earnings per equity share - Basic and diluted ( in ₹)		(0.36)	7.78
Face Value of Equity share		₹ 1	₹ 1
Significant Accounting policies			
Notes on Financial Statements	25		

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN &  
N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085  
K.SRINIVASAN  
Partner  
Membership No.: 021510  
Place: Chennai  
Date : May 22, 2014

For M/s.CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155  
C.N.GANGADARAN  
Partner  
Membership No.: 011205

For and on behalf of the Board

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

S. BALAMURUGASUNDARAM  
Company Secretary

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit / (loss) after tax as per Profit and Loss Account	(308.14)	6,745.54
Adjusted for		
Provision for taxation		
Current tax	74.74	1,510.95
Deferred tax	(828.33)	(212.76)
Loss on sale of assets	19.09	6.11
Depreciation	4,862.99	3,738.63
Dividend Income	(617.46)	(1,394.23)
Profit on sale of assets	-	(73.02)
Interest income	(161.44)	(63.94)
Effects on Exchange rate	-	58.36
Interest paid	3,605.76	3,080.17
	<u>6,955.35</u>	<u>6,650.27</u>
Operating profit before working capital changes	6,647.21	13,395.81
Adjusted for		
Trade and other receivables	(36.64)	(252.33)
Inventories	8,895.03	(16,469.23)
Trade payables	(77.65)	4,706.40
Other Current Assets	1,411.62	(573.53)
Other current Liabilities	(4,387.91)	2,156.23
	<u>5,804.45</u>	<u>(10,432.46)</u>
Cash (used in) / generated from operations	12,451.66	2,963.35
Taxes paid	(350.00)	(2,028.11)
Net cash (used in) / generated from operating activities	12,101.66	935.24
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(16,861.92)	(3,334.57)
Sale of fixed assets	23.02	552.36
Interest income	161.44	63.94
Dividend income	617.46	1,394.23
Changes in WIP	9,804.14	(9,308.06)
Advances for Long-term purpose	1,239.36	(1,219.92)
Provision for AS 15	228.83	133.80
Net cash (used in) / from Investing activities	<u>(4,787.67)</u>	<u>(11,718.22)</u>



## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 (Contd.)

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowing	(2,235.22)	6,557.78
Proceeds from other Long-term Liabilities	111.61	2,530.73
Proceeds from Short-term borrowings	637.36	4,974.21
Dividend paid	(454.92)	(1,107.93)
Finance cost	(3,605.76)	(3,138.53)
Net cash from / (used in) Financing activities	(5,546.93)	9,816.27
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,767.06	(966.71)
Cash and cash equivalents as at the beginning of the year	2,208.98	3,175.69
Cash and Cash equivalents as at end of the year	<u>3,976.04</u>	<u>2,208.98</u>

For and on behalf of the Board

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

S. BALAMURUGASUNDARAM  
Company Secretary

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

Place: Chennai  
Date : May 22, 2014

### Auditors' Certificate

To  
The Board of Directors  
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited and its subsidiaries. The Statement has been prepared based on and in agreement with the corresponding Consolidated Profit and Loss account and Balance Sheet of Ramco Industries Limited and its Subsidiaries covered by our report of 22nd May 2014 to the members of the Company.

For M/s M.S. JAGANNATHAN & N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 001208S

K.SRINIVASAN  
Partner  
Membership No.: 021510

Place : Chennai  
Date : May 22, 2014

For M/s. CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 004915S

C.N.GANGADARAN  
Partner  
Membership No.: 011205

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		As at 31st March, 2014		As at 31st March, 2013	
		Numbers	₹ in lakhs	Numbers	₹ in lakhs
1.	<b>SHARE CAPITAL</b>				
	<b>Authorised</b>				
	Equity shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
	<b>Issued, Subscribed and Paid up</b>				
	Equity shares of ₹ 1/- each	8,66,63,464	866.63	8,66,63,464	866.63
1.1	The reconciliation of the number of shares outstanding is set out below				
	Particulars	As at 31.3.2014		As at 31.3.2013	
	Equity Shares at the beginning of the year	8,66,63,464		8,66,63,464	
	Equity Shares at the end of the year	8,66,63,464		8,66,63,464	
1.2	The details of shareholders holding more than 5% shares				
	Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
		No. of shares	% held	No. of shares	% held
	The Ramco Cements Limited	1,33,72,500	15.43	1,33,72,500	15.43
	Rajapalayam Mills Limited	79,20,680	9.14	79,20,680	9.14
	Shri.P.R.Venketrama Raja	55,00,000	6.35	55,00,000	6.35
	Smt.Saradha Deepa	55,00,000	6.35	55,00,000	6.35
	Smt.Nalina Ramalakshmi	55,80,000	6.44	55,80,000	6.44
		3,78,73,180	43.70	3,78,73,180	43.70
1.3	Of the above, 4,33,31,530 equity shares were allotted in the year 2009-10 as fully paid bonus shares by capitalisation of General Reserve.				

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		As at 31st March, 2014 ₹ in lakhs	As at 31st March, 2013 ₹ in lakhs
<b>2.</b>	<b>RESERVES AND SURPLUS</b>		
2.1	Capital Reserve		
	As per last Balance Sheet	1,410.71	1,410.71
	Less: Transferred to Profit and Loss Account	<u>119.31</u> 1,530.02	<u>-</u> 1,410.71
2.2	Securities Premium Reserve		
	As per last Balance Sheet	<u>209.53</u>	<u>209.53</u>
		209.53	209.53
2.3	General Reserve		
	As per last Balance Sheet	41,389.41	38,838.37
	Add: Transferred from Profit and Loss Account	-	2,800.00
	Add: Translation profit	<u>(91.93)</u> 41,297.48	<u>(248.96)</u> 41,389.41
2.4	Profit and Loss Account		
	As per last Balance Sheet	8,834.86	5,997.26
	Add: Profit for the year	<u>(308.14)</u>	<u>6,745.54</u>
		8,526.72	12,742.80
	Less: Appropriations		
	Interim Dividend	-	779.97
	Tax on Interim Dividend	-	126.53
	Proposed Dividend on Equity Shares	216.66	173.33
	Tax on Dividend	36.82	28.11
	Transferred to General Reserve	<u>-</u>	<u>2,800.00</u>
		8,273.24	8,834.86
	<b>TOTAL</b>	<u><u>51,310.27</u></u>	<u><u>51,844.51</u></u>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
<b>3 LONG-TERM BORROWINGS</b>		
Secured:		
Term Loan from Banks {Refer Note 4 (point no: 8 a)}	16,314.76	18,544.38
Unsecured:		
Term Loan from Banks	1,988.04	1,988.04
Deposit from Public	-	5.60
	<u>18,302.80</u>	<u>20,538.02</u>
<b>4 DEFERRED TAX</b>		
<u>Deferred tax Liabilities</u>		
Timing difference on account of book depreciation and depreciation as per Income Tax Act, 1961	1,371.34	2,253.24
<u>Deferred tax Assets</u>		
Expenses pending allowance in Income Tax	(47.33)	(100.90)
	<u>1,324.01</u>	<u>2,152.34</u>
<b>5 OTHER LONG-TERM LIABILITIES</b>		
Security deposit from Customers	2,105.31	1,993.70
	<u>2,105.31</u>	<u>1,993.70</u>
<b>6 LONG-TERM PROVISIONS</b>		
Provision for Gratuity	105.61	164.52
Provision for Leave encashment	264.08	272.63
	<u>369.69</u>	<u>437.15</u>
<b>7 SHORT-TERM BORROWINGS</b>		
Secured:		
Loan from Banks { Refer: Note 4 point no: 8 b)}	9,324.35	14,639.61
Unsecured:		
Loan from Banks	8,005.42	2,002.93
Deposit from Public	8.80	8.30
Deposit from Directors	28.56	78.93
	<u>17,367.13</u>	<u>16,729.77</u>
<b>8 OTHER CURRENT LIABILITIES</b>		
Current maturity of Long-term debt- Secured	5,168.86	7,831.49
Interest accrued but not due on Fixed Deposit	0.75	1.98
Unpaid dividends	23.16	27.94
Statutory Dues and Taxes recovery/ Repayable	700.52	2,563.35
Advance received from customers	1,096.70	694.08
Other current liabilities	2,586.55	1,134.69
	<u>9,576.54</u>	<u>12,253.53</u>
<b>9 SHORT-TERM PROVISIONS</b>		
Provision for Leave Encashment	27.87	31.24
Provision for Proposed Dividend	253.48	173.33
Provision for Taxation	28.61	2,024.12
	<u>309.96</u>	<u>2,228.69</u>

NOTES ON FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH, 2014

(Figures in ₹ lakhs)

10. TANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At 01-APR-2013	Additions	Withdrawals/ Adjustments	As At 31-MAR-2014	For the year 2013-2014	Withdrawals/ Adjustments	As At 31-MAR-2014	As At 31-MAR-2013
LAND - FREEHOLD	750.66	1,011.06	-	1,761.72	-	-	1,761.72	750.66
LAND - LEASEHOLD	1,426.25	-	-	1,426.25	28.63	-	1,387.09	1,415.73
BUILDINGS	12,212.31	4,864.65	-	17,076.97	798.14	-	12,910.01	8,843.49
RAILWAY SIDINGS	20.68	-	-	20.68	-	-	1.03	1.03
PLANT AND MACHINERY	39,912.80	8,265.23	288.31	47,889.71	3,254.02	309.19	19,992.75	14,960.66
ELECTRICAL MACHINERY	4,171.70	2,579.02	32.06	6,718.66	607.78	30.04	2,653.61	2,095.84
FURNITURE	297.53	53.47	21.02	324.98	21.30	16.39	139.95	157.49
OFFICE EQUIPMENTS	249.28	14.30	2.78	260.81	12.08	1.17	163.24	96.96
VEHICLES	671.57	29.25	36.24	664.58	81.42	23.19	385.10	344.71
AIRCRAFT IN JOINT VENTURE#	360.49	-	-	360.49	20.19	-	67.31	313.37
	60,068.27	16,816.98	380.41	76,504.84	4,823.57	379.97	35,531.92	28,979.94
CAPITAL WORK-IN-PROGRESS	10,993.22	7,012.83	16,816.98	1,189.07			1,189.07	10,993.22

# The Company owns 1/6 share in aircraft as joint ownership

11. INTANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK	
	As At 01-APR-2013	Additions	Withdrawals/ Adjustments	As At 31-MAR-2014	For the year 2013-2014	Withdrawals/ Adjustments	As At 31-MAR-2014	As At 31-MAR-2013
COMPUTER SOFTWARE	584.54	-	-	584.54	39.42	454.47	130.07	169.49
	584.54	-	-	584.54	39.42	-	130.07	169.49

GRAND TOTAL	60,652.81	16,816.98	380.41	77,089.38	4,862.99	379.97	35,986.39	29,149.43
PREVIOUS YEAR	57,860.52	3,293.94	501.65	60,652.81	3,746.39	64.58	31,503.38	30,038.95

# CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

## NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
<b>12 INVESTMENTS</b>		
<b><u>INVESTMENTS - Quoted</u></b>		
<b>I Investments in Equity Instruments - Associates</b>		
Shares in The Ramco Cements Ltd:		
5,22,95,020 Equity shares of ₹ 1/- each fully paid-up	7,102.10	7,102.10
Shares in Rajapalayam Mills Ltd:		
8,47,360 Equity Shares of ₹ 10/- each fully paid-up	411.09	411.09
Shares in Ramco Systems Ltd:		
48,22,215 Equity shares of ₹ 10/- each fully paid up	12,216.19	12,216.19
<b>TOTAL</b>	<b>19,729.38</b>	<b>19,729.38</b>
<b>II Investments in Equity Instruments - Others</b>		
Shares in Indian Bank		
1,391 Equity shares of ₹ 10/- each fully paid up	1.27	1.27
Shares in HDFC Ltd:		
3,10,200 Equity Shares of ₹ 2/- each fully paid-up	8.27	8.27
Shares in HDFC Bank Ltd:		
5,500 Equity Shares of ₹ 2/- each fully paid-up	0.11	0.11
Shares in DHFL Vysya Housing Finance Ltd.		
30,000 Shares of ₹ 10/-each fully paid-up	3.00	3.00
	<b>12.65</b>	<b>12.65</b>
<b><u>INVESTMENTS - Unquoted</u></b>		
<b>III Investments in Equity Instruments - Associates</b>		
50,000 shares of ₹ 10/- each fully paid-up in Ontime Transport Company Ltd	5.00	5.00
3,25,000 shares of ₹ 1/- each fully paid-up in Ramco Windfarms Ltd	3.25	
	<b>8.25</b>	<b>5.00</b>
<b>IV Investment in Government or Trust Securities</b>		
National Savings Certificates	0.52	0.52
<b>V Investments in Mutual Funds</b>		
1,00,000 units of ₹ 10/- each in HDFC Balanced Fund	10.00	10.00
<b>VI Investment Others</b>		
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	0.03	0.03
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur	-	0.03
<b>TOTAL</b>	<b>0.03</b>	<b>0.06</b>
<b>GRAND TOTAL</b>	<b>19,760.83</b>	<b>19,757.61</b>
Aggregate amount of quoted investments :		
At cost	19,742.03	19,742.03
At Market value	127,001.11	135,605.68
Aggregate amount of unquoted investments at cost	18.80	15.58

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
<b>13 LONG-TERM LOANS AND ADVANCES</b>		
Advances towards Capital goods	236.08	1,543.74
Security Deposits	462.59	406.24
<b>Unsecured and Considered good</b>		
- related parties	-	
- others	20.57	8.63
	<u>719.24</u>	<u>1,958.61</u>
<b>14 INVENTORIES</b>		
Raw Materials	9,549.09	15,012.54
Raw Materials in transit	-	274.91
Work in progress	2,040.83	208.03
Finished goods	12,050.84	17,076.68
Finished goods in transit	51.09	21.52
Stores and spares	785.60	778.79
(for valuation: Refer: Note no 9 of Standalone accounting policy)		
	<u>24,477.45</u>	<u>33,372.47</u>
<b>15 TRADE RECEIVABLES</b>		
Trade receivables outstanding for more than 6 months, Considered doubtful	362.24	171.22
Trade receivables outstanding for more than 6 months, provision	(362.24)	(171.22)
Trade receivables outstanding for more than 6 months, considered good	234.69	429.59
Trade receivables, considered good	6,113.53	5,763.65
Trade receivables, considered bad provision	(118.34)	
	<u>6,229.88</u>	<u>6,193.24</u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Balance with Bank	716.48	1,856.70
Cash on Hand	1,237.96	32.15
Margin Money	1,998.44	292.19
Balance with Bank - Unpaid Dividend Warrant Account	23.16	27.94
	<u>3,976.04</u>	<u>2,208.98</u>
<b>17 SHORT-TERM LOANS AND ADVANCES</b>		
Advance income tax, Tax deducted at source	648.35	2,137.55
Tax credit - Indirect taxes	1,205.51	1,029.47
Advance - Supplies	752.66	1,434.07
Advance - Expenses	22.55	37.14
Prepaid expenses	336.07	294.84
	<u>2,965.14</u>	<u>4,933.07</u>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ In lakhs
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of sheets	87,821.05	98,382.92
Less: Excise Duty	(7,175.04)	(8,606.65)
	80,646.01	89,776.27
Industrial promotion assistance	600.68	875.90
Income from wind power generation	257.41	280.51
	<u>81,504.10</u>	<u>90,932.68</u>
<b>19 OTHER INCOME</b>		
Interest income	161.44	63.94
Dividend Received	617.46	1,394.23
Other Miscellaneous Income	363.36	279.09
Carbon Credit	10.97	-
	<u>1,153.23</u>	<u>1,737.26</u>
<b>20 COST OF RAW MATERIALS</b>		
Chrysotile Fibre	23,144.46	28,299.07
Cement	11,612.37	14,621.66
Clinker	3,244.39	3,055.65
Cotton	8,353.70	9,416.24
Other Additives	3,050.62	3,295.93
	<u>49,405.54</u>	<u>58,688.55</u>
<b>21 CHANGE IN INVENTORIES</b>		
Closing stock of finished goods	12,101.94	17,098.20
Closing stock of Process stock	2,040.83	208.03
	14,142.77	17,306.23
Opening stock of finished goods	17,098.20	11,519.65
Opening stock of Process stock	208.03	224.49
	17,306.23	11,744.14
(Increase) / Decrease	3,163.46	(5,562.10)
Excise duty on stock variance	-560.39	319.95
(Increase) / Decrease	<u>2,603.07</u>	<u>(5,242.15)</u>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	4,600.54	4,079.36
Staff welfare	378.11	364.05
Contribution to and provision for		
- Provident Fund	343.92	320.16
- Gratuity Fund	64.83	121.59
- Superannuation Fund	37.50	35.62
	<u>5,424.90</u>	<u>4,920.78</u>



## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14 ₹ in lakhs	2012-13 ₹ in lakhs
<b>23 FINANCE COSTS</b>		
Interest on Bank Borrowings	3,058.73	2,509.17
Exchange rate variation	259.69	334.34
Others	287.34	236.66
	<u>3,605.76</u>	<u>3,080.17</u>
<b>24 OTHER EXPENSES</b>		
<b><u>Manufacturing</u></b>		
Stores consumed	1,189.77	1,340.40
Power and fuel ( net off power from windmills)	4,877.15	4,826.75
Repairs and Maintenance - Building	102.22	112.29
Repairs and Maintenance - General	191.25	207.30
Repairs and Maintenance - Others	1,524.86	0.20
Repairs and Maintenance - Plant and Machinery	208.99	1,918.70
<b><u>Administration</u></b>		
Insurance	119.92	83.86
Travelling expenses	559.28	499.23
Rates and taxes	530.53	612.93
Exchange fluctuations in Foreign currency	-	58.36
Rent	146.19	117.98
Managerial Remuneration	13.20	324.74
Printing and Stationery	46.47	45.36
Communication Expenses	108.50	96.39
Corporate social responsibility	144.36	292.72
Legal and Consultancy Expenses	256.57	242.00
Loss on Sale of Asset	28.11	6.12
Repairs and Maintenance - Vehicle / Aircraft	380.30	324.38
Audit Fees and Expenses	20.90	16.55
Directors Sitting fees	5.73	6.74
Miscellaneous Expenses	754.88	769.11
<b><u>Selling and Distribution Expenses</u></b>		
Sole selling agency commission	343.95	439.81
Advertisement Expenses	153.79	497.34
Discounts	2,990.33	2,977.50
Bad debts	310.93	1.40
Transportation and handling Expenses	2,716.01	3,358.38
	<u>17,724.19</u>	<u>19,176.54</u>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1 Basis of preparation and presentation of financial statements

- 1.1 The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.
- 1.2 The company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

##### 2. Principles of Consolidation

- 2.1 The consolidated financial statements relate to Sudharsanam Investments Ltd., the wholly owned subsidiary and Sri Ramco Lanka (Private) Ltd., wholly owned subsidiary and Sri Ramco Roofings (Private) Ltd the wholly owned subsidiary of Sri Ramco Lanka (Private) Ltd
- 2.2 The consolidated financial statements have been prepared on the following basis.
- 2.3 The financial statements of the Company and its subsidiary companies are 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 in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- 2.4 In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the moving average rate during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign translation reserve.
- 2.5 The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements.

##### 3. Other significant Accounting Policies

These are set out in the notes to accounts under "Significant Accounting Policies" of the financial statements of Ramco Industries Limited

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

4. NOTES ON ACCOUNTS:	As at 31.03.2014 ₹ in lakhs	As at 31.03.2013 ₹ in lakhs
1. I. Contingent Liabilities and commitments not provided for		
A. Claims against the Company / disputed liabilities not acknowledged as debts		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	2,000.44	2927.84
B. Guarantees		
Guarantees to Banks/Financial institutions against credit facilities extended to third parties		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	10,179.00	10949.00
II. Commitments		
A. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	438.41	1739.84
B. Other Commitments		
a. Letters of Credit	181.45	NIL
b. Bank Guarantees	344.05	259.01
III. Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) has raised the demand towards alleged violation of the terms and conditions of supply of electricity for ₹ 27.41 lakhs. The Company has deposited a sum of ₹ 16.87 lakhs under protest and filed writ petition before the Honourable High Court of Madras and the same has been admitted. The management is confident of resolving the matter in its favour and hence no provision is made in the books of account.		
IV. TANGEDCO has withheld an amount of ₹ 46.54 lakhs pending resolution of Power Tariff Concession applicability to fibre cement sheet plant at Arakkonam. This amount was withheld against our dues towards power sold to Tamil Nadu Electricity Board covered under the power purchase agreement. The Company preferred an appeal against TANGEDCO and the matter is pending with the Honourable High Court of Madras. The management is confident of collecting the withheld amount and no provision is made in the books of account		
2. Audit fees and expenses include fees (inclusive of service tax) paid to Statutory Auditors towards:		
	2013-14	2012-13
Statutory Audit Fees	12.47	10.79
Tax Audit Fees	0.84	0.44
Fees for certification	1.72	0.67
Expenses of Audit	3.17	2.40
Cost Audit Fees	2.70	2.25
	<u>20.90</u>	<u>16.55</u>
3. The break up of Deferred tax liability as at 31.03.2014 of ₹ 1324.01 lakhs (Previous Year ₹ 2,152.34 lakhs) is as under:		
Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income -tax Act, 1961	1,480.24	2252.68
Tax effect of provision for Leave Encashment	(94.72)	(98.63)
Tax effect of provision for Bad and Doubtful debts	(61.51)	(1.71)
	<u>1,324.01</u>	<u>2,152.34</u>
4. The Company has not utilized Short-term Loans for Long-term purpose		
5. Income Tax Assessment has been completed upto the Accounting Year 2010-2011 (i.e. Assessment Year 2011-12) and demands raised by the Income Tax Department amounting to ₹ 256.64 lakhs (upto the Assessment year 2010.11-₹ 1,494.76 lakhs) which have been disputed by the Company and necessary appeals have been filed. Based on the nature of the claim disputed, no provision has been considered necessary.		

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

6. Sales Tax and Central Excise demands amounting to ₹ 249.04 lakhs (Previous year ₹ 46.94 lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision has been considered necessary.
7. The Company's Shares are listed on Madras Stock Exchange Ltd, National Stock Exchange of India Ltd and BSE Ltd and the listing fees in respect of all the three exchanges for the Financial year 2014-2015 have been paid.
8. a. i. Long-term Loans of ₹ 16,314.76 lakhs borrowed from banks are secured by *pari-passu* first charge on the fixed assets and *pari-passu* second charge on current assets of the company.

(₹ in lakhs)

Rate of interest	Outstanding as on 31.03.14	Repayment schedule				
		2015-16	2016-17	2017-18	2018-19	2019-20
11.25%	4,625.00	425.00	1,050.00	1,575.00	1,325.00	250.00
12.50%	66.90	66.90	-	-	-	-
11.75%	1,051.15	529.40	521.75	-	-	-
11.45%	1,250.00	833.33	416.67	-	-	-
11.45%	2,470.59	705.88	705.88	705.88	352.95	-
10.85%	2,000.00	1,000.00	1,000.00	-	-	-
*5.62%	3,842.40	3,842.40	-	-	-	-
*9.88%	126.23	126.23	-	-	-	-
10.40%	882.49	526.00	356.49	-	-	-
<b>TOTAL</b>	<b>16,314.76</b>	<b>8,055.14</b>	<b>4,050.79</b>	<b>2,280.88</b>	<b>1,677.95</b>	<b>250.00</b>

- Includes the cost of hedging
  - b. Short-term Loans of ₹ 9,324.35 lakhs borrowed from banks are secured by hypothecation of stocks of raw materials, work-in-progress, stores, spares and finished goods and book debts and second charge on fixed assets.
  - c. i) External Commercial Borrowing Loan of USD 1.25 million amounting to ₹ 748.50 lakhs borrowed from DBS Bank Ltd., Singapore is secured by *pari-passu* first charge on the fixed assets and *pari-passu* second charge on current assets in favour of Security Trustee DBS Bank, Chennai.
- As per requirements of Accounting Standard 11 (revised 2005 "The Effects of changes in Foreign Exchange Rates"), ECB loan has been valued at ₹ 59.88 per USD, as the closing rate on 31/03/2014. This has resulted in a notional loss of ₹ 69.88 lakhs which has been capitalised as per Notifications dated 31/03/2009 and 09th Aug 2012.
9. The premium on forward exchange contracts not intended for trading or speculative purpose is amortised as expense over the life of the contract, During the current year ₹ 259.69 lakhs (Previous Year: ₹ 123.02 lakhs) has been amortised and the same is included in interest and finance charges.
  10. The Company is eligible for Incentives under the "West Bengal Incentive Scheme 2000" in respect of its Fibre Cement Plant and Clinker Grinding unit at Kharagpur in the State of West Bengal. A sum of ₹ 99.02 lakhs (Previous Year: ₹ 394.35 lakhs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account.

The company is eligible for incentives under the "Bihar Industrial Incentive Policy 2006" in respect of its Fibre Cement Plant at Bihiya in the State of Bihar . During the year under review ,

- A sum of ₹ 501.66 lakhs (Previous Year ₹ 481.53 lakhs) accrued as Industrial Promotion Incentive and credited to Profit and Loss account.
- A sum of ₹ 100 lakhs (Previous Year ₹ Nil) received as capital subsidy on investment in Plant & Machinery and credited to Capital Reserve Account .
- A sum of ₹ 19.31 lakhs (Previous Year ₹ Nil) received as incentive grant for investment in Diesel Generating set and credited to Capital Reserve Account.

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

11. Out of units of 264.95 lakhs units (Previous Year 336.40 lakhs units) generated net of wheeling and banking at wind farms -
- 74.60 lakhs units (Previous Year 81.57 lakhs units) were sold to concerned State Electricity Board for ₹ 245.63 lakhs (Previous Year ₹ 280.51 lakhs), shown under "Power generated from windmills".
  - 178.36 lakhs units (Previous Year 242.44 lakhs units) were consumed at the plants and ₹ 1069.92 lakhs (Previous Year ₹ 1446.11 lakhs), which is not recognised in the financial statements.
  - 11.99 lakhs units (Previous Year 12.39 lakhs units) remain unadjusted and its monetary value of ₹ 53.01 lakhs (Previous Year: ₹ 41.24 lakhs) has been included in "Other Current Assets".

12. Earnings Per Share:

Basic and diluted Earnings per share (EPS) computed in accordance with Accounting Standard (AS 20)

Particulars	For the year ended 31.03.2014 ₹ in lakhs	For the year ended 31.03.2013 ₹ in lakhs
Net Profit after Tax (A)	(308.14)	6745.54
No. of Shares (B)	866,63,060	866,63,060
Basic and Diluted earnings per share of ₹ 1 each (A/B)	(0.36)	7.78

13. The Company does not have taxable income for the year, both under the conventional method of computation of income and under section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax). Accordingly, no provision for income tax has been made for the year.

14. Related Party Disclosure

As per Accounting Standard (AS 18) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:

b. Key Management Personnel and relatives:

P.R. Ramasubrahmaneya Rajha, Chairman

P.R. Venketrama Raja, Vice Chairman and Managing Director

c. Enterprises over which the above persons exercise significant influence and with which the Company has transactions during the year.

Rajapalayam Mills Ltd

The Ramco Cements Ltd

Ramco Systems Ltd

The Ramaraju Surgical Cotton Mills Ltd

Sri Vishnu Shankar Mills Ltd

Sandhya Spinning Mills Ltd

Thanjavur Spinning Mills Ltd

Sri Harini Textiles Ltd

Public Trust

- Raja Charity Trust
- P A C R Educational & Charitable Trust
- P A C R Sethurammal Charities
- Shri Abinava Vidyatheertha Seva Trust

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Related Party Transactions during the year 2013-14 and amount due to or due from related parties

Sl. No	Related Party	Transaction During		Amount due to	Amount Due from
		2013-14	2012-13	2013-14	2012-13
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
1	<b>The Ramco Cements Ltd</b>			-	-
	Sales	52.75	42.52		
	Purchase of Goods	3,034.82	5,427.13		
	Purchase of Electrical Energy	120.28	117.09		
	Assets Held Jointly				
	Aircraft 1: Jointly Free Hold	16.67%	16.67%		
	Aircraft 2 : Jointly Lease Hold	16.67%	16.67%		
2	<b>Rajapalayam Mills Ltd</b>			-	-
	Sales	221.16	204.66		
	Purchase of Goods	1,481.41	3,607.89		
	Purchase of Asset	-	123.44		
	Services rendered to	17.58	4.67		
	Services rendered by	75.89	479.48		
3	<b>Rajapalayam Spinners Limited</b>			-	-
	Sales	-	36.23		
	Services rendered to	-	0.43		
4	<b>The Ramaraju Surgical Cotton Mills Limited</b>			-	-
	Sales	308.89	228.06		
	Purchase of Goods	79.29	284.76		
	Services rendered to	0.88	-		
	Services rendered by	-	246.94		
	Sale of Asset	-	14.06		
5	<b>Sri Vishnu Shankar Mills Limited</b>			-	-
	Sales	317.61	746.66		
	Purchase of Goods	563.49	291.91		
	Purchase of Asset	935.16	-		
	Services rendered to	0.69	1.25		
	Services rendered by	-	28.92		
6	<b>Sandhya Spinning Mills Limited</b>			-	-
	Sales	761.80	231.81		
	Purchase of Goods	0.09	296.14		
	Sale of Asset	1.59	-		
	Services rendered by	-	3.58		
	Services rendered to	1.42	0.54	-	-

# CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

## NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Sl. No	Related Party	Transaction During		Amount due to	Amount Due from
		2013-14	2012-13	2013-14	2012-13
		₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs
7	<b>Thanjavur Spinning Mills Limited</b>	-	-		
	Sales	411.58	-		
	Purchase of Goods	257.41	-		
	Sale of Asset	-	2.12		
	Purchase of Asset	-	2.12		
	Services rendered to	0.35	1.34		
8	<b>Sri Harini Textiles Limited</b>			-	-
	Sales	89.23	267.54		
9	<b>Ramco Systems Limited</b>			5.62	0.97
	Sales	0.97	-		
	Software related services	72.16	88.53		
10	<b>Sri. P.R. Ramasubhramaneya Rajha</b>				
	Sitting Fees	0.75	1.23		
11	<b>Sri. P.R. Venketrama Raja</b>			-	-
	Managerial Remuneration	13.20	324.74		
12	<b>Corporate Guarantees - Issued</b>				
	Ramco Systems Limited	6,550.00	6,550.00	-	-
	Harini Textiles Limited	3,629.00	3,629.00	-	-
	Deccan Renewable Wind Electrics / Axis Wind Energy Ltd	-	770.00	-	-
13	<b>Transaction with Public Trusts</b>				
	a				
	Raja Charity Trust	-	-	-	5.44 (3.99)
	Sales	44.19	12.80		
	Sole Selling Commission Paid	343.95	423.61		
	Cost of Services Received	166.99	161.24		
	b				
	P A C R Educational & Charitable Trust				
	Sales	2.51	-	-	-
	c				
	P A C R Sethurammal charities				
	Sales	-	1.35	-	-
	d				
	Shri Abinava Vidhyatheertha Seva Trust				
	Sales	0.85	-	-	-
	Lease Rent Received	0.03	0.03	-	-
	Donation	6.60	1.50	-	-

Note: Figures within bracket represents Previous Year

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

15. During the year under review, The Company has paid ₹ 343.95 lakhs (Previous Year ₹ 423.61 lakhs) as sole selling agency commission is a related company M/s. Raja Charity Trust pending approval for re-appointment of M/s. Raja Charity Trust from Ministry of Corporate Affairs, Government of India required under sub-section (3) of Section 294AA of the Companies Act, 1956. The Company has filed relevant applications for renewal of appointment of M/s. Raja Charity Trust as sole selling agent which is pending as on reporting date.

16. Short-term Loans and Borrowings under “Unsecured Loans” include loans from Directors as per the following break-up:

Name	Closing Balance as on 31.03.2014 inclusive of interest accrued (₹ in lakhs)	Interest (@ 7% p.a. for the year 2013-14 ₹ in lakhs)
Sri. P.R. Venketrama Raja	28.68	4.92

17. The lease rentals recognised on non-cancellable operating lease of aircraft on Joint venture basis in the statement of profit and loss account grouped in Note No.24 under the head Vehicle / Aircraft Maintenance are as detailed below:

Particulars	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)
Lease Payments	115.25	48.02
Contingent rent (Usage Charges)	192.07	103.84

- d) Operating Lease obligations payable for future periods from the Balance sheet date:

Particulars	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)
Not Later than one Year	115.00	142.00
Later than one year and not later than five years	250.00	365.00
Later than five years	-	-

18. During the year, accounts of the Srilanka is complied under SLFRS (Srilanka Financial Reporting System).

For the consolidation purpose , the accounts are reclassified under IAS ( Indian Accounting Standards)

19. In respect of the electricity matters relating to our Textile Division, the company has filed appeals/ write petition for ₹ 281.07 lakhs against various subject matter of the appeal and the same is pending with Tamilnadu Electricity Regulatory Commission TNERC / Honourable High Court / Honourable Supreme Court for resolution. The company is confident of resolving the matter in its favour and hence no provision is made in the books of account.

- (a). During the year, the Company made an investment of ₹ 100.00 lakhs in the Equity Shares of Cauvery Power Generation Chennai Private Limited in order to enable the company to purchase electricity from them under Group Captive arrangement for the period from October 2013 to March 2014 for our Textile Division namely Sri Ramco Spinners and Ramco Textile Mill. The Company has not renewed the power purchase agreement beyond March 2014 and hence sold the above investment for ₹ 100.00 lakhs during March 2014

20. There are no dues to Micro and Small Enterprises as at 31.03.2014 (Previous Year : ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.



# CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

## NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 21. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in lakhs

As required under Accounting Standard (AS17), the Segmentwise Revenue, Results and Capital employed are furnished below:-

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013	Year Ended 31.3.2014	Year Ended 31.3.2013
<b>1. Revenue/Income from operations</b>										
External Customers	66,152.98	76,155.02	14,166.06	13,554.31	1,352.88	1,727.16	2,055.33	2,680.11	83,727.25	94,116.59
Inter-segment	-	-	-	-	(1,069.92)	(1,446.65)			(1,069.92)	(1,446.65)
<b>Total Revenue</b>	<b>66,152.98</b>	<b>76,155.02</b>	<b>14,166.06</b>	<b>13,554.31</b>	<b>282.96</b>	<b>280.51</b>	<b>2,055.33</b>	<b>2,680.11</b>	<b>82,657.33</b>	<b>92,669.94</b>
<b>2. Results:</b>										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	(832.05)	8,871.21	728.05	(176.21)	622.36	961.16	1,438.02	73.50	1,956.38	9,729.67
Interest expenses									3,605.74	3,080.17
Interest Income/ Dividend income									587.63	1,394.23
Income Tax - Current									74.74	1,510.95
- Deferred									(828.33)	(212.76)
Profit from Ordinary activities									(308.14)	6,745.54
Extraordinary Profit/Loss										
Net Profit									(308.14)	6,745.54
<b>3. Other Information</b>										
Segment Assets	64,287.90	71,223.73	11,308.49	10,325.36	2,261.93	2,589.89	29,113.49	29,751.94	106,971.81	113,890.92
Unallocated corporate assets										
<b>Total Assets</b>	<b>64,287.90</b>	<b>71,223.73</b>	<b>11,308.49</b>	<b>10,325.36</b>	<b>2,261.93</b>	<b>2,589.89</b>	<b>29,113.49</b>	<b>29,751.94</b>	<b>106,971.81</b>	<b>113,890.92</b>
Segment Liabilities	65,523.81	58,007.54	10,000.48	10,975.80	1,784.99	1,824.95	(16,813.03)	(9,403.32)	60,496.25	61,404.97
Unallocated corporate liabilities										
<b>Total Liabilities</b>	<b>65,523.81</b>	<b>58,007.54</b>	<b>10,000.48</b>	<b>10,975.80</b>	<b>1,784.99</b>	<b>1,824.95</b>	<b>(16,813.03)</b>	<b>(9,403.32)</b>	<b>60,496.25</b>	<b>61,404.97</b>
Capital Expenditure	15,579.42	1,654.02	182.23	374.49	3.40	126.93	1,051.93	350.20	16,816.98	2,505.64
Depreciation	3,376.79	2,227.85	1,125.38	1,106.57	359.12	410.49	1.70	1.48	4,862.99	3,746.39
Non - cash expenses other than depreciation										

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

22. Previous year's figures have been regrouped / restated wherever necessary so as to make them comparable with that of the current year.
23. Figures have been rounded off in lakhs with two decimal.

For M/s.M.S. JAGANNATHAN &  
N. KRISHNASWAMI  
Chartered Accountants  
Firm's Registration No.: 0012085  
K.SRINIVASAN  
Partner  
Membership No.: 021510  
Place: Chennai  
Date : May 22, 2014

For M/s.CNGSN & ASSOCIATES  
Chartered Accountants  
Firm's Registration No.: 0049155  
C.N.GANGADARAN  
Partner  
Membership No.: 011205

For and on behalf of the Board

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

P.R. VENKETRAMA RAJA  
Vice Chairman & Managing Director

S. BALAMURUGASUNDARAM  
Company Secretary

S.S. RAMACHANDRA RAJA  
K.T. RAMACHANDRAN  
N.K. SHRIKANTAN RAJA  
R.S. AGARWAL  
M.B.N.RAO  
Directors

## PROXY FORM

### RAMCO INDUSTRIES LIMITED

(CIN:L26943TN1965PLC005297)

Regd. Office: 47, P.S.K. Nagar, Rajapalayam - 626 108, Tamil Nadu.

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

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : ..... Address : .....  
E-mail Id : ..... Signature : ....., or failing him
2. Name : ..... Address : .....  
E-mail Id : ..... Signature : ....., or failing him
3. Name : ..... Address : .....  
E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 49th Annual general meeting of the company, to be held on the Monday, the 28th July 2014 at 11.00 AM at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business	
1	Adoption of Financial Statements for the year ended 31st March 2014
2	Declaration of Dividend for the year 2013-14
3	Appointment of Sri.S S Ramachandra Raja as Director liable to retire by rotation
4	Appointment of M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants, as Auditors
Special Business	
5	Amendment of Article 16A of the Articles of Association
6	Appointment of Shri.P.R.Venketrama Raja as the Vice Chairman & Managing Director
7	Appointment of Shri.R.S.Agarwal as Independent Director
8	Appointment of Shri M.B.N.Rao as Independent Director
9	Appointment of Shri.K.T.Ramachandran as Independent Director
10	Authority to borrow money not exceeding Rs.125 crores over and above Paid up Capital and Free Reserves
11	Authority to contribute to charitable funds not exceeding Rs.6 crores or 5% of average net profits whichever is greater
12	Maintenance of Registers and Returns at the Corporate Office of the Company at Chennai

Signed this ..... day of July 2014

Signature of Shareholder .....

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

Affix  
Revenue  
Stamp  
₹ 1/-

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





A view of the LMW make Swift Floc Bale Plucker machine in Blow room installed at our Textile Division, Sri Ramco Spinners, Rajapalayam.

A view of the Nestling I-Scan machine in Blow room Installed at our Textile Division, Sri Ramco Spinners, Rajapalayam.



Got Excel Award 1st prize (Overall Performance Award) for the year 2013 among our group of mills from our Chairman by our Textile Division, Sri Ramco Spinners, Rajapalayam.



Madras Stock Exchange Ltd.  
Chennai 600 001

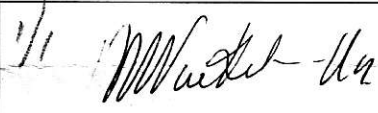

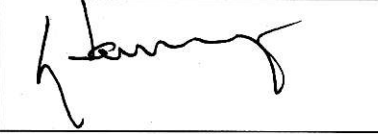
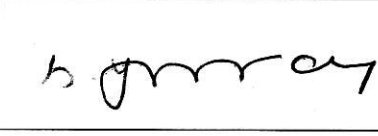

Bombay Stock Exchange Limited  
Mumbai 400 001

National Stock Exchange of India Ltd.  
Mumbai 400 051

Dear Sir,

Sub : Compliance of Clause 31 of the Listing Agreement  
Ref. : SEBI Circular CIR/CFD/DIL/7/2012 dt. 13.08.2012

**FORM A**

1.	Name of the Company	Ramco Industries Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit Observation	Unqualified
4.	Frequency of Observation	Does not arise
5.	NAME	SIGNATURE
	1. P.R. VENKETRAMA RAJA VICE CHAIRMAN & MANAGING DIRECTOR	
	2. PREM G SHANKER CHIEF EXECUTIVE OFFICER	
	3. K. SANKARANARAYANAN VICE PRESIDENT – FINANCE & ACCOUNTS	
	4. K. SRINIVASAN M/s. M.S. JAGANNATHAN & KRISHNASWAMI CHARTERED ACCOUNTANTS	
	5. C.N. GANGADARAN M/s. CNGSN & ASSOCIATES CHARTERED ACCOUNTANTS	
	6. R.S. AGARWAL AUDIT COMMITTEE CHAIRMAN	