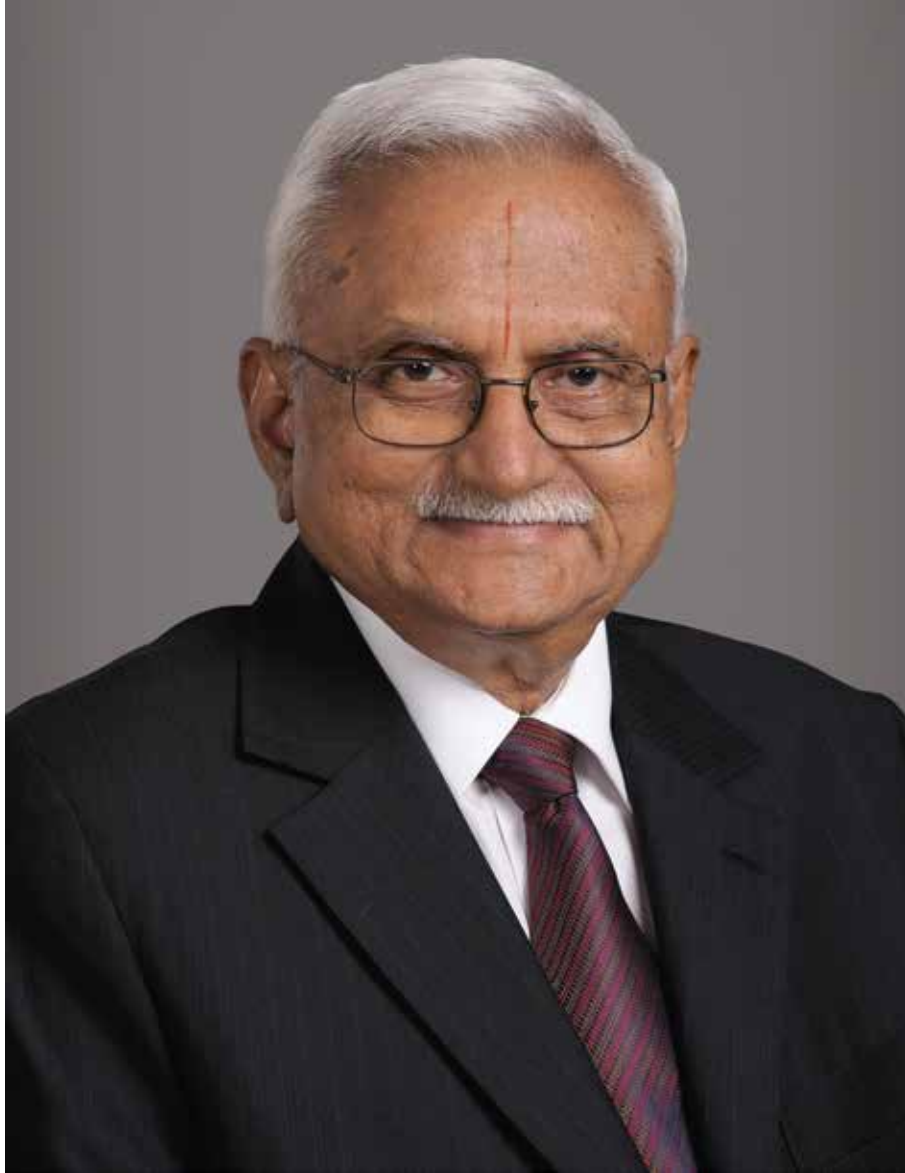


**Ramco Industries Limited**

**ANNUAL REPORT 2021 - 2022**



**SHRI. P.R. RAMASUBRAHMANEYA RAJHA**

Sridharmarakshakar, Ramco Group

*Keep on performing your duties without  
Expecting any reward in return and lead a selfless life.*

*- Bhagavad Gita*



**Board of Directors**

Shri P.R. Venketrana Raja, B.Tech., MBA  
*Chairman*  
 Shri P.V. Abinav Ramasubramaniam Raja, B.Sc. (Incl. Engg.)  
*Managing Director*  
 Shri S.S. Ramachandra Raja, B.Sc.  
 Shri N.K. Shrikantan Raja, B.Com.  
 Shri R.S. Agarwal, B.Sc., B.E.  
 Shri V. Santhanaraman, B.Com., CAIIB  
 Smt. Justice Chitra Venkataraman (Retd.), B.A., B.L.  
 Shri Ajay Bhaskar Baliga, B.Tech (Chem. Engg.) (from 27.7.2021)

**Chief Executive Officer**

Shri Prem G Shanker

**Chief Financial Officer**

Shri K. Sankaranarayanan

**Secretary**

Shri S. Balamurugasundaram

**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: L26943TN1965PLC005297  
 email : bms@ril.co.in. Phone No.: 044-28478585  
 Website : www.ramcoindltd.com  
 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**

HDFC Bank Limited  
 IDBI Bank Limited  
 Kotak Mahindra Bank Limited  
 The Federal Bank Limited  
 Bank of Bahrain & Kuwait  
 Axis Bank Limited  
 ICICI Bank Limited

**Auditors**

M/s. Ramakrishna Raja & Co.  
 Chartered Accountants  
 1-D, GD Apartments, 6, Shanthinikethan  
 V.P.Rathinasamy Nadar Road  
 Bibikulam, Madurai - 625 002.

M/s. SRSV & Associates  
 Chartered Accountants  
 F2, 1<sup>st</sup> Floor, B Block, Sivams Padmalaya  
 28/25, Neelakanta Metha Street  
 T. Nagar, Chennai 600 017.

**Cost Auditors**

M/s. N. Sivashankaran & Co.  
 Cost Accountants  
 Ap 13, (New No.15) 6<sup>th</sup> Street  
 First Sector, K.K. Nagar  
 Chennai 600 078.

**Secretarial Auditors**

M/s. S. Krishnamurthy & Co  
 Company Secretaries “Shreshtam”  
 Old No. 17, New No 16, Pattammal Street  
 Mandaveli, Chennai - 600 028.

**Registrar & Transfer Agent**

M/s. Cameo Corporate Services Limited  
 Subramanian Building No: 1, Club House Road, Chennai 600 002.  
 e-mail : investor@cameoindia.com. Phone No. 044-28460390

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₹ in Lakhs

FINANCIAL HIGHLIGHTS	AS (Previous IGAAP)			Ind AS						
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Earnings</b>										
Sales & Other Income	81,054	69,204	76,095	78,501	78,530	82,542	89,775	82,631	1,00,293	1,18,391
Operating Profit	12,606	6,212	6,555	7,404	11,646	13,111	13,770	13,161	19,753	19,810
Cash Generation	9,787	2,846	3,866	4,660	9,461	12,213	12,264	11,701	18,804	18,957
Net Profit / Loss [PAT]	5,449	(600)	2,093	3,333	5,987	7,205	7,319	6,552	11,078	10,693
<b>Assets Employed</b>										
Net Fixed Assets	35,174	37,573	37,381	38,976	39,847	39,855	41,494	45,685	48,090	51,488
Investments	20,316	20,319	21,316	23,574	24,126	25,150	26,374	28,390	33,958	40,915
Other Net Assets net off other Liabilities	38,465	30,780	32,717	26,176	29,880	25,835	25,393	30,103	27,595	37,312
<b>TOTAL</b>	93,955	88,672	91,414	88,726	93,853	90,840	93,261	1,04,178	1,09,643	1,29,715
<b>Financed By:</b>										
<b>A. Shareholders' Funds</b>										
Share Capital	100	100	100	100	100	100	100	100	100	100
Bonus Shares	767	767	767	767	767	767	767	767	767	767
Reserves and Surplus	45,873	45,139	46,808	51,517	58,106	65,551	72,650	77,604	89,244	99,838
Deferred Tax, Government Grants	2,019	1,140	958	415	1,267	3,169	1,001	1,939	4,285	6,622
<b>Total Shareholders, Funds(A)</b>	48,759	47,146	48,633	52,799	60,240	69,587	74,518	80,410	94,396	1,07,327
<b>B. Borrowed Funds</b>										
Short Term and Long Term	45,196	41,526	42,778	35,927	33,613	21,253	18,743	23,768	15,247	22,388
<b>Total Borrowings (B)</b>	45,196	41,526	42,778	35,927	33,613	21,253	18,743	23,768	15,247	22,388
<b>TOTAL (A) + (B)</b>	93,955	88,672	91,411	88,726	93,853	90,840	93,261	1,04,178	1,09,643	1,29,715
Book value per share (₹)	52.91	52.06	53.99	59.42	67.02	75.61	83.79	89.51	102.93	115.15
Earnings Per Share (₹)	6.28	(0.69)	2.41	3.84	6.91	8.31	8.44	7.56	12.78	12.33
Dividend Per Share (₹)	1.10	0.25	0.30	0.50	0.50	0.50	0.50	1.00	1.00	1.00
Dividend Payout (₹ in Lacs)	954	217	260	433	433	433	433	867	867	867
Dividend Payout Ratio %	18	(36)	12	13	7	6	6	13	8	8
Operating Profit Ratio %	15.55	8.98	8.61	9.43	14.83	15.88	15.34	15.93	19.70	16.73
Gross Fixed Assets Per Share (₹)	62.24	80.93	83.23	83.90	87.92	88.53	92.33	97.28	99.00	107.52
Debt - Equity Ratio	0.97	0.90	0.90	0.69	0.57	0.32	0.25	0.30	0.17	0.22
Market Price of Share (₹)										
a. As on 31 <sup>st</sup> March*(Close)	52.70	37.60	69.65	91.50	239.20	229.95	213.05	114.20	256.65	210.80
b. high**	52.90	61.40	72.00	93.95	288.30	325.70	285.50	219.75	274.30	366.65
c. low**	50.10	29.00	69.10	90.95	90.50	212.40	172.10	110.00	104.60	200.00
P/E Ratio as at 31 <sup>st</sup> March@	8.39	(54.49)	28.90	23.83	34.62	27.67	25.24	15.11	20.08	17.10
Market Capitalisation@ (₹ in lacs)	45,671	32,585	60,360	79,297	2,07,298	1,99,282	1,84,636	98,969	2,22,421	1,82,686

\*NSE Quotations

 \*\*High & Low prices during the year ended 31<sup>st</sup> March at NSE.

 @ Based on the market price as on 31<sup>st</sup> 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 57<sup>th</sup> Annual General Meeting of the Company will be held at 11.30 a.m. on Wednesday the 10<sup>th</sup> August 2022. This Annual General Meeting is being conducted through Video Conferencing / Other Audio Visual Means (VC), the details of which are provided in the Notes to this Notice. The following are the items of business that would be transacted at this Annual General Meeting:

### ORDINARY BUSINESS

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:  
“**RESOLVED** that the Company’s Separate and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March 2022 and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted.”
2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION :  
“**RESOLVED** that a Dividend of ₹1.00 per Share be and is hereby declared for the year ended 31<sup>st</sup> March 2022 out of the profits of the company for the year and the same be paid to those shareholders whose names appear in the Register of Members and Register of Beneficial Owners maintained by the Depositories as on 3<sup>rd</sup> August, 2022.”
3. To consider and pass the following Resolution, as SPECIAL RESOLUTION:  
“**RESOLVED** that pursuant to Section 159 of the Companies Act, 2013 Regulation 17(1A) of SEBI (LODR) regulations 2015 and other applicable statutory provisions ,Shri N K Shrikantan Raja (DIN: 00350693) who retires by rotation and who will be attaining the age of 75 years during his next tenure , be and is hereby re-appointed as a Director of the Company.”
4. To consider and pass the following Resolution as an ORDINARY RESOLUTION :  
“**RESOLVED** that in terms of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. Ramakrishna Raja And Co., Chartered Accountants, holding Firm Registration No.005333S and M/s. SRSV & Associates, Chartered Accountants, holding Firm Registration No.015041S, be and are hereby jointly re-appointed as Auditors of the Company whose tenure as Auditors come to an end at the close of the 57<sup>th</sup> Annual General Meeting in terms of Section 139(2) of the Companies Act, 2013) for 5 consecutive financial years commencing from the Financial Year 2022-23 and to hold Office from the conclusion of 57<sup>th</sup> Annual General Meeting till the conclusion of 62<sup>nd</sup> Annual General Meeting to be held in the year 2027.

**RESOLVED FURTHER** that each of the Auditors shall be paid for statutory Audit for the financial year 2022-23 a remuneration of ₹ 5 lacs (Rupees Five lacs only), exclusive of applicable taxes and out of pocket expenses and for the financial years 2023-24, 2024-25, 2025-26 and 2026-27, the Board of Directors are authorised to fix/ revise the remuneration based on the recommendation of the Audit Committee.

**RESOLVED FURTHER THAT** for the financial years 2022-2027 the Board of Directors are authorised to fix the remuneration for certification and other matters based on the recommendation of the Committee.”

### SPECIAL BUSINESS:

5. To consider and pass the following Resolution as SPECIAL RESOLUTION:  
“**RESOLVED** that pursuant to the provisions of Sections 196, 197 and 203, Schedule V and other applicable provisions of the Companies Act, 2013, read with the Rules thereunder, Regulations 16,17 of the Articles of Association of the Company and Regulation 17(6)(e)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to the re-appointment of Shri P.V. Abinav Ramasubramaniam Raja (DIN 07273249 ) who is also the Whole time Director of M/s Ramco Systems Limited (RSL) as Whole time Key Managerial Personnel in the position of Managing Director of the Company, for a further period of 5 (five) years with effect from 4.06.2022, on a remuneration as set out hereunder:
  - A. When the Company is having profit :-  
5% (five percent) of the net profits of the Company or M/s. Ramco Systems Limited (RSL) whichever is higher, calculated as per section 197 (1) read with section 198 of the Companies Act, 2013 by way of monthly salary, allowances, other perquisites / benefits and commission or in any other combination as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.
  - B. When the Company has no profits or its profits are inadequate :-  
Where in any financial year during the currency of his tenure, not being more than three such financial years over the entire tenure of five years, the Company has no profit or inadequate profit,
    - (i) He shall be paid remuneration as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 based upon effective capital after deducting Managerial remuneration paid to him by RSL, during such financial year(s).
    - (ii) He shall be eligible for the following perquisites which shall not be included in the computation of ceiling on the remuneration:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

Subject to the overall limits of (i) and (ii) above, he shall be paid a remuneration of ₹ 18 lakhs per month as Salary and Allowances, excluding perquisites.

C. Sitting Fees

The remuneration as aforesaid, shall be exclusive of any fee payable to the Directors for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board pursuant to Section 197(5) of the Companies Act, 2013.

D. Commission

Such Commission, which together with the above said Salaries/allowances and value of perquisites paid both by Ramco Industries Limited and Ramco Systems Limited, shall not exceed 5% of the Profits of either Ramco Industries Limited or the Profits of Ramco Systems Limited, whichever is higher.”

“RESOLVED THAT Nomination and Remuneration Committee be and is hereby authorised to fix the components, quantum periodicity and other terms of remuneration payable to the Managing Director subject to the limits specified in Schedule V of the Companies Act, 2013 and subject to the compliance of the provisions of the other rules and regulations as may be applicable to the company from time to time.”

6. To consider and pass the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2,50,000/- (Rupees Two lakh fifty thousand only) exclusive of applicable GST and Out-of-pocket expenses, payable to M/s. N. Sivashankaran & Co., Cost Accountants (Firm Registration No. 100662 ) appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2022-23 for auditing the Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn, be and is hereby ratified.”

7. To consider and pass the following Resolution as an ORDINARY RESOLUTION:

Amendment to ESOS 2021 - Plan A,

“RESOLVED THAT in partial modification of the special resolution passed by the members of the Company at their Annual General Meeting held on August 19, 2021 and pursuant to section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [“SEBI (SBEB and SE Regulations) Regulations”], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), including any statutory modification(s) and/or re-enactment thereof or the Guidelines, for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the “Board”, which expression shall also include any committee including constituted by the Board for this purpose), consent of the members be and is hereby accorded for variation in the Employee Stock Option Scheme, 2021 - Plan A, (“Scheme”) by replacing clause 10.2.3 and 10.2.4 of the said Scheme with the following clause for treatment of options by the eligible employees who have been granted shares under the Scheme of the company:

S. No.	Particulars	Vested ESOPs	Unvested ESOPs
10.2.3	Retirement/ Early Retirement approved by the Company	All the Vested ESOPs as on date of retirement shall be exercised by the Option Grantee within 90 days from the date of vesting.	All Unvested Options shall be deemed to be vested immediately and may be exercised by the Option Grantee within 90 days from the event.
10.2.4	Death	All Vested ESOPs may be exercised by the nominee/legal heir(s) of the Option Grantee immediately after the date of the death of the Option Grantee, but in no event later than 90 days from the date of vesting.	All Unvested Options as on the date of death of the Option Grantee shall be deemed to be vested immediately and may be exercised by the nominee/ legal heir(s) of Option Grantee immediately after the date of the death of the Option Grantee within 90 days from the date of the death.

RESOLVED FURTHER THAT consent of the members be and is hereby accorded for variation in the Scheme by replacing clause 11.7 with the following:- “The Board shall at each annual general meeting place, before the Shareholders of the Company, a certificate

from the Secretarial Auditors of the Company that the ESOS 2021 - Plan A has been implemented in accordance with SEBI (SBEB) Regulations and is in accordance with the resolutions passed by the Company, in respect of the same or any modifications to the scheme in general meetings, duly approved by the members from time to time.”

**RESOLVED FURTHER THAT** pursuant to the applicable regulations, the approval of the members be and is hereby given to the scheme, as amended considering the treatment of options by the eligible employees and certificate from Secretarial Auditors.

**RESOLVED FURTHER THAT** each of the Directors or the Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the company”.

8. To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

Amendment to ESOS 2021 - Plan B.

“**RESOLVED THAT** in partial modification of the special resolution passed by the members of the Company at their Annual General Meeting held on August 19, 2021 and pursuant to section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [“SEBI (SBEB and SE Regulations) Regulations”], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), including any statutory modification(s) and/or re-enactment thereof or the Guidelines, for the time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the “Board”, which expression shall also include any committee constituted by the Board for this purpose), consent of the members be and is hereby accorded for variation in the Employee Stock Option Scheme, 2021 - Plan B, (“Scheme”) by replacing clause 10.2.3 and 10.2.4 of the said Scheme with the following clause for treatment of options by the eligible employees who have been granted shares under the Scheme of the company:

S. No.	Particulars	Vested ESOPs	Unvested ESOPs
10.2.3	Retirement/ Early Retirement approved by the Company	All the Vested ESOPs as on date of retirement shall be exercised by the Option Grantee within 90 days from the date of vesting.	All Unvested Options shall be deemed to be vested immediately and may be exercised by the Option Grantee within 90 days from the event.
10.2.4	Death	All Vested ESOPs may be exercised by the nominee/legal heir(s) of the Option Grantee immediately after the date of the death of the Option Grantee, but in no event later than 90 days from the date of vesting.	All Unvested Options as on the date of death of the Option Grantee shall be deemed to be vested immediately and may be exercised by the nominee/ legal heir(s) of Option Grantee immediately after the date of the death of the Option Grantee within 90 days from the date of the death.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded for variation in the Scheme by replacing clause 11.7 with the following, “The Board shall at each annual general meeting place, before the Shareholders of the Company, a certificate from the Secretarial Auditors of the Company that the ESOS 2021 - Plan B has been implemented in accordance with SEBI (SBEB) Regulations and is in accordance with the resolutions passed by the Company, in respect of the same or any modifications to the scheme in general meetings, duly approved by the members from time to time.”

**RESOLVED FURTHER THAT** pursuant to the applicable regulations, the approval of the members be and is hereby given to the scheme, as amended considering the treatment of options by the eligible employees and certificate from Secretarial Auditors.

**RESOLVED FURTHER THAT** each of the Directors or the Company Secretary of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the board to secure any further consent or approval of the members of the company”.

By Order of the Board  
For RAMCO INDUSTRIES LIMITED  
**P.R. VENKETRAMA RAJA**  
CHAIRMAN

Place : Chennai  
Date : 18.05.2022



**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. The Company has chosen to conduct the Annual General Meeting through Video Conferencing / Other Audio Visual Means (VC/OAVM). The AGM would be conducted in accordance with the General Circular No: 03/2022 dated 5<sup>th</sup> May 2022, issued by Ministry of Corporate Affairs, Government of India and Circular No: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May 2022, issued by Securities and Exchange Board of India (SEBI) and such other instructions that may be issued by Statutory Authorities.
3. The Company would be providing the Central Depository Services (India) Limited's (CDSL) system for the members to cast their vote through remote e-voting and participate in the Annual General Meeting through VC.
4. Proxies are not being sent to shareholders, as the meeting is being conducted through VC.
5. The Company is also releasing a Public Notice by way of advertisement in English in Financial Express (All editions) and in Tamil in Makkal Kural (All editions), containing the following information:
  - \* Convening of Annual General Meeting through Video Conference / Other Audio Visual Means (VC/OAVM) in compliance with applicable provisions of the Act.
  - \* Date and Time of the Annual General Meeting.
  - \* Availability of Notice of the Meeting on the website of the Company, the stock exchanges, viz. BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed and at [https:// www.evotingindia.com](https://www.evotingindia.com).
  - \* Reference to the link of the Company's website, providing access to the full annual report
  - \* Requesting the members who have not registered their e-mail addresses with the Company, to get the same registered with the Company.
6. The cut-off date will be 3-08-2022, for determining the eligibility to vote by remote e-voting or during the Annual General Meeting.
7. Pursuant to Rule 8 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/unpaid dividends lying with the Company on the website of the Company ([www.ramcoindltd.com](http://www.ramcoindltd.com)), as also on the website of the Ministry of Corporate Affairs. The 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	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEPF Fund
2014-15	Dividend	23.09.2015	22.09.2022	22.10.2022
2015-16	Dividend	11.03.2016	10.03.2023	09.04.2023
2016-17	Dividend	04.08.2017	03.08.2024	02.09.2024
2017-18	Dividend	03.08.2018	02.08.2025	01.09.2025
2018-19	Dividend	08.08.2019	07.08.2026	06.09.2026
2019-20	Dividend	03.03.2020	02.03.2027	01.04.2027
2020-21	Dividend	12.03.2021	11.03.2028	10.04.2028

8. In accordance with Section 125(5) of the Companies Act, 2013, the Company has transferred the unclaimed/unpaid dividends lying with the Company for a period of over 7 years, to the IEPF established by the Central Government.
9. In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at [www.ramcoindltd.com](http://www.ramcoindltd.com) and [www.iepf.gov.in](http://www.iepf.gov.in)
10. Despatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the members and to all other persons so entitled. The Annual Report will also be made available on the Company's Website - [www.ramcoindltd.com](http://www.ramcoindltd.com) and at the websites of the BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed and CDSL's e-voting portal at <https://www.evotingindia.com>
11. In terms of Section 152 of the Act, Shri. N K Shrikantan Raja (DIN: 00350693), retires by rotation at this Meeting and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment vide special



resolution to the Members, in compliance with Regulation 17(1A) of SEBI (LODR) regulations 2015 as he will be attaining the age of 75 years, during his next tenure. Details of the Director proposed to be re-appointed as required in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR] and Standard 1.2.5 of Secretarial Standards on General Meetings (SS-2), are provided in Statement pursuant to Section 102 of the Act.

12. E-Voting and Joining Virtual meetings through electronic means:

- A. As you are aware, in view of the situation due to global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) Government of India vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No: 03/2022 dated 5<sup>th</sup> May 2022, and Circular No: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May 2022, issued by Securities and Exchange Board of India (SEBI). The forthcoming Annual General Meeting will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing Annual General Meeting through VC/OAVM.
- B. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (LODR) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, Circular No: 03/2022 dated 5<sup>th</sup> May 2022, and Circular No: SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May 2022, issued by Securities and Exchange Board of India (SEBI), the Company is providing members remote e-voting facility to exercise their right to vote at the 57<sup>th</sup> Annual General Meeting and the business may be transacted through such voting, through e-voting services provided by Central Depository Services (India) Limited (CDSL).
- C. The attendance of the Members attending the 57<sup>th</sup> Annual General Meeting through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- D. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 57<sup>th</sup> Annual General Meeting. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
- E. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the 57<sup>th</sup> Annual General Meeting of the Company has been uploaded on the website of the Company at <https://www.ramcoindia.com>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The Notice of the 57<sup>th</sup> Annual General Meeting is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).

**THE INTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

The facility for remote e-voting shall remain open from 9.00 AM on Sunday, the 7<sup>th</sup> August 2022 to 5.00 PM on Tuesday, the 9<sup>th</sup> August 2022. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Wednesday, the 3<sup>rd</sup> August 2022, may opt for remote e-voting. Remote e-voting shall not be allowed beyond 5.00 PM on Tuesday, the 9<sup>th</sup> August 2022.

Shareholders who have already voted prior to the meeting date would not be entitled to vote.

In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- F. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat

account maintained with Depositories and Depository Participants (DP). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- G. Pursuant to said SEBI Circular, Login method for e-Voting and joining the AGM through VC for Individual shareholders holding securities in Demat mode are given below :

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting the vote during the remote e-voting period or joining the AGM through VC &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a></li> </ol> <p>The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
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Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

- H. Helpdesk for Individual Shareholders holding securities in demat mode for any technical Issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- I. Login method for e-Voting and joining the AGM through VC for shareholders holding shares in Physical mode and shareholders other than individual holding in Demat form.
1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  2. Click on “Shareholders” module.
  3. Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  4. Next enter the Image Verification as displayed and Click on Login.
  5. 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 e-voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below :

<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction I

After entering these details appropriately, click on “SUBMIT” tab.

- J. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ 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. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- K. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- L. Click on the EVSN for Ramco Industries Limited, on which you choose to vote.
- M. 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.
- N. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- O. 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.
- P. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- Q. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- R. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- S. There is also an optional provision to upload Board Resolution/ Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.
- T. Facility for Non - Individual Shareholders and Custodians -For Remote Voting.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [Srinivasan.k@msjandnk.in](mailto:Srinivasan.k@msjandnk.in) and to the Company at the email address viz; [investors\\_grievances@ril.co.in](mailto:investors_grievances@ril.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- U. If you have any queries or issues regarding attending the Meeting & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.
13. Instructions for shareholders attending the AGM through VC and E-voting during meeting are as under:
- a) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
  - b) The Members can join the 57<sup>th</sup> Annual General Meeting in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the 57<sup>th</sup> Annual General Meeting through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Annual General Meeting.
  - c) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
  - d) Members who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the Annual General Meeting.
  - e) Members are requested to join the Annual General Meeting through Laptops / IPads for better experience and will be required to have webcam and use internet with a good speed to avoid any disturbance during the meeting.
  - f) Members are requested to use stable Wi-Fi or LAN connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your mobile devices or tablets or through Laptop via mobile hotspot.
  - g) Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number (as registered with the Depository Participant (DP)/(Company) to the email id: [investors\\_grievances@ril.co.in](mailto:investors_grievances@ril.co.in). Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  - h) Members who do not wish to speak during the Annual general Meeting but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investors\\_grievances@ril.co.in](mailto:investors_grievances@ril.co.in). These queries will be replied to by the company suitably by email.

- i) Non-Individual members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution authorizing their representative to attend on their behalf at the meeting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to helpdesk.evoting@cdslindia.com.
  - j) The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  - k) The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
  - l) Only those shareholders, who are present in the Annual General Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Annual General Meeting.
  - m) If any Votes are cast by the shareholders through the e-voting available during the Annual General Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - n) In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Process for those shareholders whose E-mail/Mobile No. are not registered with the Company/ Depositories:
    - A. For Physical shareholders- please provide your E-MAIL ID/ Mobile number along with necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
    - B. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
    - C. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
  15. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 3<sup>rd</sup> August, 2022 may obtain the login ID and password by following the procedure mentioned in Point No.12 Step 1 or Step 2, as the case may be.
  16. 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 3<sup>rd</sup> August, 2022.
  17. Shri K. Srinivasan, Chartered Accountant (Membership No. 021510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants (email id : srinivasan.k@msjandnk.in) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
  18. The scrutiniser shall, immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.
  19. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.ramcoindltd.com and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.
  20. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

By Order of the Board  
For RAMCO INDUSTRIES LIMITED

**P.R. VENKETRAMA RAJA**  
CHAIRMAN

Place : Chennai  
Date : 18.05.2022

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

### Item No: 3

#### RE-APPOINTMENT OF SHRI N K SHRIKANTAN RAJA (DIN 00350693)

Shri N K Shrikantan Raja (DIN 00350693), aged 74 years, has been a Director of the Company since 1986, and has contributed significantly to the growth of the company.

Shri.N K Shrikanthan Raja has the following skill sets:

Skill / Expertise / Competency	Textile Technology Business Management
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The Independent Directors at their meeting held on 21.01.2022, had evaluated the performance of Shri N K Shrikantan Raja, Director and observed the same to be satisfactory and his deliberations beneficial in Board/ Committee meetings.

Considering the skill sets possessed by Shri N K Shrikantan Raja and based on the Independent Directors' observation on evaluation, the Nomination and Remuneration Committee (NRC) recommended for his re-appointment in terms of Regulation 17(1A) of SEBI (LODR) Regulations, 2015. The Board, after considering the said recommendation, approved the proposal.

Shri N K Shrikantan Raja (DIN 00350693) is eligible for sitting fee for attending Board/Committee Meetings as applicable to the Directors from time to time. His appointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

Under Regulation 17(1A) of SEBI (LODR) regulations 2015, Special Resolution is necessary for his re-appointment as a Non-Executive Director, since he will be attaining the age of 75 years during the next tenure.

Profile of Shri N K Shrikantan Raja is given below:

Shri. N K Shrikantan Raja (DIN 00350693), a Commerce graduate, has been Director of the Company since 1986 extending valuable guidance. He is also a Director in the following Companies:-

- 1 The Ramaraju Surgical Cotton Mills Limited
- 2 Sri Yannarkay Services Limited
- 3 Sandhya Spinning Mill Limited
- 4 Sudharsanam Investment Limited
- 5 Sri Vishnu Shankar Mill Limited
- 6 Sri Harini Textiles Limited

He holds 55,140 shares in Ramco Industries Limited as given below:-

N.K. Shrikantan Raja - 27,373 shares

N.K. Shrikantan Raja HUF - 27,767 shares

None of the Directors and Key Managerial Personnel except Shri N K Shrikantan Raja may be deemed to be concerned or interested in the Resolution.

### Item No.4

#### RE-APPOINTMENT OF STATUTORY AUDITORS AND FIX THEIR REMUNERATION

As per the provisions of Section 139 of the Companies Act,2013 the first term of office of M/s.Ramakrishna Raja and Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S), who have been appointed as the Statutory Auditors of the company at the 52<sup>nd</sup> Annual General Meeting, come to an end at the close of the 57<sup>th</sup> Annual General Meeting of the Company.

In accordance with section 139(2) of the Companies Act, 2013, the Audit Firms can be appointed as Auditors for maximum of 2 terms of 5 consecutive years.

The Audit Committee at its meeting held on 18.05.2022 recommended to the Board the reappointment of M/s. Ramakrishna Raja and Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S) as statutory auditors of the company for the second term of five years pursuant to section 139 (11) of the companies Act, 2013, from the conclusion of 57<sup>th</sup> Annual General Meeting of the Company to be held on 10<sup>th</sup> August, 2022 till the conclusion of 62<sup>nd</sup> Annual General Meeting of the Company. The Board of Directors at the meeting held on 18.05.2022 have also approved the same.

Subject to the approval of the Members of the Company at the ensuing 57<sup>th</sup> Annual General Meeting, the Board of Directors have recommended the re-appointment of M/s Ramakrishna Raja and Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S) as Statutory Auditors of the Company, pursuant to Section 139 of the Companies Act,2013.

The Auditors shall be paid for statutory Audit for the financial year 2022-23, a remuneration of ₹ 5 lacs (Rupees five lacs only) each, exclusive of applicable taxes and out of pocket expenses and for the financial years 2023-24 2024-25,2025-26,2026-27, the Board of Directors are authorised to fix/ revise the remuneration based on the recommendation of the Audit Committee.



Also for the financial years 2022-2027 the Board of Directors are authorised to fix/revise the remuneration for certification and other matters based on the recommendation of the Committee.

M/s. Ramakrishna Raja and Co., Chartered Accountants and M/s. SRSV & Associates Chartered Accountants, are known for their high level of professional ethics and values. With the strong technical expertise drawn from their experience over nearly three decades and with a team of highly competent professionals, they provide quality, timely and specific solutions to their clients. The following are the partners of the audit Firms.

Name of the Firm	Name of the Partners
M/s. Ramakrishna Raja and Co., Chartered Accountants	Ms.V.Jayanthi Mr.M.Vijayan Mr.C.Kesavan
M/s. SRSV & Associates, Chartered Accountants	Mr.G.Chella Krishna, Engagement Partner Mr.P.Santhanam Mr.R.Subburaman Mr.V. Rajeswaran

The Statutory Auditors have confirmed their eligibility and have provided their written consents for their proposed reappointment and necessary certificates under rule 4 of the companies (Audit and Auditor) Rules 2014 confirming that their appointment, if made shall be in accordance with the conditions as prescribed by law and they satisfy the criteria provided under Section 141 of the Companies Act, 2013. They have also confirmed that they hold a valid Peer Review Certificate under Regulation 33 (1) (d) of SEBI (LODR) Regulations 2015

The Directors recommend the Resolution to the Members for their approval. None of the Directors, Key Managerial Personnel or their relatives are interested in this Resolution.

**Item No: 5**

**RE-APPOINTMENT OF MANAGING DIRECTOR AND REMUNERATION**

Shri P.V. Abhinav Ramasubramaniam Raja, Managing Director, (DIN 07273249) 28 years, has completed the graduation - Bachelors of Science in Industrial Engineering from Northwestern University Evanston, USA.

He has been appointed as Managing Director of the Company, by the members at their Annual General Meeting held on 04.08.2017 for 5 years. He is also the member of the Corporate Social Responsibility Committee of the Board of Directors.

Shri.P.V Abinav Ramasubramaniam Raja possess the following skill sets:-

Skill/Expertise/Competency	Industrial Engineering, Strategy Management, Business Management and Information Technology
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The Independent Directors at their meeting held on 21.01.2022 had evaluated the performance of Shri P V Abinav Ramasubramaniam Raja, Managing Director and observed the same to be satisfactory and his deliberations are beneficial in Board / Committee Meetings.

The Nomination and Remuneration Committee as per Para A of Part D of Schedule II of SEBI (LODR) Regulations, at its meeting held on 18-05-2022 considering skill sets possessed by Shri. P.V.Abinav Ramasubramaniam Raja and based on the Independent Directors' observations on evaluation, had determined and recommended to the Board for the re-appointment of Shri. P.V. Abinav Ramasubramaniam Raja who fulfills the criteria with respect to qualification and positive attributes and fit and proper person as Managing Director of the Company, for a period of 5 years commencing from 04-06-2022 to 03.06.2027. Being the related party transaction Audit Committee and Board of Directors at their meetings held on 18-05-2022, had approved the same, subject to the approval of the shareholders at the 57<sup>th</sup> Annual General Meeting at a remuneration equivalent to 5% of net profits of the Company or Ramco Systems Limited (RSL) whichever is higher, by way of monthly salary, Allowances, other perquisites/ benefits and commission in accordance with the Article Nos. 16, 16A & 17 of the Articles of Association of the Company, provisions of sections 196,197 and 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule V of the Companies Act, 2013.

The appointment is for a period 5 years commencing from 04-06-2022 to 3-06-2027 and he is not liable to retire by rotation. He is also being proposed for appointment as Whole time Director by designation, in the position of "Manager" by M/s. Ramco Systems Limited for a tenure of 2 years.

The Nomination and Remuneration Committee has also approved the remuneration in accordance with provisions of Sections 196,197 and 203 and any other applicable provisions of the companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013, which is as follows:



**Terms of Remuneration:**

- A. When the Company is having profit :-  
5% (five percent) of the net profits of the Company or M/s. Ramco Systems Limited (RSL) whichever is higher, calculated as per section 197 (1) read with section 198 of the Companies Act, 2013 by way of monthly salary, allowances, other perquisites / benefits and commission or in any other combination as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.
- B. When the Company has no profits or its profits are inadequate :-  
Where in any financial year during the currency of his tenure, not being more than three such financial years over the entire tenure of five years, the Company has no profit or inadequate profit,
- I. He shall be paid remuneration as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 based upon effective capital after deducting Managerial remuneration paid to him by RSL, during such financial year(s).
- II. He shall be eligible for the following perquisites which shall not be included in the computation of ceiling on the remuneration:
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
  - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
  - Encashment of leave at the end of the tenure.
- Subject to the overall limits of (i) and (ii) above, he shall be paid a remuneration of ₹ 18 lakhs per month as Salary and Allowances, excluding perquisites.

**C. Sitting Fees**

The remuneration as aforesaid, shall be exclusive of any fee payable to the Directors for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board pursuant to Section 197(5) of the Companies Act, 2013.

**D. Commission**

Such Commission, which together with the above said Salaries/allowances and value of perquisites paid both by Ramco Industries Limited and Ramco Systems Limited, shall not exceed 5% of the Profits of either Ramco Industries Limited or the Profits of Ramco Systems Limited, whichever is higher.”

It is proposed to authorise the Nomination and Remuneration Committee to fix /revise the quantum and periodicity of the remuneration payable to the Managing Director subject to the limits mentioned in the Resolution.

The appointment and the remuneration proposed fulfilled the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India was not required. Considering the responsibilities to be undertaken by Shri P.V. Abinav Ramasubramaniam Raja and his suitability, the Directors recommend the resolution for Member's approval.

Shri. P.V. Abhinav Ramasubramaniam Raja is a Director in the following Companies:

- Ramco Systems Limited
- Rajapalayam Mills Limited
- LYNKS Logistics Limited
- RCDC Securities and Investments Private Limited
- Ramamandiram Management Consultancy Private Limited
- L3 Enterprises Private Limited

Shri. P V Abinav Ramasubramaniam Raja is a Member in the following committees of the Board of other Companies.

Sl. No	Name of the Company	Name of the Committee
1	Ramco Systems Limited	Stakeholders Relationship Committee
2	Ramco Systems Limited	Allotment Committee
3	Ramco Systems Limited	Fund Raising Committee
4	Rajapalayam Mills Limited	Corporate Social Responsibility Committee Risk Management Committee
5	LYNKS Limited	ESOS 2017 Committee

He holds 40,000 equity shares in the company.

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

**I. General Information:**

1	Nature of Industry	Building Products and Textiles		
2	Date of Commencement of Business	27.01.1965		
3	Year	Turnover - ₹ in crores	Net Profit - ₹ in crores	Dividend per share - in ₹.
	2021-22	1183.91	106.93	1.00 (recommended)
	2020-21	1002.93	110.78	1.00
	2019-20	826.31	65.51	0.50
4	Foreign investments or collaborations, if any	Investments made in 2 Subsidiaries in Srilanka viz. Sri Ramco Lanka (Pvt.) Ltd., and Sri Ramco Roofings Lanka (Pvt.) Ltd.		

**II. Information about the appointee:**

1.	Background Details	<p>Shri P.V. Abhinav Ramasubramaniam Raja is a Promoter and Managing Director has been on the Board of the Company from 2017.</p> <p>Age : 28 years</p> <p>Qualification : Bachelor of Science in Industrial Engineering from North western University Evanston, USA in June 2015.</p> <p>No. of Shares held in the Company : 40,000 equity shares of ₹1/- each.</p>
2.	Past Remuneration	5% of the net profits of the Company or RSL whichever is higher and in case of no Profits or inadequacy of Profits in any financial year during the currency of his tenure, not being more than three such financial years over the entire tenure of five years, the Company has no profit or inadequate profit, the Managing Director shall be paid remuneration as approved by the Board and the Nomination and Remuneration Committee which shall not exceed the double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 after deducting payment made by RSL. Also entitled to receive sitting fees for attending Board / Committee meetings by him.
3.	Recognition or awards	
4.	Job profile and his suitability	Overall in-charge for Management of the affairs of the Company.
5.	Remuneration proposed	<p>5% of the net profits of the Company or RSL whichever is higher and in case of no Profits or inadequacy of Profits in any financial year not being more than three such financial years, during the currency of his tenure, the Managing Director shall be paid remuneration as per the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013, based upon effective capital, after deducting managerial remuneration paid to him by RSL. In addition, he shall be eligible for the following perquisites:</p> <p>a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.</p> <p>b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and</p> <p>c. Encashment of leave at the end of the tenure.</p> <p>In addition to the above remuneration, he will also be eligible for any fee paid for attending meetings of the Board or committee thereof or any other purpose, whatsoever as may be decided by the as provided in section 197(5) of the Companies Act, 2013.</p>
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/ pecuniary relationship directly or indirectly with the company	He is related to Shri P.R. Venketrama Raja, Chairman of the Company. He has no pecuniary relationship other than the remuneration, he is entitled to receive.

**III. Other Information :**

1	Reasons of loss or inadequate profits	The Company had made profits during the financial years 2019-20,2020-21 & 2021-22. Though it does not anticipate inadequacy of profits during the financial years covered in the proposed tenure, approval of the Members is being sought by way of abundant caution.
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 Board, SmartBuild etc., The Company is taking continuous steps for improvement.</li> </ul>
3	Expected increase in productivity and profits in measurable terms	<ul style="list-style-type: none"> <li>• The aforesaid steps taken / to be taken by the Company are expected to improve the company's performance and profitability in the future.</li> </ul>

**IV. Disclosures :**

As required, the information is provided under Corporate Governance Section.

The Company had not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2021-22.

The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and details required under standard 1.2.5 of SS-2.

None of the Directors, Key Managerial Personnel or their relatives except Shri P.V. Abinav Ramasubramania Raja as appointee and Shri P.R. Venketrama Raja as relative, are concerned or interested financially or otherwise in this item of business.

The above resolution is proposed as Special Resolution for payment of remuneration which shall not exceed the maximum applicable limit as provided under item (A) of Section II, Part II of Schedule V of the Companies Act, 2013 in case of no profit or inadequacy of profit in any financial year(s) not being more than three such financial years during the tenure, after deducting managerial remuneration paid to him by RSL.

**Item No. 6**

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn.

On the recommendation of the Audit Committee at its meeting held on 18.05.2022, the Board had approved the appointment of M/s. N. Sivashankaran & Co., Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn, for the financial year 2022-23. The Board had approved a remuneration of ₹ 2,50,000/- (Rupees Two lakh fifty thousand only) exclusive of GST and Out-of-pocket expenses.

The remuneration to be paid to the cost auditor is required to be ratified by the members, in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014.

The Directors recommend the Resolution to the Members for their approval. None of the Directors, Key Managerial Personnel or their relatives are interested in this Resolution.

**Item No: 7 & 8**

Item No. 7 relates to modification to the Employee Stock Option Scheme, 2021 - Plan A and Item No. 8 relates to modification to the Employee Stock Option Scheme, 2021 - Plan B. ("Scheme's")

The members are apprised that the ESOS 2021- Plan A and ESOS 2021 - Plan B ("Scheme's") of the Company, was approved by the shareholders of the Company in the Annual General Meeting by way of special resolution on August 19, 2021. Further, Securities and Exchange Board of India ("SEBI") vide its notification dated August 13, 2021 introduced new regulation "Securities and Exchange Board of India (Employee Share Based Employee Benefits and Sweat Equity) Regulations, 2021" ["SEBI (SBEB) Regulations"] to regulate share based benefits provided by the Company to their employees.

Further, pursuant to conditions to be fulfilled with respect to receipt of in-principle approval of BSE Limited ("BSE") dated 30.12.2021 & 4.01.2022 for Plan A and Plan B respectively and National Stock Exchange of India Limited ("NSE") dated 7.01.2022 for both Plan A and B, Company was required to provide its undertaking with respect to amending the following clauses to bring it in compliance with SEBI (SBEB) Regulations.

Clause	Particulars	Existing Clause	Revised Clause
10.2.3	Retirement/ Early Retirement approved by the Company	<b>Vested ESOPs</b> All the Vested ESOPs as on date of retirement shall be exercised by the Option Grantee within 90 days from the date of vesting	<b>Vested ESOPs</b> All the Vested ESOPs as on date of retirement shall be exercised by the Option Grantee within 90 days from the date of vesting.
		<b>Unvested ESOPs</b> All Unvested Options shall vest immediately on the last date of working or 1 (one) year, whichever is later and may be exercised by the Option Grantee within 90 days from the date of vesting	<b>Unvested ESOPs</b> All Unvested Options shall be deemed to be vested immediately and may be exercised by the Option Grantee within 90 days from the event.
10.2.4	Death	<b>Vested ESOPs</b> All Vested ESOPs may be exercised by the nominee/legal heir(s) of the Option Grantee immediately after the date of the death of the Option Grantee, but in no event later than 90 days from the date of vesting.	<b>Vested ESOPs</b> All Vested ESOPs may be exercised by the nominee/ legal heir(s) of the Option Grantee immediately after the date of the death of the Option Grantee, but in no event later than 90 days from the date of vesting.
		<b>Unvested ESOPs</b> All Unvested ESOPs as on the date of death of the Option Grantee shall be deemed to be vested immediately, subject to the minimum period of 1 (one) year, and may be exercised by the nominee/ legal heir(s) of Option Grantee within 90 days from the date of vesting.	<b>Unvested ESOPs</b> All Unvested Options as on the date of death of the Option Grantee shall be deemed to be vested immediately and may be exercised by the nominee/ legal heir(s) of Option Grantee immediately after the date of the death of the Option Grantee within 90 days from the date of the death.
11.7	Certificate from Auditors	The Board shall at each annual general meeting place, before the Shareholders of the Company, a certificate from the auditors of the Company that the ESOS 2021 - Plan A and Plan B have been implemented in accordance with SEBI (SBEB) Regulations and is in accordance with the special resolution passed by the Company, in respect of the same, in the general meeting.	The Board shall at each annual general meeting place, before the Shareholders of the Company, a certificate from the Secretarial Auditors of the Company that the ESOS 2021 - Plan A and Plan B have been implemented in accordance with SEBI (SBEB) Regulations and is in accordance with the special resolution passed by the Company, in respect of the same, in the general meeting.

Accordingly, the same is being placed before the shareholders for their approval. The amended Scheme's shall be applicable from the date of passing of this resolution.

The Members are further informed that the complete amended Scheme's will be available for inspection by the Members at the Registered Office of the Company between 11:00 am and 5:00 pm on all working days (except Saturday(s), Sunday(s) and Public Holidays) up to the date of the upcoming Annual General Meeting and during the continuance of the Annual General Meeting.

All existing and future eligible employees who have been granted or has exercised the options granted under such Schemes are the beneficiaries of such variation.

The approval of the Members is being sought by way of an Ordinary Resolution under Regulation 7(2) of SEBI (SBEB) Regulations.

None of the directors is interested in this resolution.

By Order of the Board  
For RAMCO INDUSTRIES LIMITED  
**P.R. VENKETRAMA RAJA**  
CHAIRMAN

Place : Chennai  
Date : 18.05.2022

## BOARD'S REPORT

Your Directors have pleasure in presenting their 57<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2022.

### FINANCIAL RESULTS

	For the Year ended 31.03.2022 ₹ in lakhs Separate	For the Year ended 31.03.2021 ₹ in lakhs Separate
Total Revenue	1,21,447	1,04,952
<b>Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)</b>	<b>19,810</b>	<b>19,753</b>
Less : Interest	853	949
<b>Profit before Depreciation and Tax (PBDT)</b>	<b>18,957</b>	<b>18,804</b>
Less : Depreciation	2,931	2,762
Add : Exceptional items	-	-
<b>Net Profit/ Loss before Tax (PBT)</b>	<b>16,026</b>	<b>16,042</b>
Less: Provision for Taxation - Current	4,609	4,541
Deferred	724	423
<b>Net Profit / Loss after Tax (PAT)</b>	<b>10,693</b>	<b>11,078</b>
Other Comprehensive Income for the year (Net of Tax)	(177)	1,429
Total Comprehensive Income for the year (TCI)	10,516	12,507
<b>Movement of Retained earnings</b>		
Opening balance of Retained earning	34,983	26,674
Add: Profit for the year	10,693	11,078
Less: Dividend paid during the year	-	(867)
Less: Transfer to General Reserve	(1,600)	(1,900)
Add : Transfer from FVTOCI Reserve	(5)	(2)
Closing balance of Retained earnings	44,071	34,983

### SHARE CAPITAL

The paid-up capital of the Company is ₹ 8,66,63,060/- consisting of 8,66,63,060 shares of ₹ 1/- each. There has been no change in the capital structure of the Company during the year under review. The Company does not have any scheme for issue of sweat equity to the employees or Directors of the Company.

### DIVIDEND

Your Directors have recommended a dividend of ₹ 1/- per equity share for the year 2021-2022 which amounts to ₹ 866.64 lakhs. For the previous year 2020-21, the Company had paid dividend of ₹1.00 per share which amounts to ₹ 866.64 lacs.

The above recommendation of the dividend by the Directors is in accordance with the "Dividend Distribution Policy" of the company. The Policy is available on the website of the Company under the weblink - <http://www.ramcoindltd.com/policies.html>

The Dividend Distribution Policy forms part of this report.

### TRANSFER TO GENERAL RESERVE

After appropriations, a sum of ₹ 440.71 crores has been kept as retained earnings of the company and a sum of ₹ 16 crores has been transferred to General Reserve. As on 31-03-2022, the General reserve stands at ₹ 498.73 Crores.

### TAXATION

An amount of ₹ 46.09 crore (P.Y ₹ 45.41 crore) towards Current Tax, ₹ 7.24 crore (P.Y ₹ 4.23 crore) towards Deferred tax has been provided for the year under review.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**GLOBAL ECONOMY**

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

**INDIAN ECONOMY**

Asian Development Bank (ADB) during May 2022 said that Indian economy is projected to grow by 7.5 per cent in the current financial year and the growth would accelerate to 8 per cent in 2023-24. The economic growth in the coming years will be supported by increased public investment in infrastructure and a pickup in private investment, according to the Asian Development Outlook (ADO) 2022, the latest edition of ADB’s flagship economic publication.

The outlook assumes sustained progress in COVID-19 vaccinations while also that any new variants of the virus would be of limited severity. It also factors in the impact of Russia’s invasion of Ukraine, primarily higher global oil and commodity prices that will contribute to rising inflation and a widening of the current account deficit, ADB said in the report.

“India is on the path to a sustained economic recovery, thanks to the vigorous countrywide drive to deliver safe and wide-reaching COVID-19 vaccinations, which helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity,” said ADB Country Director for India Takeo Konishi Global Economy.

**OUTLOOK**

The Increasing government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry. However, supply-side bottlenecks are expected to remain persistent with gradually rising international crude oil prices and growing raw material costs in 2022-23. The availability of budgetary space to ramp up capital spending, advantage from supply-side reforms, regulatory relaxation, and continued export growth will also contribute to growth in 2022-23. As per IMF’s World Economic Outlook projections, India’s real GDP is projected to grow at ≈ 8.9% in 2022-23 and 7.1% in 2023-24, which is expected to make India the fastest growing major economy in the world for all 3 years between 2021-22 and 2023-24.

Review of Operations and Current Trends

**A. BUILDING PRODUCTS DIVISION:**

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER ₹ in Lakhs	
	31.03.22	31.03.21	31.03.22	31.03.21	31.03.22	31.03.21
Fibre Cement Sheets	6,52,460	6,10,925	6,73,621	6,22,731	76,551	71,361
Fibre Cement Boards	85,795	68,032	87,018	75,387	18,047	13,166

**a. Fibre Cement (FC) Sheets:**

During the year under review, the Sales quantity of FC Sheets grew by around 8% compared to previous year and the Industry reportedly grew by 6% for the year. Specific Markets in East and West registered a strong growth. New geographical markets for sales are being explored amid stiff competition.

Distribution width and depth was the growth engine last year and will continue to remain for the year 2022-23 as well. Realisation was down by 1% inspite of raw material, transportation cost increase thereby affecting the margins.

There was demand noticed in specific segments of industries viz Tiles, Ceramics & Poultry for roofing requirements. Depreciation of Rupee also affected the raw material’s cost.

Consistent and Judicious usage of raw materials and supplier negotiations helped to partially mitigate the impact. Strong correlation in sales was noticed when the prices of substitutes went up. Seeding of Color Sheets in existing distribution network is expected to help build new segment.

Promotional efforts are vigorously taken to explore new potential areas with more customized products. Greencor, Non-Asbestos roofing sheets have been well accepted in the market and sales has been in encouraging state.

**b. Fibre Cement Boards :**

Post the revival after the pandemic, markets had opened from the second quarter of 2021-22. Hicem witnessed a growth of approximately 14% over the previous year.

Hilux and Greencor recorded a good growth of about 40% over the last fiscal. Large projects which were on hold due to the pandemic were re-started and this had helped to build the volumes. Overall the Non-Asbestos category grew by 25% of previous year. New Products like HIDDEN (High Density Fibre Cement Boards), Hilite (Low Density Calcium Silicate Tiles) and INSTAWALL (Sandwich Panels) are being planned and are expected to be launched by the 2<sup>nd</sup> Quarter of 2022-23.

New digital campaigns have been planned for the year 2022-23, which will help to penetrate new markets and particularly Tier 2 Cities/ Towns. Special focus has been brought in for appointment of channel partners in Second Tier towns which will bring in volumes additionally. 7 Large hospital projects for Covid in Delhi have been finalized, which will bring 6,000 MT of Hilux additionally.

Exports: New partners have been appointed in Nepal, US, UK and Canada for Non-Asbestos and this will bring in additional volumes for the fiscal.

There were a quite a few large volume orders which remained unexecuted due to very steep increase in freight costs, and also due to acute shortage in container availability. Steady increase in demand for Greencor is seen from Nepal, Oman & UAE.

5 New Export markets have been added and Export Sales has been getting back to the earlier levels, very positive during the last financial Year.

SmartBuild Tech Services offering complete solutions and awareness in Green Dry Construction was started in September 2017 currently executing turnkey projects with an approximate value of ₹ 10 Crores. Also have promising venture of approximately ₹ 25 Crores of business, expected in FY 2022-2023.

Ramco SmartBuild has Designed Government Projects for Greater Chennai Corporation and Company's Products are Specified in their Tender / BOQ which is currently in Execution Phase.

Ramco SmartBuild Offers Various Technical Methodologies using G I Frames, LGSF (Light Gauge Steel Frame), Hybrid Structures in Dry Wall Partition, False Ceiling, Ramco InstaWall Panels in various locations.

In this year, SmartBuild Team and R&D are jointly working in the Development of Prefab Dry Wall Panels and Factory Engineered Buildings.

**c. Fibre Cement Pressure Pipes:**

Operations of Pressure Pipes continued to be under pressure owing to the sluggish market. The existing lease agreement entered into with M/s Kanoria Sugar and General Manufacturing Company Limited has ended in March 2022.

**B. WIND MILLS:**

During the Financial Year 2021-22, the Wind energy was moderate with decrease of 3% 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	: 232 Lakh Units (P.Y: 239 Lakh Units)
Income earned (by generation/sale of power)	: ₹ 1,389 Lakhs (P.Y: ₹ 1,456 Lakhs)

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

**Production and Sales :**

During the year 2021-22, the Unit had produced 30.52 Lakh Kgs. of Cotton Yarn as compared to 25.22 Lakh Kgs. produced during the previous year.

The Unit had sold Yarn at 35.09 Lakh Kgs. (including traded yarn) during the year under review as against 33.28 Lakh Kgs. during the year 2020-21.



During the year under review, the performance of the Cotton yarn division increased when compared to previous year. Increase of yarn selling price, reduction in power cost, due to implementation of energy saving measures and decrease of manpower cost on account of Automation of machineries in the second half year, contributed for growth in the performance of the Company and savings in the operating cost during the year 2021-22.

Expecting the same Level of moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving good results during the year 2022-23.

The Company was able to overcome the challenges posed by pandemic by continuous engagement with the Customers and none of the sales contracts was cancelled during this challenging period, though there was some deferment in the delivery schedule, which has been subsequently shipped successfully.

There is a steep increase in Raw Cotton price and stability in yarn price. There is huge demand in Raw Cotton in the Market and the Ginners are not able to reduce the price. This will affect the profitability in the current year 2022-23.

The Company is taking various steps to expand its market presence both in domestic and international markets and hope to achieve higher volume of sales in value added yarns in the forthcoming years.

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

There was increase in sales during the last year.

At a Consolidated level of both the Companies, the Net Sales were SLR 82,752 lakhs (INR 30,362 lakhs) as against SLR 58,135 lakhs (INR 22,934 lakhs ) during the corresponding previous year.

In accordance with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statements of the subsidiaries is attached in Form AOC-1 as Annexure -1 to the Board's Report.

The Company proposes to transfer an amount of ₹ 1,600 lakhs to the General Reserves. An amount of ₹ 44,071 lakhs is proposed to be retained in the statement of Profit and Loss.

The Company has no material subsidiaries.

**CONSOLIDATED FINANCIAL STATEMENTS :**

The Company has 6 Associate Companies viz. The Ramco Cements Limited, Rajapalayam Mills Limited, Ramco Systems Limited, Ramco Industrial and Technology Services Limited, Madurai Trans Carrier Limited and Lynks Logistics Limited.

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR)], Companies are required to prepare Consolidated Financial Statements of its subsidiaries and Associates to be laid before the Annual General Meeting of the Company. Accordingly, the Consolidated Financial Statements incorporating the accounts of Subsidiary Companies and Associate Companies along with Auditors' Report thereon, forms part of this Annual Report.

As per Section 136(1) of the Companies Act, 2013 the financial statements including consolidated financial statements are available at the Company's website at the following link at [http://www.ramcoindltd.com/financial\\_performance.html](http://www.ramcoindltd.com/financial_performance.html)

Separate audited accounts in respect of the subsidiary companies are also made available at the Company's website. The Company shall provide a copy of separate audited financial statements in respect of its subsidiary companies to any shareholder of the Company who asks for it.

The consolidated net profit after tax of the Company amounted to ₹ 126.52 crores for the year ended 31<sup>st</sup> March, 2022 as compared to ₹ 115.93 crores of the previous year.

The Consolidated Total Comprehensive Income for the year under review is ₹ 301.02 crores as against ₹ 289.29 crores of the previous year.

**Key Financial Ratios**

Pursuant to Schedule V (B) of LODR, the Key Financial Ratios for the year 2021-22 are given below:

Sl. No.	Particulars	Ratios		Variations	Formula Adopted	Reasons where the variance is over 25%
		FY21-22	FY20-21			
1.	Debtors turnover ratio (days)	32	31	3%	365 days / (Net Revenue / Average Trade Receivables)	
2.	Inventory turnover ratio (days)	111	121	-8%	365 days / (Net Revenue / Average Inventories)	
3.	Interest coverage ratio (times)	23.22	19.42	20%	(Operating Profit Before Tax+Interest) / (Interest+ Interest Capitalised)	

Sl. No.	Particulars	Ratios		Variations	Formula Adopted	Reasons where the variance is over 25%
		FY21-22	FY20-21			
4.	Debt service Coverage Ratio (Times)	7.73	3.52	119%	(EBITDA - Current Tax) / (Principal repayment + Total Interest)	Lower Term Loan repayment and reduced interest rates during the current year has improved the ratio
5.	Current ratio (Times)	1.35	1.38	-2%	Total Current Assets/ Total Current Liabilities	
6.	Debt-equity ratio (Times)	0.22	0.17	29%	Total Debt/Total Equity	The variation is due to increased working capital borrowing
7	Operating Profit margin (%)	14%	16%	-13%	Operating Profit Before Tax/Net Revenue	
8.	Net Profit margin (%)	9%	11%	-18%	Net Profit/Net Revenue	
9.	Return on Net worth (%)	13%	17%	-24%	Total Comprehensive Income + Interest/ Average Net worth	
10.	Total Debt/EBITDA (Times)	1.13	0.77	47%	Total Debt/EBITDA	Increase in Borrowings
11.	Return on Capital Employed (%)	10%	13%	-23%	Total Comprehensive Income + Interest/ (Average of Equity plus Total Debt)	
12.	Price Earnings Ratio (Times)	17.08	20.08	-15%	Market Price per share as at 31 <sup>st</sup> March/Earning per share	

a. EBITDA denotes Operating Profit Before Tax + Interest + Depreciation

#### DIRECTORS

Pursuant to rule 8(5) (iii) of the Companies (Accounts) Rules, 2014, it is reported that, there have been no changes in the Key Managerial Personnel during the year under review.

In accordance with the Section 159 and other applicable statutory provisions of the Companies Act, 2013, Regulation 17(1A) of LODR and the Company's Articles of Association, Shri N.K.Shrikantan Raja (DIN: 00350693), Director, retires at the ensuing Annual General Meeting and being eligible, has offered himself and seeks for his re-appointment vide Special Resolution as he will be attaining the age of 75 years during his next tenure, which was recommended by Nomination and Remuneration Committee.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors on 18-05-2022 re-appointed Shri P.V. Abinav Ramasubramaniam Raja (DIN 07273249) as Managing Director of the Company, subject to the approval of members, for a period of 5 years from 4-06-2022 to 3-06-2027. The Special Resolution for his re-appointment as Managing Director and remuneration payable to him have been included in the Notice convening 57<sup>th</sup> Annual General Meeting for the approval of Members.

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. The Company has received necessary declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Independent Directors have complied with the code for Independent Directors prescribed in Schedule IV to the Act.

The Company had formulated a code of conduct for the Directors and Senior Management Personnel and the same has been complied with.

The Audit Committee has five members, out of which four are Independent Directors. Shri Ajay Bhaskar Baliga, Independent Director has been inducted as member of Audit Committee and Risk Management Committee. Pursuant to Section 177(8) of the Companies Act, 2013 it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees.

As per Proviso to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that -

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013 and LODR. Among other things, during the year under review, the responsibilities of compensation committee as defined in SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 have been assigned to Nomination and Remuneration Committee.

The web address of the Policy is - [http://www.https://www.ramcoindltd.com/file/Investors/Policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.https://www.ramcoindltd.com/file/Investors/Policies/Nomination_and_Remuneration_Policy.pdf)

As required under Regulation 25(7) of SEBI (LODR) Regulations, the Company has programmes for Familiarisation for the Independent Directors about the nature of the Industry, Business model, roles, rights and responsibilities of Independent Directors and other relevant information. As required under Regulation 46(2)(i) of SEBI (LODR) Regulations the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at [http://www.ramcoindltd.com/file/Investors/Board\\_of\\_Directors/2021-2022/DIRECTORS FAMILIARISATION PROGRAMME 2021-22.pdf](http://www.ramcoindltd.com/file/Investors/Board_of_Directors/2021-2022/DIRECTORS FAMILIARISATION PROGRAMME 2021-22.pdf)

The details of the familiarization programme are explained in the Corporate Governance Report also.

#### **BOARD EVALUATION**

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Regulation 25(4) of LODR, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

Pursuant to Schedule II, Part D of LODR, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which is based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of Independent Director.

Pursuant to Regulation 17(10) of LODR, the Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

Pursuant to Regulation 4(2)(f)(ii)(9) of LODR, the Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year under review were similar to their observations for the previous year. No specific actions have been warranted based on current year observations. The Company would continue to familiarise its Directors on the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

#### **MEETINGS**

During the year, eight Board meetings were held. In accordance with Clause 9 of Secretarial Standard 1, the details of number and dates of Meetings of the Board and Committees held during the financial year indicating the number of meetings attended by each Director are given in the Corporate Governance Report.

#### **SECRETARIAL STANDARDS**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial standards and that such systems are adequate and operating effectively.

#### **PUBLIC DEPOSITS**

The Company had no fixed deposits. The Company has decided not to accept fresh deposits from 01.04.2014 and to avail the option provided under Section 74 of the Companies Act, 2013 and repaid all the existing deposits together with the accrued interest thereon by complying with the formalities required in this regard.

#### ORDERS PASSED BY THE REGULATORS

Pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 it is reported that no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

#### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013 the details of Loans, Guarantees and Investments along with the purposes are provided under Notes No.08, 09,39 and 44 of Notes to the separate Financial Statements.

#### AUDITS

##### STATUTORY AUDIT

As per the provisions of Section 139 of the Companies Act,2013 the first term of office of M/s.Ramakrishna Raja and Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S), who have been appointed as the Statutory Auditors of the company at the 52<sup>nd</sup> Annual General Meeting, comes to an end at the close of the 57<sup>th</sup> Annual General Meeting of the Company.

No change is proposed in the Auditors for the Company. The Existing Auditors are eligible for re-appointment for the second term of 5 years.

Subject to the approval of the Members of the Company at the ensuing 57<sup>th</sup> Annual General Meeting, the Board of Directors have recommended the appointment of M/s Ramakrishna Raja and Co., Chartered Accountants, (FRN:005333S) and M/s. SRSV & Associates, Chartered Accountants, (FRN:015041S) as Statutory Auditors of the Company, pursuant to Section 139 of the Companies Act,2013. The Audit Committee at its Meeting held on 18.05.2022 had recommended their re-appointment as Statutory Auditors for second term, pursuant to Section 139(11) of the Companies Act, 2013. Written consents from the auditors for their proposed appointment and necessary certificates under Rule 4 of the Companies (Audit and Auditors) Rules 2014, confirming that their reappointment if made, shall be in accordance with the conditions as prescribed by law and they satisfy the criteria provided under section 141 of the Companies Act, 2013, have been obtained. The proposal relating to their appointment has been included in the notice convening the 57<sup>th</sup> Annual General Meeting of the Company. They shall hold office from the conclusion of 57<sup>th</sup> Annual General Meeting till the conclusion of 62<sup>nd</sup> Annual General Meeting.

In accordance with Regulation 33(1)(d) of SEBI (LODR) Regulations 2015, the auditors have submitted the necessary certificates issued by Peer Review Board of the Institute of Chartered Accountants of India.

The report of the Statutory Auditors for the year ended 31<sup>st</sup> March, 2022 does not contain any qualification, reservation or adverse remark. No fraud has been reported by the Company's Auditors.

##### COST AUDIT

As per Rule 3 of Companies (Cost Records and Audit) Rules, 2014 the company is required to maintain cost records and accordingly such records and accounts are made and maintained.

The Board of Directors at their meeting held on 18.05.2022, as recommended by Audit Committee, had approved the appointment of M/s N.Sivashankaran & Co, Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn for the year 2022-23 at a remuneration of ₹ 2,50,000/- (Rupees Two lakhs fifty thousand only) exclusive of GST and out of pocket expenses.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter relating to their remuneration had been included in the Notice convening the 57<sup>th</sup> Annual General Meeting scheduled to be held on 10<sup>th</sup> August, 2022, for ratification by the Members.

The Cost Audit Report for the financial year 2020-21 due to be filed with Ministry of Corporate Affairs (MCA) by 26.08.2021 had been filed on 23.08.2021. The Cost Audit Report for the financial year 2021-22 due to be submitted by the Cost Auditor within 180 days from the closure of the financial year will be filed with the MCA, within 30 days thereof.

##### SECRETARIAL AUDIT

M/s S. Krishnamurthy & Co., Company Secretaries, have been appointed to conduct the Secretarial Audit of the Company. Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31<sup>st</sup> March, 2022 is attached as **Annexure - 2**. The report does not contain any qualification, reservation or adverse remark.

## ANNUAL RETURN

In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS 4), a copy of the Annual Return in Form MGT-7 for the year ended 31<sup>st</sup> March 2022 has been placed on the website of the Company and the web link of such Annual Return is [https://www.ramcoindltd.com/annual\\_returns.html](https://www.ramcoindltd.com/annual_returns.html)

## CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in LODR. As required under Schedule V (C) of LODR, a report on Corporate Governance being followed by the Company is attached as **Annexure - 3**.

No complaints had been received pertaining to sexual harassment, during the year under review. The relevant statutory disclosure pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are available at Point No: 10(l) of Corporate Governance Report.

As required under Regulation 34(3) read with Schedule V Para C (10)(i) of LODR, Certificate from the Secretarial Auditor that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as directors of Companies, is enclosed as **Annexure - 4**.

As required under Schedule V (E) of LODR, a Certificate from the Statutory Auditors of the Company confirming the compliance of conditions of Corporate Governance is attached as **Annexure - 5**.

## CORPORATE SOCIAL RESPONSIBILITY POLICY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organisation grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of education, health, rural development, water and sanitation, promotion and development of traditional arts, protection of national heritage, livelihood enhancement projects etc., largely in accordance with Schedule VII of the Companies Act, 2013.

The CSR obligation pursuant to Section 135(5) of the Companies Act, 2013, for the year 2021-22 is ₹ 174.75 lakhs (after adjusting previous year 2020-21 excess of ₹ 16.10 lakhs from ₹ 190.85 lacs which is 2% of average net profit of past 3 years for the year 2021-22). As against this, the Company has spent ₹ 202.36 lakhs on CSR. CSR Committee recommended to carry forward and set off the excess amount spent to the tune of ₹ 27.61 lakhs to the financial year 2022-23. Also the Company had spent a sum of ₹ 83.95 lakhs on other social causes which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - 6**.

## VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of LODR, the Company has established a Vigil mechanism and has a Whistle Blower Policy. The Policy provides the mechanism for the receipt, retention and treatment of complaints and to protect the confidentiality and anonymity of the stakeholders. The complaints can be made in writing to be dropped into the Whistle Blower Drop Boxes or through E-Mail to dedicated mail IDs. The Corporate Ombudsman shall have the sole access to these. The Policy provides to the complainant access to the Chairman of the Audit Committee. The web link for the Vigil Mechanism is disclosed in the Corporate Governance Report.

## RISK MANAGEMENT POLICY

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9) of LODR, the Company has developed and implemented the Risk Management Policy. The policy envisages identification of risk and procedures for assessment and strategies to mitigate/ minimisation of risk thereof. The Risk Management Policy of the Company is available at the Company's website, at the following weblink:[http://www.ramcoindltd.com/file/RISK\\_MANAGEMENT\\_POLICY\\_RIL.pdf](http://www.ramcoindltd.com/file/RISK_MANAGEMENT_POLICY_RIL.pdf)

## RISK MANAGEMENT

The Company's risk management system is designed to identify the potential risks that can impact the business and devise a framework for its mitigation along with periodical reviews to reflect changes in market conditions and the company's activities. The Company's Board of Directors has the overall responsibility of the establishment and oversight of risk management framework. The Audit Committee and Risk management committee periodically review the execution of risk management plan and advice the management wherever necessary.

#### RELATED PARTY TRANSACTIONS

Prior approval / omnibus approval is obtained from the Audit Committee for all Related Party transactions and the transactions are also periodically placed before the Audit Committee for its approval. The particulars of contracts entered into by the Company during the year as per Form AOC 2 is enclosed as **Annexure - 7**.

No transaction with the related party is material in nature except transaction with Raja Charity Trust which was approved by Shareholders at the 56<sup>th</sup> Annual General Meeting held on 19.08.2021, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of LODR.

In accordance with Ind AS-24, the details of transactions with the related parties are set out in the Disclosures forming part of Financial Statements.

As required under Regulation 46 (2) (g) of LODR, the Related Party Transaction Policy is disclosed in the Company's Website and its weblink is -[https://www.ramcoindltd.com/file/Investors/Policies/RELATED\\_PARTY\\_TRANSACTION\\_POLICY\\_RIL\\_29012020.pdf](https://www.ramcoindltd.com/file/Investors/Policies/RELATED_PARTY_TRANSACTION_POLICY_RIL_29012020.pdf)

As required under Regulation 46(2)(h) of LODR, the Company's Material Subsidiary Policy is disclosed in the Company's website and its weblink is - [https://www.ramcoindltd.com/file/MATERIAL\\_SUBSIDIARY\\_POLICY\\_2015.pdf](https://www.ramcoindltd.com/file/MATERIAL_SUBSIDIARY_POLICY_2015.pdf)

#### MATERIAL CHANGES SINCE 1<sup>ST</sup> APRIL 2022

There have been no other material changes affecting the financial position of the company between the end of the financial year and till the date of this report.

#### FUTURE OUTLOOK

The world is going through volatile economic situation on account of War between Russia and Ukraine. Indian Economy is working out alternatives consequent to Sanctions imposed on Russia on account of the war. The crude prices also have gone up significantly. Your Company's raw material is partly met out of mines in Russia and the sanctions have affected the availability due to supply chain disruptions. Availability of the Containers and steep increase in Freight is affecting the international trade. Your company is taking up adequate measures to ensure availability of raw materials to feed the production.

The political and economic crisis in Sri Lanka is also affecting the business of the company. Inflation is rising at an alarming level thereby increasing the input costs. Further, Foreign exchange scarcity / restrictions have resulted in delay in remittances due to the raw material Suppliers as well as to your company on account of royalty and dividend incomes. The subsidiary companies' have adequate stocks to ensure the current production. Your company is keenly watching the situations and is taking appropriate steps to ensure that subsidiary companies' plants situated in Sri Lanka are operating.

New construction activity has picked up in the rural markets post Covid waves, largely because of good monsoon / harvest and push given by the Government through its spending. The Commodity prices such as Steel also has gone up during the year. However, the cyclical price movements of steel and other commodities has made trade watchful on inventories.

The construction industry in India is expected to grow steadily over the next four quarters. The growth momentum is expected to continue over the forecast period, recording a CAGR of 9.5% during 2022-2026. The construction output in the country is expected to reach INR 60,508.9 billion by 2026 due to increased demand from real estate and infrastructure projects. Indian Real Estate sector expected to reach a market size of USD 1 Tn by 2030. Its contribution to the country's GDP is expected to be approximately 13% by 2025. Government has allocated ₹ 48,000 crore in the financial budget of the year for the PM Awas Yojana for housing which is a crucial sector. This may result in slightly lower profitability as these infrastructure and urban housing are cost-conscious non-trade channels. In addition to these sectors, rural demand is also expected to sustain on the back of higher rural incomes witnessed in FY 2021-22 and by positive farm sentiment with timely rabi sowing and favourable groundwater and reservoir levels, which are likely to boost rabi yields. With favorable monsoon in 2022 in most parts of the country the outlook for Kharif crop too looks promising. PMAY-G is expected to sustain momentum as it utilizes its potential to engage rural workforce and drive rural employment. Sufficient cash inflow in the rural economy could commensurate in rural infrastructure creation thus augmenting cement demand.

As we are well positioned in the rural markets, we expect to reap the benefit of demand growth there. This is driven by focussed distribution efforts. The Union Budget for the year 2022-23 focused on uplifting of the rural economy, strengthening of the agriculture sector, annual cash incentive for small farmers, infrastructure creation and MSME Sector which would augur well for the industry, subject to tapering of the Covid wave.

Your Company is prepared to meet the demand of the products and is taking initiatives to increase the market especially in Boards business. USD-INR volatility could be a dampener for the profitable growth.

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

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **Annexure -8**.



#### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in **Annexure - 9**.

#### EMPLOYEE STOCK OPTION SCHEME (ESOS)

At the Annual General Meeting held on 19.08.2021 the Members had approved the following Employee Stock Option Schemes :

Name of the Scheme	Total No of Options	Exercise Price	Vesting Period	Maximum Term	Source	Variation in terms
ESOS 2021- Plan A	5,00,000	₹ 1/- per share	One year from the date of grant	On or before 31 <sup>st</sup> December of the Immediately succeeding financial year in which the vesting was done	Primary	Nil
ESOS 2021- Plan B	5,00,000	₹ 30/- per share	One year from the date of grant	On or before 31 <sup>st</sup> December of the Immediately succeeding financial year in which the vesting was done	Primary	Nil

The purpose of this plan is to facilitate Eligible Persons (Employees with Long Service and Contributed to the growth of the Company) through ownership of shares of the Company to participate and gain from the Company's performance, thereby acting as a suitable reward. Participation in the ownership of the Company, through share based compensation schemes will be a just reward for the employees for their continuous hard work, dedication and support, which has led the Company to be what it is today.

The Plan is intended to:

- \* Create a sense of ownership within the organisation;
- \* Encourage Employees to continue contributing to the success and growth of the organisation;
- \* Retain and motivate Employees;
- \* Reward Eligible persons to align their performance with Company objectives;
- \* Align interest of Eligible Persons with those of the organisation.

The above said Schemes are in compliance with the SEBI Regulations. The Company had obtained In-Principle approval for the schemes from National Stock Exchange of India Limited and BSE Limited, where the company's shares are listed. In line with the conditions mentioned in the In-Principle approval issued by National Stock Exchange of India Limited and BSE Limited, the scheme slightly being modified inline with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SBEB and SE Regulations"] 2021.

A Certificate from the Company's Secretarial Auditors, with respect to implementation of the above Employee Stock Option Schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 Guidelines and resolution passed by the Members of the Company, has been received and same is attached as **Annexure -10**.

Details regarding the above mentioned schemes along with their status are given below:

Name of the Scheme	Total No of Options	Exercise Price	No of Options vested	No of Options exercised	No of Options in force
Employee Stock Option Scheme 2021 - Plan A (ESOS 2021 - PLAN A)	5,00,000	₹ 1/-	133500	Nil	Nil
Employee Stock Option Scheme 2021 - Plan B (ESOS 2021 - PLAN B)	5,00,000	₹ 30/-	12500	Nil	Nil

The details as required under part F of Schedule I read with regulation 14 of (SEBI Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are disclosed on the company's website and the weblink is given below: <https://www.ramcoindltd.com/esos.html>

#### INDUSTRIAL RELATIONS & PERSONNEL

Industrial relations continue to be cordial and harmonious at all the Units. Employees at all levels are extending their fullest co-operation for the various cost reduction measures of the Company. There is a special thrust on Human Resources Development with a view to promoting creative and group effort.



#### CREDIT RATING

The ratings for the Company's borrowing are available in Corporate Governance Report.

#### SHARES

The Company's shares are listed in BSE Limited and National Stock Exchange of India Limited and the Annual Listing Fees have been paid for the F.Y. 2022-23 respectively.

#### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend amount remaining unclaimed/unpaid for a period of over 7 years was transferred to IEPF as detailed below:

Dividend Details	Amount Transferred - ₹	Date of Transfer to IEPF
Dividend for the year 2013-2014	1,27,631	05-08-2021

Shares corresponding to the said dividend were transferred to IEPF, as detailed below:

No. of Shares	Date of Transfer to IEPF
35,852	14-09-2021

Year wise amount of unpaid / unclaimed dividend lying in the unpaid account and corresponding shares, which are liable to be transferred to IEPF and due dates for such transfer, are tabled below:

Year	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEPF Fund	No. of Shares of ₹ 1/- each	Amount of unclaimed / unpaid Dividend as on 31-03-2022
2014-15	Dividend	23-09-2015	22-09-2022	22-10-2022	4,44,617	1,33,385.10
2015-16	Dividend	11-03-2016	10-03-2023	09-04-2023	4,75,044	2,37,522.00
2016-17	Dividend	04-08-2017	03-08-2024	02-09-2024	3,88,263	1,94,131.50
2017-18	Dividend	03-08-2018	02-08-2025	01-09-2025	3,04,567	1,52,283.50
2018-19	Dividend	08-08-2019	07-08-2026	06-09-2026	2,26,188	1,13,094.00
2019-20	Dividend	03-03-2020	02-03-2027	01-04-2027	3,68,758	1,84,379.00
2020-21	Dividend	12-03-2021	11-03-2021	10-04-2028	2,33,748	2,33,748.00

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors confirm that

- They had followed the applicable accounting standards along with proper explanation relating to material departures if any, in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2022;
- They had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2022 and of the profit of Company for the year ended on that date;
- They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- They had prepared the annual accounts on a going concern basis;

- (e) They had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively; and
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **RESEARCH AND DEVELOPMENT EFFORTS**

During the year, the company continued with research and development efforts in respect of economical mix and non-conventional fibres in production technology for manufacture of fibre cement sheets, calcium silicate boards, fibre cement boards and non-asbestos roofing sheets.

#### **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.

By Order of the Board  
For RAMCO INDUSTRIES LIMITED

**P.R. VENKETRAMA RAJA**  
CHAIRMAN

Place : Chennai  
Date : 18.05.2022

**FORM AOC - 1**

[Pursuant to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]  
Statement containing Salient features of the financial statement of subsidiaries / associate companies

**PART A - SUBSIDIARY COMPANIES**

Particulars	Currency	₹ In Lakhs Foreign Currency - in Lakhs		
		1	2	3
Name of the Subsidiary Company		Sri Ramco Lanka (Private) Limited	Sri Ramco Roofings Lanka (Private) Limited	Sudharsanam Investments Limited
Company incorporated in		Sri Lanka	Sri Lanka	India
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				
Share capital	INR	1,365.32	4,270.29	425.00
	SLR	2,300.02	10,150.43	-
Reserves & surplus	INR	7,256.03	1,141.63	627.91
	SLR	23,371.63	9,571.70	-
Total assets	INR	13,099.68	9,598.72	1,307.23
	SLR	42,744.92	35,684.02	-
Total Liabilities	INR	4,478.33	4,186.80	254.31
	SLR	17,073.27	15,961.89	-
Investments	INR	4,216.02	-	1,286.25
	SLR	10,021.41	-	-
Turnover	INR	16,651.56	15,185.19	-
	SLR	45,384.45	41,387.81	-
Profit before taxation	INR	3,448.48	3,099.73	-7.89
	SLR	9,917.10	8,520.39	-
Provision for Taxation	INR	626.81	638.35	7.79
	SLR	1,708.40	1,739.86	-
Profit after taxation	INR	2,821.67	2,461.38	-15.68
	SLR	8,208.70	6,780.53	-
Proposed Dividend	INR	-	-	-
	SLR	-	-	-
Percentage of Shareholding		99.99%	1.27%	100%
As on 31-03-2022 : 1 SLR = ₹ 0.3669				

**FORM AOC - 1**

[Pursuant to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]  
Statement containing Salient features of the financial statement of subsidiaries / associate companies

**PART B - ASSOCIATE COMPANIES**

Particulars	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
Name of the Associate Company	The Ramco Cements Limited	Rajapalayam Mills Limited	Ramco Systems Limited	Ramco Industrial and Technology Services Limited	Madurai Trans Carrier Limited	Lynks Logistics Limited
Latest audited Balance Sheet date	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021	31-03-2021
Number of Shares held as on 31.03.2022	5,34,58,395	1,48,587	54,67,376	50,000	3,09,00,000	38,03,78,615
Amount of Investment in Associate as on 31.03.2022 - (₹ in Lakhs)	17,125.12	182.57	13,216.19	5.00	309.00	3,803.79
Extent of Shareholding % as on 31.03.2022	22.86	1.82	21.78	22.36	23.92	33.35
Description of how there is significant influence	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding
Reason why the associate is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to shareholding (₹ in Lakhs)	662,569	212,554	58,404	1,088	1,288	3,134
Profit/Loss for the year (Consolidated) (₹ in lakhs)						
(a) Considered in Consolidation - ₹ in Lakhs	19,728.18	30.82	(1,235.77)	(3.45)	-	(892.78)
(b) Not Considered in Consolidation	-	-	-	-	-	-
Share Holding Includes apart from Direct Holding						
Through Subsidiary						
Sudharsanam Investments Limited	1.26	-	-	-	-	-
Indirect Holding through Associates						
The Ramco Cements Limited	-	0.09	3.98	21.29	6.75	7.64
Rajapalayam Mills Limited	0.24	-	0.04	0.02	-	-
Ramco Systems Limited	-	-	-	-	-	-
Ramco Industrial and Technology Services Limited	-	-	0.02	-	-	-

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELQ05128  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEGWG1046

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

**Form No. MR-3**

**Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2022**  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members of,  
**RAMCO INDUSTRIES LIMITED**, [CIN:L26943TN1965PLC005297]  
47, PSK Nagar, Rajapalayam,  
Virudhunagar District -626 108

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAMCO INDUSTRIES LIMITED** (*hereinafter called "the Company"*) during the financial year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 (*"the year"/ "audit period"/ "period under review"*).

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i). Our **examination / verification** of the physical / electronic books, papers, minute books and other records maintained by the Company and furnished to us through e-mail/ video-conferencing, forms/ returns filed and compliance related action taken by the Company during the year as well as after 31<sup>st</sup> March 2022 but before the issue of this audit report;
- (ii). Our **observations** during our visits to the Corporate office of the Company;
- (iii). **Compliance certificates** confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv). **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2022 the Company has:

- (i). Complied with the statutory provisions listed hereunder; and
- (ii). Board processes and compliance mechanism in place

**to the extent, in the manner and subject to the reporting made hereinafter.**

The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

**1. Compliance with specific statutory provisions**

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:
  - (i) The Companies Act, 2013 and the rules made thereunder (*the Act*).
  - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
  - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (iv) Foreign Exchange Management Act, 1999 and the rules/ regulations made thereunder to the extent of Overseas Direct Investment (*FEMA*);
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("*SEBI Regulations*"):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (*SAST*);
    - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which was replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August 2021)(*SBEB*);
    - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*PIT*); and
    - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*LODR*).
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (*NSE*) and BSE Limited (*BSE*) (*Agreements*).
  - (vii) Secretarial Standards issued by The Institute of Company Secretaries of India (*Secretarial Standards*).

- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31<sup>st</sup> March 2022 but before the issue of this report, **the Company has**, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
  - (i) **Complied with** the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (i) to (vi) of paragraph 1.1 above.
  - (ii) **Complied with** the Secretarial Standards on Meetings of the Board of Directors (**SS-1**) and Secretarial Standards on General Meetings (**SS-2**) mentioned under paragraph 1.1. (vii) above to the extent applicable to Board meetings and General meetings (including Postal Ballots).
- 1.3. We are informed that, during/ in respect of the year, the Company was not required to comply with the following laws/ rules/ regulations and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
  - (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
  - (ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
  - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which was replaced by the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 with effect from 10<sup>th</sup> June 2021;
  - (v) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
  - (vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 1.4. There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

## 2. Board processes:

We further report that:

- 2.1 The constitution of the Board of Directors of the Company ("*the Board*") during the year was in compliance with the applicable provisions of the Act and LODR.
- 2.2 The Board of Directors of the Company as on 31<sup>st</sup> March 2022 comprised of
  - (i) One Executive Director
  - (ii) Three Non-Executive Non Independent Directors; and
  - (iii) Four Non-Executive Independent Directors, including a Woman Independent Director.
- 2.3 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the applicable provisions of the Act / LODR:
  - (i) Cessation of Sri. Subramanian Suresh (DIN 02070440), Additional Director (Non-Executive Independent) consequent to his resignation due to personal reasons, with effect from 30<sup>th</sup> May 2021;
  - (ii) Appointment of Sri. Ajay Bhaskar Baliga (DIN 00030743) as an Independent Director for a period of five consecutive years with effect from 27<sup>th</sup> July 2021, approved by the members at the 56<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> August 2021 (56<sup>th</sup> AGM); and
  - (iii) Continuation of Sri. S. S. Ramachandra Raja (DIN 00331491) as Non Executive Director after crossing 75 years of age on 19<sup>th</sup> August 2021 till such date he becomes liable to retire by rotation, approved by the members way of Special Resolution through Postal Ballot on 8<sup>th</sup> January 2022.
- 2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.5 Notice of Board / Committee meetings was sent to the directors at least seven days in advance except for the meetings which was convened at a shorter notice, as required under Secretarial Standard (SS-1) 1.3.11 and the same has been ratified by majority of the Directors present at the said meetings.
- 2.6 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board / Committee meetings except for the meetings convened at a shorter notice.
- 2.7 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
  - (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers; and
  - (ii) Additional subjects/ information/ presentations and supplementary notes.
- 2.8 The Company has a system which facilitates directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.9 We were informed that, at the Board meetings held during the year:
  - (i) Majority decisions were carried through; and
  - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

### 3 Compliance mechanism

We further report that:

3.1 There are adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, keeping pace with the growth in operations and increasing statutory requirements.

### 4 Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards:

- (i) Members have accorded their approval at the 56<sup>th</sup> AGM by way of Special Resolution to grant upto 5,00,000 (Five Lakhs) stock options under Employees Stock Option Scheme 2021 - Plan A and 5,00,000 (Five Lakhs) stock options under Employees Stock Option Scheme 2021 - Plan B to the eligible employees of the Company. The Company has also received "In-Principle" approval from National Stock Exchange of India Limited and BSE Limited for the same.
- (ii) Grant of Stock options (1,33,500 numbers under ESOS -2021 Plan A and 12,500 numbers under ESOS - 2021 Plan B), by the Nomination and Remuneration Committee (designated by the Company as the "Compensation Committee" under SBEB).

For S. KRISHNAMURTHY & CO.,  
Company Secretaries  
(Peer Review Certificate No.739/2020)

K. Sriram  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312D000342065

Place: Chennai  
Date : 18<sup>th</sup> May 2022

## ANNEXURE - A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members,  
RAMCO INDUSTRIES LIMITED, [CIN:L26943TN1965PLC005297]  
47, PSK Nagar, Rajapalayam,  
Virudhunagar District -626 108

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31<sup>st</sup> March 2022 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31<sup>st</sup> March 2022 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. KRISHNAMURTHY & CO.,  
Company Secretaries  
(Peer Review Certificate No.739/2020)

K. Sriram  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312D000342065

Place: Chennai  
Date : 18<sup>th</sup> May, 2022



## REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V C of SEBI (LODR) Regulations, 2015

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

Since inception, Ramco Industries Limited assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all stakeholders of the Company viz. Shareholders, Creditors, Customers and employees. It 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 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 leverages the developments in the technology for better compliances and communication. The Company lays great emphasis on team building and motivation. A contended and well developed employee will give to the Company better work and therefore better profits. 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.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

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. Venketrama Raja. Shri P.V. Abinav Ramasubramaniam Raja is the Managing Director. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering, Information Technology, etc.

The Board had 8 Directors as on 31.03.2022 out of which 7 Directors were Non-Executive, including 4 Independent Directors. Independent Directors constitute 50% of the total strength of the Board of Directors as required under the Code of Corporate Governance. There are no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR], the Board of Directors have identified the following Core Skills/Expertise/Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

- \* Building Products Processing Technology
- \* Textile Technology
- \* Information Technology
- \* Strategy Management
- \* Business Management
- \* Banking and Financial Management
- \* Project Management
- \* Risk Management including Foreign Exchange Management
- \* Industrial Relationship Management, including Environment, Health and Safety
- \* Legal Knowledge
- \* Tax Planning and Management
- \* General Administration
- \* Knowledge on Economic Affairs
- \* Knowledge on Environmental Laws

The Skills/Expertise/Competencies available with the Directors have been furnished under the individual Director's profile.

### DIRECTORS' PROFILE

#### SHRI P.R. VENKETRAMA RAJA

Shri P.R.Venketrama Raja, Chairman, has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from the University of Michigan, USA. He has been on the Board of the Company since 1992. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors.

As a Member of the Board, he is responsible for guiding the Company in establishment of new units, selection of process and equipments and adoption of latest technologies since 1992.

Skill/Expertise/Competency	Building Products Processing Technology, Textile Technology, Expert knowledge in Information Technology, Strategy Management, Business Management and Industrial Relationship Management
----------------------------	--

Names of the listed entities in which Shri P.R. Venketrama Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramco Cements Limited	Executive & Non-Independent
Ramco Systems Limited	Non-Executive & Non-Independent
Rajapalayam Mills Limited	Non-Executive & Non-Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent

**SHRI P.V. ABINAV RAMASUBRAMANIAM RAJA**

Shri P.V. Abinav Ramasubramaniam Raja, Managing Director, has Bachelor's degree in Science - Industrial Engineering from Northwestern University, Evanston, USA. He has been on the Board of the Company since June, 2017.

Skill/Expertise/Competency	Industrial Engineering, Strategy Management, Business Management and Information Technology
----------------------------	---

Names of the listed entities in which Shri P.V. Abinav Ramasubramaniam Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Rajapalayam Mills Limited	Non Executive & Non Independent
Ramco Systems Limited	Whole Time Director & Non Independent

**SHRI R.S. AGARWAL**

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.

Skill / Expertise / Competency	Banking and Financial Management, Project Management
--------------------------------	--

Names of the listed entities in which Shri.R.S.Agarwal is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramco Cements Limited	Non-Executive & Independent
Ramco Systems Limited	Non-Executive & Independent
Suryalakshmi Cotton Mills Limited	Non-Executive & Independent

**SHRI S.S. RAMACHANDRA RAJA**

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

Skill / Expertise / Competency	Textile Technology Business Management
--------------------------------	---

Name of the listed entity in which Shri S.S. Ramachandra Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Rajapalayam Mills Limited	Non-Executive & Non-Independent

**SHRI N.K. SHRIKANTAN RAJA**

Shri N.K. Shrikantan Raja, a Commerce graduate, has been Director of the Company since 1986 extending valuable guidance.

Skill / Expertise / Competency	Textile Technology Business Management
--------------------------------	---

Names of the listed entity in which Shri N.K. Shrikantan Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramaraju Surgical Cotton Mills Ltd.	Non-Executive & Non-Independent

**SHRI V. SANTHANARAMAN**

Shri V. Santhanaraman holds a degree in Commerce and CAIIB. He has served in the Banking Sector for the past four decades from 1970 to 2009. He was appointed as Probationary Officer in the year 1970 in Indian Bank and held various positions and appointed as General Manager in the year 1998 and held that position till 2006. He was appointed as Executive Director of Bank of Baroda in October, 2006 and retired in August 2009. He has been on the Board of Ramco Industries Limited since 2014.

Skill / Expertise / Competency	Banking and Financial Management, Risk Management including Foreign Exchange Management
--------------------------------	---

Names of the listed entities in which Shri V. Santhanaraman is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Rajapalayam Mills Ltd.	Non-Executive & Independent Director
The Ramaraju Surgical Cotton Mills Ltd.	Non-Executive & Independent Director

**SMT. JUSTICE CHITRA VENKATARAMAN (RETD.)**

Smt. Justice Chitra Venkataraman (Retd.), a graduate in Economics from Ethiraj College, Chennai, and B.L. from Law College, Chennai, started her practice at Madras High Court. She specialised in Direct and Indirect tax laws. She was appointed as Government Pleader during the period 1991 to 1995 and thereafter as the standing counsel for Income Tax for about 10 years. She was elevated as Judge of Madras High Court in the year 2005 and retired in April 2014.

She has been on the Board of Ramco Industries Limited since 2015.

Skill / Expertise / Competency	Legal Knowledge, Tax Planning and Management
--------------------------------	--

Names of the listed entities in which Smt. Justice Chitra Venkataraman (Retd.) is a Director and her category of Directorship:

Name of the Company	Category of Directorship
The Ramco Cements Limited	Non-Executive & Independent
Lakshmi Machine Works Limited	Non-Executive & Independent

**SHRI AJAY BHASKAR BALIGA**

Shri Ajay Bhaskar Baliga is a B.Tech in Chemical Engineering from the University of Madras and started his career as an Engineering Trainee in Shaw Wallace & Co in 1981. He is a veteran supply chain and manufacturing professional having over 38 years' experience in the Alco Beverages Industry.

He has been on the Board of Ramco Industries Limited from 27<sup>th</sup> July, 2021.

Skill / Expertise / Competency	General Management, Supply, Procurement & Sourcing, Regulatory & Compliance, Innovation & Renovation, Operations Excellence, Technical, Projects & Acquisitions within the Indian and global space.
--------------------------------	---

Name of the listed entity in which Shri Ajay Bhaskar Baliga is a Director and his category of Directorship:

Name of the Company	Category of Directorship
E.I.D. Parry (India) Limited	Non-Executive & Independent

The Board of Directors have confirmed at the Meeting held on 18.5.2022 that all the above Independent Directors fulfil the conditions specified in LODR and are independent of the management.

During the year under review, Shri Subramanian Suresh, Independent Director resigned from the Board on 30<sup>th</sup> May, 2021.

All the Independent Directors have registered themselves with the Independent Directors Data Bank, as required under Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014 and exempted from passing the online proficiency self-assessment test, conducted by The Indian Institute of Corporate Affairs, except Shri Ajay Bhaskar Baliga, who passed the test on 29<sup>th</sup> October, 2020.

During the year under review, Eight Board Meetings were held, one each on 24.5.2021, 17.6.2021, 27.7.2021, 27.9.2021, 26.10.2021, 5.11.2021, 21.1.2022 and 15.3.2022.

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	Attendance at last AGM held on 19-08-2021
1.	Shri P.R. Venketrama Raja (Chairman) DIN : 00331406	P & NE	8	Yes
2.	Shri.P.V.Abinav Ramasubramaniam Raja Managing Director DIN : 07273249	P&E	7	Yes
3.	Shri S.S. Ramachandra Raja DIN : 00331491	NE	8	Yes
4.	Shri N.K. Shrikantan Raja DIN : 00350693	NE	8	Yes
5.	Shri R.S. Agarwal DIN : 00012594	NE & ID	8	Yes
6.	Shri V. Santhanaraman DIN : 00212334	NE & ID	8	Yes
7.	Smt. Justice Chitra Venkataraman DIN : 07044099	NE & ID	8	Yes
8.	Shri Subramanian Suresh ** DIN : 02070440	NE & ID	1	No
9.	Shri Ajay Bhaskar Baliga *** DIN : 00030743	NE & ID	6	Yes

\* P- Promoter; E- Executive ; NE - Non-Executive; ID - Independent Director

\*\* Resigned from the Board on 30.5.2021

\*\*\* Inducted into the Board on 27.7.2021

### Other Directorships

The Number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31-03-2022 is given below:

No	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri P.R. Venketrama Raja	8	4	2
2.	Shri.P.V.Abinav Ramasubramaniam Raja	3	0	1
3.	Shri S.S. Ramachandra Raja	3	0	1
4.	Shri N.K. Shrikantan Raja	6	3	2
5.	Shri R.S. Agarwal	3	1	2
6.	Shri V. Santhanaraman	2	0	1
7.	Smt Justice Chitra Venkataraman (Retd.)	2	0	4
8.	Shri Subramanian Suresh #	0	0	0
9.	Shri Ajay Bhaskar Baliga ##	1	0	1

\* Public Limited Companies, other than Ramco Industries Limited.

\*\* Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than Ramco Industries Limited.

# Resigned from the Board on 30.5.2021

## Inducted into the Board on 27.7.2021

### Disclosure of relationships between directors inter-se

Shri P.R. Venketrama Raja, Chairman is the father of Shri P.V. Abinav Ramasubramaniam Raja, Managing Director.

### Shareholding of Directors in our Company :

Sl.No.	Name of the Director	No. of Shares held
1.	Shri P.R. Venketrama Raja	62,20,655
2.	Shri P.V.Abinav Ramasubramaniam Raja	40,000
3.	Shri S.S. Ramachandra Raja	4,07,680
4.	Shri N.K. Shrikantan Raja *	27,373

\* Also holds 27,767 shares in the name of N K Shrikantan Raja HUF

### Details of familiarisation programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at [http://www.ramcoindltd.com/file/Investors/Board\\_of\\_Directors/2021-2022/DIRECTORS\\_FAMILIARISATION\\_PROGRAMME\\_2021-22.pdf](http://www.ramcoindltd.com/file/Investors/Board_of_Directors/2021-2022/DIRECTORS_FAMILIARISATION_PROGRAMME_2021-22.pdf)

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review. The Board is also satisfied that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website at the following link at [http://www.ramcoindltd.com/file/CODE\\_OF\\_CONDUCT\\_FOR\\_BOD\\_AND\\_SMP\\_RIL.pdf](http://www.ramcoindltd.com/file/CODE_OF_CONDUCT_FOR_BOD_AND_SMP_RIL.pdf)

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

### 3. 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 and approve the Related Party Transactions;
- iv) To review the Annual Cost Audit Report of the Cost Auditor;

- v) To review the Secretarial Audit Report of the Secretarial Auditor;
- vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- vii) To generally assist the Board to discharge their functions more effectively.
- viii) To review the financial statements and any investments made by the Company/Subsidiary Companies.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by LODR and Companies Act, 2013.

**Composition:**

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	8
2.	Shri P.R. Venketrama Raja	8
3.	Smt. Justice Chitra Venkataraman (Retd.)	8
4.	Shri V. Santhanaraman	8
5.	Shri Ajay Bhaskar Baliga*	1

\* Inducted into the Committee on 5.3.2022

No. of Meetings held during the year	Eight
Date of Meetings	24.5.2021, 17.6.2021, 27.7.2021, 27.9.2021, 26.10.2021, 5.11.2021, 21.1.2022 and 15.3.2022

The Statutory Auditors, Chief Executive Officer, Chief Financial Officer and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

Out of five members, four members of the Audit Committee are Independent Directors in compliance with the requirement of 2/3<sup>rd</sup> as stipulated in Regulation 18 (1) (b) of LODR.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, LODR and functions as mandated by the Board of Directors from time to time. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the Company. The Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the company.

In accordance with Regulation 5(2) of SEBI (Share Based Employee Benefits and Sweat Equity Shares) Regulations, 2021, the Company has designated the Nomination and Remuneration Committee as Compensation Committee for the purpose of Administration and Superintendence of the Company's Employee Stock Option Schemes, both present and future.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website at the following link at [http://www.ramcoindltd.com/file/Investors/Policies/Nomination\\_and\\_Remuneration\\_Policy.pdf](http://www.ramcoindltd.com/file/Investors/Policies/Nomination_and_Remuneration_Policy.pdf)

**Composition:**

The Nomination and Remuneration Committee consists of the following Directors:

Sl. No.	Name of the Director	No. of Meeting attended
1.	Shri R.S. Agarwal, Chairman of the Committee	3
2.	Shri N.K. Shrikantan Raja	3
3.	Shri V. Santhanaraman	3

No. of Meetings held during the year : Three

Date of the Meeting : 24.5.2021, 27.7.2021, 20.1.2022

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based upon attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of respective Independent Director.

#### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition and Attendance of the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee consists of the following Directors:

Sl. No.	Name of the Director	No. of Meeting attended
1.	Shri P.R. Venketrama Raja Chairman of the Committee	1
2.	Shri N.K. Shrikantan Raja	1
3.	Smt. Justice Chitra Venkataraman (Retd.)	1

Name of Non-Executive Director heading the Committee	Shri P.R. Venketrama Raja
Name and Designation of Compliance Officer	Shri S. Balamurugasundaram Company Secretary & Legal Head
No. of complaint received during the year	Nil
Number not solved to the Satisfaction of shareholders	Nil
Number of pending complaints	Nil

No. of Meeting held during the year : One

Date of the Meeting : 21.1.2022

#### 6. RISK MANAGEMENT COMMITTEE

The terms of reference of the Risk Management Committee include :

- 1) To formulate a detailed risk management policy which should include:
  - a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) should be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.



**Composition:**

The Risk Management Committee consists of the following Directors:

Sl. No.	Name of the Member	No. of Meeting attended
Members of the Board		
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	2
2.	Shri V. Santhanaraman	2
3.	Shri Ajay Bhaskar Baliga	2
Non-Member of the Board		
4.	Shri Prem G Shanker	2

No. of Meetings held during the year : Two

Date of the Meeting : 22.12.2021, 29.3.2022

The Company has a Risk Management Policy and Foreign Exchange Risk Management Policy and the same are disclosed in the Company's website and their weblink is - [http://www.ramcoindltd.com/file/RISK\\_MANAGEMENT\\_POLICY\\_RIL.pdf](http://www.ramcoindltd.com/file/RISK_MANAGEMENT_POLICY_RIL.pdf)

**7. REMUNERATION OF DIRECTORS**

The Directors were paid Sitting Fee of ₹ 40,000/- per meeting for attending the meetings of the Board and Committees thereof.

There are no other pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company, other than fees for attending Meetings of the Board and its Committees.

The details of remuneration paid for the Financial Year 2021-22 are as follows :-

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :**

(In Rupees)

Sl. No.	Particulars of remuneration	Name of MD	Name of WTD	Name of Manager	Total Amount
		Shri P.V. Abinav Ramasubramaniam Raja	-	-	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,16,00,000			2,16,00,000
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961				
2	Others - Commission	5,97,03,471			5,97,03,471
3	Contribution towards Provident Fund	15,55,200			15,55,200
4	Contribution towards Superannuation Fund	-	-	-	-
5	Medical Reimbursement	-	-	-	-
6	Sitting Fee	Refer Item (B) below			
	Total (A)	8,28,58,671			8,28,58,671
	Ceiling as per the Act				See Note below

**Notes :**

Shri P.V. Abinav Ramasubramaniam Raja, had been appointed as Managing Director of the Company for a period of five years with effect from 4.6.2017 by the Shareholders at their AGM held on 4.8.2017 at a remuneration equivalent to 5% of the net profits of the Company or M/s. Ramco Systems Limited (RSL) whichever is higher, by way of monthly salary, allowances, other perquisites / benefits and commission or in any other combination as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and fixed the maximum remuneration payable to Shri P.V. Abinav Ramasubramaniam Raja which shall not exceed 3% of net profits of either RIL or RSL whichever is higher, for first 2 years.

**B. Remuneration to other Directors :**

In ₹

Sl. No.	Particulars of Remuneration	Name of the Directors									Total Amount
		Shri P.R. Venketrama Raja	Shri P.V. Abinav Ramasubramaniam Raja	Shri S.S. Ramachandra Raja	Shri N.K. Shrikantan Raja	Shri R.S. Agarwal	Shri V. Santhanaraman	Smt. Justice Chitra Venkataraman (Retd.)	Shri Subramanian Suresh*	Shri Ajay Bhaskar Baliga **	
1	<b>Independent Directors</b>										
	Fee for attending Board/ Committee Meetings	-	-	-	-	8,80,000	9,20,000	7,60,000	80,000	4,00,000	30,40,000
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	-	-	8,80,000	9,20,000	7,60,000	80,000	4,00,000	30,40,000
2	<b>Other Non Executive Directors</b>										
	Fee for attending Board/ Committee Meetings	8,00,000	-	3,20,000	4,80,000	-	-	-	-	-	16,00,000
	Commission	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	8,00,000	-	3,20,000	4,80,000	-	-	-	-	-	16,00,000
3	<b>Executive Director</b>										
	Fee for attending Board/ Committee Meetings	-	3,20,000	-	-	-	-	-	-	-	3,20,000
	Commission	Refer Item (A) above									
	Others, please specify	-	-	-	-	-	-	-	-	-	-
	<b>Total (3)</b>	-	3,20,000	-	-	-	-	-	-	-	3,20,000
	<b>Total (B) = (1+2+3)</b>	8,00,000	3,20,000	3,20,000	4,80,000	8,80,000	9,20,000	7,60,000	80,000	4,00,000	49,60,000
	Overall Ceiling as per the Act	Only Sitting fees is being paid to Directors which is not included in the ceiling as per Section 197(2) of the Act.									
	<b>Total Managerial Remuneration (A+B)</b>										8,78,18,671

\* resigned with effect from 30.5.2021

\*\* Inducted into the Board on 27.7.2021

**8. GENERAL BODY MEETINGS**

i. Location and time, where last three AGMs held:

Year ended	Date	Time	Venue
31.03.2019	08.08.2019	11.00 A.M.	P.A.C.R.Centenary Community Hall Sudarsan Gardens P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2020	07.09.2020	11.45 A.M.	Held through Video Conferencing
31.03.2021	19.08.2021	11.30 A.M.	Held through Video Conferencing

ii. Details of Special Resolutions passed in the previous three Annual General Meetings

Date of the AGM	Subject Matter of the Special Resolution
19.8.2021	Issue of Securities under ESOS - 2021 - Plan A and Plan B
07.09.2020	No Special Resolution was passed at the AGM
08.08.2019	Reappointment of Shri V. Santhanaraman (DIN : 00212334) as an Independent Director from 01.10.2019 to 30.09.2024
	Reappointment of Smt. Justice Chitra Venkataraman (Retd.) (DIN : 07044099) as an Independent Director from 24.03.2020 to 23.03.2025
	Invitation to subscribe for Secured Non-Convertible Debenture

iii. Following Special Resolution on matters requiring postal ballot was passed during the year under review.

Date	Subject Matter of the Special Resolution
8.1.2022	Continuation of Directorship of Shri S.S. Ramachandra Raja (DIN 00331491) in the category of Non-Executive Director, of the Company after 19.8.2021, as per Regulation 17(1A) of SEBI (LODR) 2015, through Postal Ballot under Section 110 of the Companies Act, 2013.

iv. No Special Resolution is proposed to be passed through Postal Ballot.

**9. 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). The results were also displayed on the Company's website [www.ramcoindltd.com](http://www.ramcoindltd.com).

All the financial results are provided to the Stock Exchanges and the same is also disseminated in the Company's website. Official News Releases whenever issued, will be displayed in Company's website.

**10. GENERAL SHAREHOLDER INFORMATION**

A	Annual General Meeting	On Wednesday the 10 <sup>th</sup> August, 2022 at 11.30 A.M. through Video Conference/ other Audio Visual means
B	Financial Year	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022
C	Dividend Payment date	10.08.2022 onwards
D	Name and Address of Stock Exchanges where the Company's Securities are Listed	BSE Limited P J Towers, Dalal Street, Mumbai 400001 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 The Annual Listing fees for the year 2022-23 had been paid to the Stock Exchanges
E	<u>Stock Code</u> BSE Limited National Stock Exchange of India Limited	532369 RAMCOIND EQ
F	Market Price Data	Enclosed as Annexure - A
G	Performance in Comparison to broad based indices	

H	Whether the securities are suspended from trading	No
I	Registrar and Transfer Agents	M/s. Cameo Corporate Services Limited Subramanian Building No: 1, Club House Road, CHENNAI 600 002. (Telephone No. : 044-2846 0390; Fax No.: 044-28460129) e-mail : cameo@cameoindia.com
J	Share Transfer System	For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected by Cameo till 31.3.2019. Vide Press Release No:51/2018 dt. 3.12.2018 of SEBI, only transmission or transposition of securities are eligible for processing in physical form with effect from 1.4.2019.
K	Distribution of Shareholding	Enclosed as Annexure - B
L	Dematerialisation of Shares & liquidity	As on 31 <sup>st</sup> March, 2022, 98.70% of the Company's Shares have been dematerialized. Regarding liquidity of our Company's shares, the details are available in Annexure - A.
M	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	Nil
N	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	The Currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any.

O. PLANT LOCATIONS :

(a) Building Products Division :	
(i) Fibre Cement Sheet Units :	<ol style="list-style-type: none"> <li>1. Karur, Karnataka</li> <li>2. Maksi, Madhya Pradesh</li> <li>3. Silvassa, U.T of Dadra &amp; Nagar Haveli</li> <li>4. Kharagpur, West Bengal</li> <li>5. Ibrahimpatnam, Vijayawada, A.P.</li> <li>6. Sinugra Village, Anjar Taluk, Gujarat</li> <li>7. Gangaikondan, Tirunelveli Dist., Tamil Nadu</li> <li>8. Bihiya, Bhojpur District, Bihar</li> </ol>
(ii) Fibre Cement Pressure Pipes unit:	Maksi, Madhya Pradesh
(iii) Calcium Silicate Board unit :	Arakkonam, Tamil Nadu/ Kotputli, Rajasthan
(b) Textile Division :	
Cotton Yarn Spinning unit	Rajapalayam, Tamil Nadu
(c) Wind farm Division :	<ol style="list-style-type: none"> <li>1. Tirunelveli and Coimbatore Districts, Tamil Nadu</li> <li>2. Chitradurga and Hassan Districts, Karnataka</li> <li>3. Kutch District, Gujarat</li> </ol>

P. Address of Corporate Office for Shareholders' Correspondence/ enquires

S. BALAMURUGASUNDARAM  
Company Secretary (Compliance Officer) & Legal Head  
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](mailto:bms@ril.co.in)

Q. Credit Rating

The Company's Credit Rating agencies viz. ICRA and CRISIL have rated our borrowing programmes as follows :

₹ in Lacs

Security	Outstanding as on 31.03.2022	Limit Amount	Rating	Rating Agency
Commercial Papers	-	10,000	A 1 +	CRISIL
Fund Based Facilities				
* Cash Credit/Short Term Loans/BC and other Facilities	19,737.69	35,000	A1 +	ICRA
Non-Fund Based Facilities	2,344.29			
Long Term Loans from Banks	2,649.68	15,000	AA -	

\* There is no change in rating in the current year

**10. OTHER DISCLOSURES**

- a. There are no materially significantly related party transactions made by the Company that may have potential conflict with the interests of the Company at large.
- b. There are no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- c. The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The Policy is available at the following weblink :  
[http://www.ramcoindltd.com/file/WHISTLE\\_BLOWER\\_POLICY.pdf](http://www.ramcoindltd.com/file/WHISTLE_BLOWER_POLICY.pdf)
- d. The Company has complied with the Mandatory requirements. The status of adoption of the Non-Mandatory requirements is given below:
  - i. The Company's financial statements are with unmodified audit opinion for the year 2021-22.
- e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink is -  
[http://www.ramcoindltd.com/file/MATERIAL\\_SUBSIDIARY\\_POLICY\\_2015.pdf](http://www.ramcoindltd.com/file/MATERIAL_SUBSIDIARY_POLICY_2015.pdf)
- f. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is -  
[http://www.ramcoindltd.com/file/Investors/Policies/RELATED\\_PARTY\\_TRANSACTION\\_POLICY\\_RIL\\_29012020.pdf](http://www.ramcoindltd.com/file/Investors/Policies/RELATED_PARTY_TRANSACTION_POLICY_RIL_29012020.pdf)
- g. Commodity Price Risks and Commodity Hedging Activities:  
The Company has not undertaken any transaction in this regard.
- h. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.
- i. M/s. S. Krishnamurthy & Co., Company Secretaries, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- j. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- k. Total fee paid to Statutory Auditors including subsidiaries:-  
The total fees for all the services paid by the Company on a consolidated basis to the Statutory Auditor is ₹ 10.73 lakhs.

M/s. Ramakrishna Raja and Co., Chartered Accountants, one of the Statutory Auditors of the Company, are the Statutory Auditors for M/s. Sudharsanam Investments Limited, Company's Wholly Owned Subsidiary. No other entity in the network firm or network entity of which the Statutory Auditor is a part has been hired for any services by our subsidiaries, apart from above.

l. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed of during the financial year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

m. Disclosure by the Company and its subsidiaries of Loans and advances :

Name of the Lender	Recipient's Name	Aggregate amount given during the year ₹ in lakhs	Outstanding as on 31.3.2022 ₹ in lakhs
Ramco Industries Limited	Sudharsanam Investments Limited	17.21	234.23

11. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations.
12. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted is given against Clause 10(d) above.
13. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.  
As required under Regulation 46(2)(b) to (i) of LODR, the following information have been duly disseminated in the Company's website.
  - \* Terms and conditions of appointment of Independent Directors
  - \* Composition of various committees of Board of Directors
  - \* Code of Conduct of Board of Directors and Senior Management Personnel
  - \* Details of establishment of Vigil Mechanism/Whistle Blower Policy
  - \* Criteria of making payments to Non-Executive Directors
  - \* Policy on dealing with Related Party Transactions
  - \* Policy for determining 'Material Subsidiaries'
  - \* Details of familiarization Programmes imparted to Independent Directors
14. The Company has no material subsidiary.
15. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.
16. The Management of the unlisted subsidiaries periodically brings to the notice of the Board, a statement on significant transactions and arrangements entered into by them.
17. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
18. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 21 days from the close of the quarter or within such time limit as extended by Securities and Exchange Board of India.
19. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.

20. The Company has also the following Committees of Board of Directors :

**Composition:**

The Corporate Social Responsibility consists of the following Directors:

**a. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Sl. No.	Name of the Director
1	Shri P.R. Venketrama Raja Chairman of the Committee
2	Shri R.S. Agarwal
3	Shri P.V. Abinav Ramasubramaniam Raja

No. of Meetings held during the year : One

Date of the Meeting : 24.5.2021

**21. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT (pursuant to Schedule V(F) of LODR)**

No.	Details	No. of Shareholders	No. of Shares of ₹1/- each
(1)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	5	8,480
(2)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	-	-
(3)	(i) Number of shareholders to whom shares were transferred from suspense account during the year;	-	-
	(ii) Shares transferred to IEPF during the year	13	35,852
(4)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	5	8,480
(5)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

22. Declaration signed by the Chief Executive Officer of the Company as per Schedule V(D) of LODR, on compliance with the Code of Conduct is annexed.

23. Compliance Certificate as per Regulation 17(8) read with Part B of Schedule II of LODR, provided by the Chief Executive Officer and Chief Financial Officer is annexed.



## DECLARATION

As provided under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31<sup>st</sup> March 2022.

Place : Chennai  
Date : 18<sup>th</sup> May, 2022

Prem G Shanker  
Chief Executive Officer

To  
The Board of Directors  
Ramco Industries Limited  
Rajapalayam

### Certification under Regulation 17(8) of SEBI (LODR) Regulations

We hereby certify that -

- A. We have reviewed the financial statements and the cash flow statement for the year 2021-22 and that to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee that-
  - i. there are no Significant changes in the internal control over the financial reporting during the year;
  - ii. there are no significant changes in Accounting Policies, during the year;
  - iii. there are no instances of significant fraud of which we have become aware.

K.Sankaranarayanan  
Chief Financial Officer

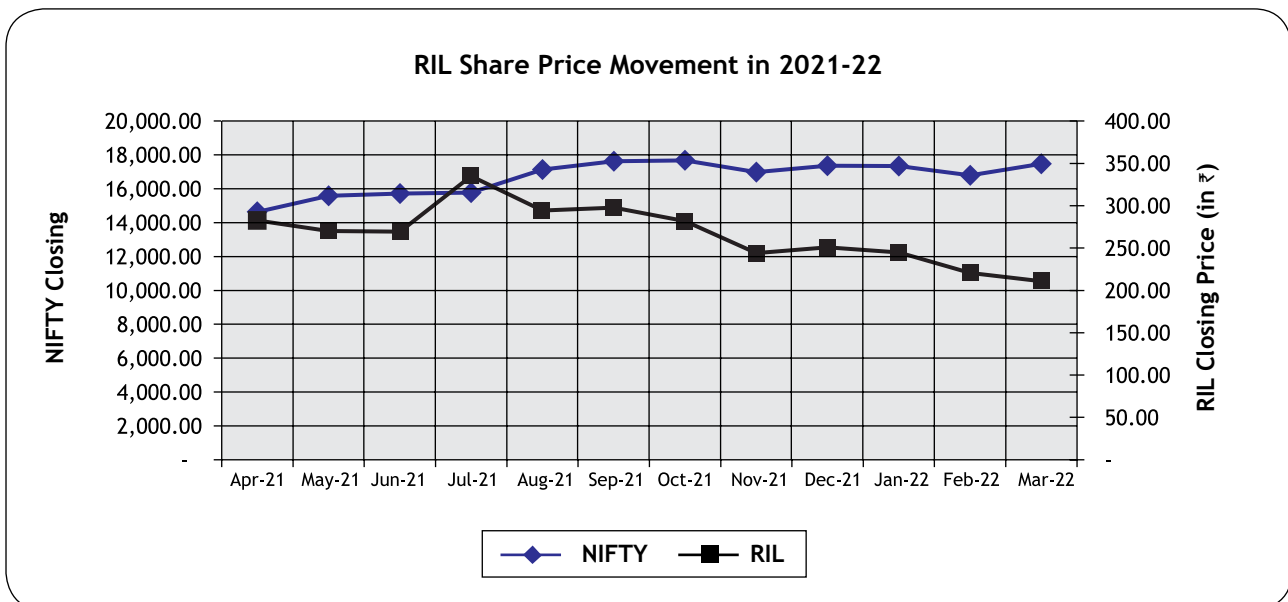
Prem G Shanker  
Chief Executive Officer

Place : Chennai  
Date : 18<sup>th</sup> May, 2022

STATISTICAL DATA - Share Price - High & Low - Traded Volume (During April, 2021 to March, 2022 in NSE and BSE)

Month	NSE			BSE		
	High Price	Low Price	Qty. Traded	High Price	Low Price	Qty. Traded
April, 2021	286.00	240.00	19,71,408	288.35	240.20	89,863
May, 2021	305.00	265.35	42,94,163	326.00	267.25	3,92,820
June, 2021	287.60	253.05	33,37,778	287.35	253.65	3,59,504
July, 2021	366.65	264.00	1,48,04,185	366.00	270.00	10,50,410
August, 2021	342.95	271.05	29,31,683	344.00	271.00	11,65,790
September, 2021	334.85	281.00	36,22,183	327.70	282.45	3,28,317
October, 2021	314.00	279.70	27,44,950	314.00	280.00	3,37,876
November, 2021	286.00	239.00	16,46,013	291.00	241.40	1,63,085
December, 2021	267.15	229.25	13,61,637	268.00	229.60	1,25,799
January, 2022	291.00	240.25	23,49,571	290.00	236.20	2,54,951
February, 2022	262.35	205.05	15,18,904	262.85	205.15	1,34,369
March, 2022	227.95	200.00	16,41,854	235.20	200.00	2,00,712

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



**Pattern of Shareholding as on 31.03.2022**

Description	No. of Shareholders	%	No. of Shares (₹1/- each)	% to Capital
<b>A. PROMOTERS HOLDING</b>				
Promoter & Promoter Group	19	0.07	4,67,69,821	53.97
<b>B. NON-PROMOTERS HOLDING</b>				
1. Mutual Funds & UTI	1	0.00	16,40,000	1.89
2. Foreign Portfolio Investors (Corporate)	27	0.09	26,28,923	3.03
3. F.Is / Banks	2	0.01	14,01,000	1.62
4. Central/State Govt/s;	1	0.00	1,74,029	0.20
5. Foreign Portfolio Investor (Category-III)	4	0.01	10,750	0.01
6. Bodies Corporate	216	0.75	25,35,084	2.93
7. Individual Shareholders holding nominal Share Capital :				
a. Up to ₹ 2.00 Lakhs	27,403	94.52	1,71,62,388	19.80
b. In excess of ₹ 2.00 Lakhs	21	0.07	1,18,54,677	13.68
8. Others-HUF/NRI/Clearing Members, employees and Trusts	1,298	4.48	24,86,388	2.87
<b>Grand Total</b>	<b>28,992</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

\* Based on PAN for Stock Exchange disclosures

**Distribution of Shareholding as on 31.03.2022**

Range (No. of Shares of ₹1 each)	No. of Share holders	%	No: of Shares (₹1/- each)	%
Upto - 500	25,966	87.90	23,69,180	2.74
501 to 1000	1517	5.14	12,53,433	1.45
1001 to 2000	830	2.81	13,14,587	1.51
2001 to 3000	288	0.97	7,48,742	0.86
3001 to 4000	197	0.67	7,18,034	0.83
4001 to 5000	123	0.42	5,81,134	0.67
5001 to 10000	245	0.83	18,08,798	2.09
10001 & above	374	1.26	7,78,69,152	89.85
<b>Total</b>	<b>29,540</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

**Category of Shareholding as on 31.03.2022**

Category	No. of Share Holders	%	No. of Shares held	%
<b>Dematerialised Form :</b>				
NSDL	11,831	40.05	6,09,52,231	70.33
CDSL	17,614	59.63	2,45,85,029	28.37
Physical Form	95	0.32	11,25,800	1.30
<b>Total</b>	<b>29,540</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

Total Shareholders - 28,992 (after merging of 1<sup>st</sup> Holder PAN)s/

**CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

*[In terms of Regulation 34 (3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Members,  
**Ramco Industries Limited**  
[CIN: L26943TN1965PLC005297]  
47, PSK Nagar,  
Rajapalayam,  
Virudhunagar District - 626108

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors **RAMCO INDUSTRIES LIMITED (“the Company”)** as on the 31<sup>st</sup> March 2022, have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

S. No	Name of the Director	Nature of Directorship	Director’s Identification Number
1	Poosapadi Ramasubrahmaneya Rajha Venketrama Raja	Chairman	00331406
2	Poosapadi Venketrama Raja Abinav Ramasubramaniam Raja	Managing Director (KMP)	07273249
3	Sinthalapadi Srengga Raja Ramachandra Raja	Non - Independent Director	00331491
4	Nambur Krishnama Raja Shrikantan Raja	Non - Independent Director	00350693
5	Radhey Shyam Agarwal	Independent Director	00012594
6	Vaidyanathan Santhanaraman	Independent Director	00212334
7	Venkataraman Chitra	Independent Director	07044099
8	Ajay Bhaskar Baliga	Independent Director	00030743

We are issuing this certificate based on our verification of the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official website of MCA; and
2. Disclosures / declarations / confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

**For S. KRISHNAMURTHY & CO.,**  
Company Secretaries  
(Peer Review Certificate No.739/2020)

**K. Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312D000342991

Place: Chennai  
Date : 18<sup>th</sup> May 2022

**AUDITORS' CERTIFICATE**

(under Schedule V(E) of LODR 2015)

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 Schedule II of LODR 2015 and report that all the conditions contained therein have been complied with by the Company.

For SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S

G.CHELLA KRISHNA  
Partner  
Membership No. 210474  
3<sup>rd</sup> floor, Anmol Palani Building  
88,G.N.Chetty Road  
T.Nagar, Chennai - 600 017.  
UDIN : 22210474AJEMIT6366

For Ramakrishna Raja and Co.  
Chartered Accountants  
Firm Registration No.: 005333S

C. KESAVAN  
Partner  
Membership No. 227833  
1D, Shanthi Nikethan,  
Rathinasamy Nadar Road,  
Bibikulam, Madurai-625 002  
UDIN : 22227833AJEFJR9391

Place : Chennai  
Date : 18.05.2022

**REPORT ON CSR ACTIVITIES**

1	Brief outline on CSR Policy of the Company			
	CSR activity will focus on the following activities that will positively impact the society at large			
(a)	Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.			
(b)	To directly or indirectly take up programs that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.			
(c)	To generate, through its CSR initiatives, a community goodwill for RIL and help reinforce a positive & socially responsible image of RIL as a corporate entity.			
2	<b>Composition of CSR Committee</b>			
Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri P.R. Venketrana Raja, Chairman of the Committee	Chairman	1 (24.05.2021)	1 (24.05.2021)
2	Shri P.V Abinav Ramasubramaniam Raja	Managing Director	1 (24.05.2021)	1 (24.05.2021)
3	Shri R.S Agarwal	Independent Director	1 (24.05.2021)	1 (24.05.2021)
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company			<a href="http://www.ramcoindltd.com/">http://www.ramcoindltd.com/</a> - "INVESTORS"
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)			Not applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any			
Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹) Lakhs	Amount required to be set-off for the financial year, if any (in ₹) Lakhs	
1	2020-21	16.10	NA	
6	Average net profit of the company as per section135(5):			9,542.43
7	(a)	Two percent of average net profit of the company as per section135(5):		190.85
	(b)	Surplus arising out of the CSR projects or programs or activities of the previous financial years:		-
	(c)	Amount required to be set off for the financial year, if any		16.10
	(d)	Total CSR obligation for the financial year (7a + 7b - 7c)		174.75

8	(a)	<b>CSR amount spent or unspent for the financial year:</b>								
		<b>Total Amount Spent for the Financial Year</b>						202.36		
		<b>Amount Unspent</b>	Total Amount transferred to Unspent CSR Account as per section 135(6)				Amount	Nil		
							Date of transfer	Not applicable		
			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).				Name of the Fund	Not applicable		
				Amount						
				Date of transfer						
(b)	<b>Details of CSR amount spent against ongoing projects for the financial year:</b>									
	(1)	Sl. No				1	2	3	Total	
	(2)	Name of the Project								
	(3)	Item from the list of activities in Schedule VII to the Act.								
	(4)	Local area (Yes/ No).								
	(5)	Location of the project	State							
			District							
	(6)	Project duration								
	(7)	Amount allocated for the project								
	(8)	Amount spent in the current financial Year								
	(9)	Amount transferred to Unspent CSR Account for the project as per Section 135(6)								
	(10)	Mode of Implementation Direct (Yes/No).								
(11)	Mode of Implementation - Through Implementing Agency	Name								
		CSR Registration Number								
(c)	<b>Details of CSR amount spent against other than ongoing projects for the financial year</b>									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
	Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the Project ₹ In lakhs	Mode of Implementation Direct (Yes/No)	Mode of implementation - Through implementing agency	CSR registration number	
					State	District		Name		
	1	Ensuring Environmental sustainability, ecological balance, protection of flora and fauna, animal welfare etc		Yes	Tamilnadu	Chennai	0.20	Yes		
	2			Yes	Tamilnadu	Madurai	2.00	No	WISH TO HELP CHARITABLE TRUST	CSR00012406
	3			Yes	Tamilnadu	Tenkasi	0.74	Yes		
	4			Yes	Tamilnadu	Thirunelveli	0.29	Yes		
	5			Yes	Tamilnadu	Virudhunagar	14.42	Yes		
	6	Eradication of Hunger, poverty, malnutrition making available safe drinking water, promotion of healthcare, including preventive healthcare		Yes	Andhra Pradesh	Chittoor	31.00	Yes		
	7			Yes	Andhra Pradesh	Krishna	12.87	Yes		
	8			Yes	Bihar	Bhojpur	10.97	Yes		
	9			Yes	Gujarat	Anjar (Kutch)	0.42	Yes		
	10			Yes	Gujarat	Saurashtra	2.00	Yes		
	11			Yes	Tamilnadu	Chennai	6.26	Yes		
	12			Yes	Tamilnadu	Coimbatore	1.00	No	ISHA OUTREACH	CSR00009670
	13			Yes	Tamilnadu	Coimbatore	0.20	No	THE UNITED ORPHANAGE FOR THE DISABLED	CSR00000029
14	Yes			Tamilnadu	Ranipet	3.78	Yes			
15	Yes			Tamilnadu	Virudhunagar	32.83	Yes			
16	Yes			West Bengal	Paschim Medinipore	2.96	Yes			

17	Promoting education, including Special Education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects	Yes	Bihar	Bhojpur	12.08	Yes		
18		Yes	Dadra and Nagar Haveli and Daman and Diu	Silvassa	0.25	Yes		
19		Yes	Tamilnadu	Chennai	0.12	Yes		
20		Yes	Tamilnadu	Ranipet	4.64	Yes		
21		Yes	Tamilnadu	Thirunelveli	0.05	Yes		
22		Yes	Tamilnadu	Virudhunagar	0.25	Yes		
23		Yes	West Bengal	Paschim Medinipore	9.48	Yes		
24	Protection of national Heritage, Art and Culture, promotion and development of traditional arts, restoration of building and sites of historical importance	Yes	Andhra Pradesh	Guntur	2.50	Yes		
25		Yes	Bihar	Bhojpur	0.05	Yes		
26		Yes	Karnataka	Dharwad	1.19	Yes		
27		Yes	Karnataka	Haveri	1.25	Yes		
28		Yes	Tamilnadu	Chennai	9.95	Yes		
29		Yes	Tamilnadu	Kancheepuram	0.67	Yes		
30		Yes	Tamilnadu	Myladuthurai	5.00	Yes		
31		Yes	Tamilnadu	Ranipet	2.00	Yes		
32		Yes	Tamilnadu	Salem	1.00	Yes		
33		Yes	Tamilnadu	Thirunelveli	0.50	Yes		
34		Yes	Tamilnadu	Virudhunagar	11.83	Yes		
35	Yes	Telangana	Khammam	0.84	Yes			
36	Rural Development Projects	Yes	Bihar	Bhojpur	0.14	Yes		
37		Yes	Dadra and Nagar Haveli and Diu and Daman	Silvassa	0.48	Yes		
38		Yes	Gujarat	Anjar (Kutch)	0.50	Yes		
39		Yes	Karnataka	Haveri	0.23	Yes		
40		Yes	Tamilnadu	Madurai	0.32	Yes		
41		Yes	Tamilnadu	Ranipet	0.32	Yes		
42		Yes	Tamilnadu	Thirunelveli	0.32	Yes		
43	Yes	Tamilnadu	Virudhunagar	0.32	Yes			
44	Training to promote rural sports, national recognised sports, paraolympic sports etc.,	Yes	Tamil Nadu	Chennai	10.17	Yes		
Total					202.36			
(d)	Amount spent in Administrative overheads							0
(e)	Amount spent on Impact Assessment, if applicable							Not applicable
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)						(₹ in lacs)	202.36
(g)	Excess amount for set-off, if any							
(i)	Two percent of average net profit of the company as per section 135(5)					(₹ in lacs)	190.85	
(ii)	Total amount spent for the Financial Year					(₹ in lacs)	202.36	
(iii)	Excess amount spent for the financial year [(ii)-(i)]					(₹ in lacs)	11.51	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any							-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)] * reference given below						(₹ in lacs)	27.61
9	(a) Details of Unspent CSR amount for the preceding three financial years							
	Sl No				1	2	3	Total
	Preceding financial year				Not applicable			
	Amount transferred to Unspent CSR Account under section 135 (6)							
	Amount spent in the reporting financial year							
	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any		Name of the Fund					
			Amount					
			Date of Transfer					
	Amount remaining to be spent in succeeding financial years							
(b)	Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):							
(1)	Sl No.				1	2	3	Total
(2)	Project ID	Not applicable						
(3)	Name of the Project							
(4)	Financial year in which the project was commenced							
(5)	Project duration							
(6)	Total amount allocated for the project							
(7)	Amount spent on the project in the reporting Financial Year							
(8)	Cumulative amount spent at the end of reporting Financial Year							
(9)	Status of the project- Completed /Ongoing							



10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)		
(a)	Date of creation or acquisition of the capital asset(s)		Not Applicable
	Sl.No.	Details of the Capital Assets	Date of acquisition/creation
(b)	Amount of CSR spent for creation or acquisition of capital asset		
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc		
	Sl.No.	Name of the entity/public authority with address	Details of capital assets registered
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)		
	Sl.No.	Details of the Capital assets created/acquired	Address and location of capital asset
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)		

\* Note for point 8 (g) (v): Amount available for set off in succeeding financial years of ₹ 27.61 lakhs include excess spent during the year 2020-21 of ₹ 16.10. lakhs.

Place : Chennai  
Date : 18.05.2022

Sd/-  
P.R.VENKETRAMA RAJA  
CHAIRMAN, CSR COMMITTEE

Sd/-  
PREM G SHANKER  
CHIEF EXECUTIVE OFFICER

Annexure - 7

### Form AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangement or transactions at arm's length basis -

M/s. Raja Charity Trust who has been appointed as Sole Selling Agent by the Company has received commission of ₹ 944.15 lakhs for the sales made through them of ₹ 94,414.97 lakhs during the year 2021-22 (as approved by Shareholders in the AGM held on 04.08.2016).

Place : Chennai  
Date : 18.05.2022

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED  
P.R.VENKETRAMA RAJA  
CHAIRMAN

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION  
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31.03.2022.

<b>A. CONSERVATION OF ENERGY (Pertaining to Cotton Yarn Products Division)</b>		
(a)	The Steps taken or impact on conservation of energy	<ol style="list-style-type: none"> <li>1. K Ecorised unit installed in 14 nos of Rieter Ringframe.</li> <li>2. Existing over loaded pump motors are repalced with 7.5 KW pump motor 13 nos in all Humidification Plant.</li> </ol>
(b)	The steps taken by the Company for utilising alternate sources of energy	Already the Company had invested on windmills to generate green energy for their captive consumption.
(c)	The capital Investment on energy conservation equipments	Nil
<b>B. TECHNOLOGY ABSORPTION</b>		
(i)	Efforts made in Technology Absorption	<ol style="list-style-type: none"> <li>1. Online Roving Quality Monitor (Premier Ultimo) in B Unit Speed frame.</li> <li>2. Latest Model New Gassing Machine SSM make installed in C Unit</li> <li>3. New 800 KVA Transformer installed in A Unit.</li> </ol>
(ii)	the benefits derived like product improvement, costreduction, product development or import substitution	<ol style="list-style-type: none"> <li>1. Increatee in Productivity.</li> <li>2. Energy Savings.</li> <li>3. Manpower Reduction</li> </ol>
(iii)	Incase of Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	NIL
(a)	The details of technology imported	
(b)	The year of Import	
(c)	Whether the technology been fully absorbed	
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	The expenditure incurred on Research and Development	Not Applicable
<b>C. FOREIGN EXCHANGE EARNINGS AND OUTGO (pertaining to Cotton Yarn Division)</b>		
(a)	Foreign exchange earned in terms of actual inflows during the year	₹ 8,253.28 Lakhs
(b)	Foreign exchange out go during the year in the term of actual outflows	₹ 7,894.67 Lakhs

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION  
AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

In terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31/03/2022.

<b>A. CONSERVATION OF ENERGY (Pertaining to Building Products Division)</b>		
(a)	The Steps taken or impact on conservation of energy	1. Additional tracks with steel moulds installed in Bihiya and Vijayawada unit. 2. Energy audit done in Karur unit and 50KW load reduced.
(b)	The steps taken by the Company for utilizing alternate sources of energy	1. Wind energy has been efficiently utilized.
(c)	The capital investment on energy conservation equipment's	₹ 200 Lakhs (Approx.)
<b>B. TECHNOLOGY ABSORPTION</b>		
(i)	Efforts made in Technology Absorption	Part replacement of Asbestos with PVA to mitigate the risk of scarcity of Asbestos fibre
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<b>New Products:</b> 1) Hilux XFR - Extra fire rated Calcium silicate boards 2) Hilite - Lightweight Calcium silicate tiles 3) Instawall - Lightweight sandwich panels 4) Hiden - High density high strength boards 5) Hicem plus - Medium density high strength boards
(iii)	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	NIL
(a)	The details of technology imported	NIL
(b)	The year of Import	NIL
(c)	Whether the technology been fully absorbed	NIL
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	The expenditure incurred on Research and Development	₹ 45 Lakhs(Approx.)

**I. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

i. & ii. The ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year 2021-22.

Name of the Director / KMP and Designation	Remuneration of the Director / KMP for financial year 2021-22 ₹ in lakhs	% increase in remuneration in the financial year 2021-22	Ratio of Remuneration of each Director / to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the Company
Shri P.R. Venketrama Raja	8.00	54%	329:1	
Shri P.V.Abinav Ramasubramaniam Raja	834.98	1%	341:1	The Operating Profit Before Tax maintained
Shri S.S. Ramachandra Raja	3.20	60%	1.31:1	
Shri N.K. Shrikantan Raja	4.80	71%	1.97:1	
Shri R.S. Agarwal	8.80	57%	3.62:1	
Shri V. Santhanaraman	9.20	188%	3.78:1	
Smt. Justice Chitra Venkataraman (Retd.)	7.60	58%	3.12:1	
Shri Subramanian Suresh*	0.80	-	-	
Shri Ajay Bhaskar Baliga**	4.00	-	-	
Shri Prem G Shanker (Chief Executive Officer)	350.12	15%	143.9:1	The Operating Profit Before Tax maintained
Shri K. Sankaranarayanan (Chief Financial Officer)	85.60	7.5%	35.18:1	
Shri S. Balamurugasundaram (Company Secretary)	39.80	7.5%	16.35:1	

\* resigned on 30.5.2021

\*\* appointed on 27.7.2021

- iii. The median remuneration of the employees during the financial year was ₹ 2,43,314/- and the percentage increase in the median remuneration was 10%.
- iv. There were 1,885 permanent employees on the rolls of the Company, as on 31<sup>st</sup> March 2022.
- v. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2021-22 was 5.79% and the increase in the managerial remuneration of KMP for the same financial year was 10%.
- vi. MD's remuneration is 3% of the profits of the Company for first 2 years and 5% for remaining period of 3 years, calculated in accordance with Section 198 of the Companies Act, 2013 and in case of inadequate profits, remuneration is based on Section II Part II of Schedule V of the Companies Act, 2013.
- vii. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

**II. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Employed throughout the financial year 2020-21 and was in receipt of remuneration, in the aggregate, not less than ₹ 1.02 Crores

Sl. No	Name	Designation	Remuneration (in lakhs)	Qualification And Experience	Date of commencement of employment	Age	Last employment
1	P.V.ABINAV RAMASUBRAMANIAM RAJA	MANAGING DIRECTOR	834.98	International Baccalaureate, Bachelors of Science in Industrial Eng	04-06-2017	28	N.A.
2	PREM G SHANKER	Chief Executive Officer	350.13	B.Tech, MS in Mechanical Engineering, Diploma in Management	09-10-2008	58	Texmo Insutries, Coimbatore
3	K.SANKARANARAYANAN	Chief Financial Officer	85.61	B.Com, ACA, ICWA, ACS	05-09-2013	55	Rane Engine Valves Ltd.
4	BHATT NARAYAN SHANKER	Vice President Marketing	81.59	MBA	04-10-2018	52	Hindustan Cocacola
5	SAMBASIVAM SRINIVAS	Vice President Marketing & Sales	76.23	BSc Zoology, PGDBA - Marketing	05-06-2013	56	ACO Systems And Solutions Pvt. Ltd., Bangalore
6	K.S. NAGENDRAN	Vice President Production	63.51	B.E.Mechanical Engg.,MBA General Marketing	25-08-2014	57	HIL Ltd., Balasore & Sathariya
7	T.A.RAVICHANDRAN	Assistant Vice President Taxation & Accounts	45.00	B.Com,ACA	09-09-2015	51	L&T Shipbuilding Ltd.
8	S.LAKSHMANAN	Asst. Vice President - Production	44.23	Diploma in Electrical Engineering	15-06-1984	56	N.A
9	M.S. GOWRI SHANKAR	Asst. Vice President - Marketing	42.57	B.E. Mechanical Engg. MBA-Marketing	18-12-2013	57	Visaka Industries Limited/Sahyadri Industries Limited
10	ANANTHARAJ	Asst. Vice President (Products & Solutions)	42.44	B.E. (Mechanical)	09-03-1989	55	SRM Engg. College, Kattankulathur, Chennai

Employed for a part of the financial year 2021-22 and was in receipt of remuneration, at a rate which, in the aggregate, not less than ₹ 8.5 lakhs per month - NIL

**NOTES :**

All appointments are contractual.

None of the employees mentioned above is related to any director of the Company except Shri P.V.Abinav Ramasubramaniam Raja, Managing Director who is related to Shri P.R. Venketrama Raja, Chairman.

No employee was in receipt of remuneration in excess of that drawn by Managing Director.

MD's remuneration includes contribution to PF and after deduction of salary paid by M/s. Ramco Systems Limited, as approved by Shareholders on 04.08.2017.

Remuneration to others include salary, variable performance pay, allowances, contribution to Provident Fund and Superannuation Fund, taxable value of perks and leave encashment but excludes gratuity.

On behalf of the Board of Directors  
For RAMCO INDUSTRIES LIMITED

P.R.VENKETRAMA RAJA  
CHAIRMAN

Place : Chennai  
Date : 18<sup>th</sup> May, 2022

**COMPLIANCE CERTIFICATE**

*[Pursuant to Regulation 13 of the Securities and Exchange Board of India  
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]*

To

The Members  
Ramco Industries Limited,  
[CIN: L26943TN1965PLC005297]  
47, PSK Nagar, Rajapalayam,  
Virudhunagar District - 626108

We S Krishnamurthy & Co., Company Secretaries, are the Secretarial Auditors of The Ramco Industries Limited (hereinafter referred to as “the Company”) having CIN L26943TN1965PLC005297 and having its registered office at 47, P.S.K Nagar, Rajapalayam, Virudhunagar District - 626108.

The Company has implemented Employee Stock Option Scheme 2021 Plan A (ESOS 2021 - Plan A) and Employee Stock Option Scheme 2021 Plan B (ESOS 2021 - Plan B) (hereinafter referred to as “ESOS 2021”) pursuant to the ESOS Regulations and the Special Resolutions passed by the members at the 56<sup>th</sup> Annual General Meeting of the Company held on 19<sup>th</sup> August 2021 (56<sup>th</sup> AGM).

During the year ended 31<sup>st</sup> March 2022, the Company was required to comply with The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, which replaced The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 with effect from 13<sup>th</sup> August 2021 (ESOS Regulations), in respect of ESOS 2021 (Plan A and Plan B).

The Company’s Management is responsible for implementation of ESOS 2021 (Plan A and Plan B), including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws/ regulations and ensuring that the systems are adequate and are operating effectively.

We are issuing this certificate as required under Regulation 13 of ESOS Regulations on the implementation of the ESOS by the Company during the financial year ended 31<sup>st</sup> March 2022, based on our verifications, which included the following:

1. ESOS 2021 (Scheme and Plans) details received from the Company;
2. Articles of Association of the Company;
3. Resolutions passed by the Board of Directors;
4. Special resolutions passed by the members at the 56<sup>th</sup> AGM;
5. Minutes of the meetings of the Nomination and Remuneration Committee (NRC), which has been designated by the Company as the “Compensation Committee” for the purpose of the ESOS Regulations and accordingly administers ESOS 2021;
6. Detailed terms and conditions of ESOS 2021 Scheme and Plans as approved by the NRC;
7. Statements filed with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in accordance with Regulation 10;
8. Applicable provisions of ESOS Regulations, Companies Act, 2013 and Rules made thereunder; and
9. E-Forms filed with the Ministry of Company Affairs, intimations to NSE and BSE, Corporate Actions executed through Depositories and other relevant documents.

**We hereby certify that**, in our opinion and to the best of our information and based on the records furnished for our verification, the representations made and the explanations given to us by the Company, its officers and agents, **the Company has, during the financial year ended 31<sup>st</sup> March 2022, implemented the Employee Stock Option Scheme 2021 Plan A and Employee Stock Option Scheme 2021 Plan B in accordance with the ESOS Regulations and the Special Resolutions passed on 19<sup>th</sup> August 2021.**

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

**For S. KRISHNAMURTHY & CO.,**  
Company Secretaries  
(Peer Review Certificate No.739/2020)

**K. Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312D000343099

Place: Chennai  
Date : 18<sup>th</sup> May 2022

## BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of LODR]

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L26943TN1965PLC005297 Date of Incorporation : 27/01/1965																								
2	Name of the Company	RAMCO INDUSTRIES LIMITED																								
3	Registered address	47, P.S.K. Nagar, Rajapalayam 626108																								
4	Website	www.ramcoindltd.com																								
5	Email	bms@ril.co.in																								
6	Financial Year reported	1 <sup>st</sup> April 2021 to 31 <sup>st</sup> March 2022																								
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th colspan="4">Codes as per NIC - 2008</th> </tr> <tr> <th>Group</th> <th>Class</th> <th>Sub class</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>131</td> <td>1311</td> <td>13111</td> <td>Preparation and Spinning of cotton fibre including blended cotton.</td> </tr> <tr> <td>239</td> <td>2395</td> <td>23953</td> <td>Manufacture of asbestos sheet.</td> </tr> <tr> <td>239</td> <td>2395</td> <td>23956</td> <td>Manufacture of insulation boards of vegetable fibre, straw or wood waste, agglomerated with cement &amp; other mineral binders.</td> </tr> <tr> <td>351</td> <td>3510</td> <td>35106</td> <td>Electric power generation using other non-conventional sources</td> </tr> </tbody> </table>	Codes as per NIC - 2008				Group	Class	Sub class	Description	131	1311	13111	Preparation and Spinning of cotton fibre including blended cotton.	239	2395	23953	Manufacture of asbestos sheet.	239	2395	23956	Manufacture of insulation boards of vegetable fibre, straw or wood waste, agglomerated with cement & other mineral binders.	351	3510	35106	Electric power generation using other non-conventional sources
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8	List three key products/services that the Company manufactures/provides (as in balance sheet)	<ol style="list-style-type: none"> <li>1. Fibre cement sheet</li> <li>2. Fibre Cement Board</li> <li>3. Cotton Yarn</li> </ol>																								
9	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations: 2 locations in Sri Lanka (b) Number of National Locations: 10 locations in India																								
10	Markets served by the Company	Domestic - All India ; Exports - 30 Countries Principle Markets served by the company : <ol style="list-style-type: none"> <li>1. Tamil Nadu, AP, Telangana, Karnataka, Kerala, Select Markets of Orissa, West Bengal, Jharkhand, Gujarat, Parts of Maharashtra, Goa, Madhya Pradesh, Select Markets of Rajasthan, Bihar, Select Markets of Uttar Pradesh, Select Markets of Haryana, Punjab, Himachal Pradesh - for Fibre Cement Sheets &amp; Boards.</li> <li>2. Assam, Chhattisgarh, Jammu &amp; Kashmir are newer markets where we have recently entered through Niche Marketing Channel focussing on boards.</li> </ol>																								

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital - ₹ In crores	8.66
2	Total Turnover - ₹ In crores	1184 (Net of duties and taxes)
3	Total Comprehensive Income - ₹ In crores	105.15
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Total Comprehensive Income (%)	The Company has spent ₹ 2.023 crores on CSR, which is 1.927% of Total Comprehensive Income for the year 2021-22



5	List of activities in which expenditure in 4 above has been incurred	<ol style="list-style-type: none"> <li>1. Promotion of Education, Enhancing Vocational Skills, Livelihood Enhancement Projects, etc.</li> <li>2. Eradication of Hunger, Providing of Safe Drinking Water, Health Care, etc.</li> <li>3. Protection of National Heritage, Sites of Historical Importance, etc.</li> <li>4. Rural Development Projects</li> <li>5. Ensuring Environmental Sustainability, Ecological Balance, Protection of Flora and Fauna, etc.</li> <li>6. Training to promote rural sports, national recognised sports, paraolympic sports etc.,</li> </ol>
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**SECTION C: OTHER DETAILS**

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has three Subsidiaries. Name : Sudharsanam Investments Limited, India Sri Ramco Lanka (Pvt.) Limited, Sri Lanka Sri Ramco Roofings Lanka (Pvt.) Limited, Sri Lanka
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Business Responsibility initiatives of the holding company are applicable to the Subsidiary Company as well.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The Company involves its Business Associates, such as Dealers, Logistics Partners, etc. in its Business Responsibility initiatives. However, their extent of participation in terms of percentage cannot be quantified.

**SECTION D: BR INFORMATION**

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1	DIN Number	07273249
2	Name	Shri P.V. Abinav Ramasubramaniam Raja
3	Designation	Managing Director

(b) Details of the BR head

1	DIN Number	02582914 (PAN: AHFPS4019P)
2	Name	Shri Prem G Shanker
3	Designation	Chief Executive Officer
4	Telephone Number	044 - 2847 8585
5	E-Mail ID	<a href="mailto:pgs@ril.co.in">pgs@ril.co.in</a>

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. They are:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for BR Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	The policies conform to the guidelines / standards of Companies Act, 2013 and other statutory acts, regulations, notifications, etc. The policies / standards are at par with generally accepted practices for the respective principles.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.ramcoindltd.com/policies.html">https://www.ramcoindltd.com/policies.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Company's website contains the policies for information of all internal and external stakeholders. Further, relevant communication is provided to stakeholders through appropriate mediums, such as, Circulars, Notice Boards, etc.								
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The ISO Standards and other standards adopted by the Company are subject to routine monitoring / evaluation / review by their concerned external agencies on periodical basis. The internal audit team reviews the SOP of the various functions of the company and reviews the compliance of the said policies followed by the various functions in line with the SOP's established by the company. Any variations is reported to the Management								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**3. GOVERNANCE RELATED TO BR**

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the Business Responsibility performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CSR Committee consisting of 3 Directors is responsible to assess the Business Responsibility performance of the Company and to oversee the implementation of the various policies. It is reviewed on annual basis or as and when the need arises. The CSR Committee at its meeting held on 18.05.2022 had reviewed and recommended the Business Responsibility Report for the year 2021-22 to the board and the board had approved the same at its meeting held on 18-05-2022.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report is published in the Annual Report and also placed on the Website of the Company under the weblink - [www.ramcoindltd.com](http://www.ramcoindltd.com)

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, The Company's policies viz. Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy lay down the rules and procedures by which any stakeholder can report the actual or suspected improper activities of any kind, fraud and violation of company's code of conduct. The whistle blower policy extends to individuals who are in full time or part time employment with the company or its subsidiaries including those serving as consultants and contract / third party employees.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaint has been received under Whistle Blower Policy. During the year under review no complaint has been received from Shareholders relating to non-receipt of dividends / annual report.

**Principle 2**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

A. Fibre Cement Sheet

The Company is producing Fibre Cement roofing sheets which utilises Fly ash and Slag as raw materials. Fly ash is an Industrial waste from Thermal power plants and Slag is an Industrial waste from Steel plants as green strategy. Also the company utilises Cotton rag pulp as one of the raw material which is processed from waste cloths/hosieries. Utilisation of these materials in the company's manufacturing process protect environment

B. Power Generation - Wind Energy

Company invested in Wind Mill Generators for non-conventional pollution free power generation in three states viz., Tamilnadu, Karnataka and Gujarat.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Resources	Units of Measurement	2021-22	2020-21
Fly Ash	% per ton of RM Mix	33.9	34.0
Slag	% per ton of RM Mix	10.16	10.0
Cotton Rag Pulp	% per ton of RM Mix	1.78	2.0
Power	Kwh/Ton of Sheet	41.2	42
Cement	% per ton of RM Mix	42.37	43.64

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The consumption of water is greatly reduced by using company’s Hicem Board and Hilux board instead of conventional brick and Mortar system promoting dry green construction

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The manufacturing Units are situated nearby Cement plants/Thermal Power plants to enable bulk transportation of Cement and Fly ash to reduce cost and pollution.

Pulp is being purchased from local vendors replacing maximum quantity of pulp imports.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The company is developing the local vendors for the cotton rag pulp production. Technical Inputs given to manufacture pulp for our process requirement. Testing methods shared and training on testing given to the local vendors to improve their process capability

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company operates on Zero discharge policy and all wastes are 100% recycled through Clarifiers, Pulverisers and Ball mills.

**Principle 3**

1. Please indicate the Total number of employees. - 1878

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. -1011

3. Please indicate the Number of permanent women employees - 281

4. Please indicate the Number of permanent employees with disabilities -0

5. Do you have an employee association that is recognized by management:

The plants at Arakkonam, Maksi, Karur and Kharagpur have employee unions recognized by the management.

6. What percentage of your permanent employees is members of this recognized employee association?

Arakkonam Plant - 36% and 64%

Maksi Plant - 100%

Karur Plant - 100%

Kharagpur Plant - 100%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NA
2	Sexual harassment	NIL	NA
3	Discriminatory employment	NIL	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	86%
(b)	Permanent Women Employees	88%
(c)	Casual/Temporary/Contractual Employees	80%
(d)	Employees with Disabilities	-

The Company emphasises on Safety practises across the units. The company had implemented Standard Safety Management System which provides guidelines to employees in their daily activities with the best Safety, Health and Environmental Standards. All new entrants (Permanent/ Contract/ etc.), have been imparted with Safety Induction Training programme covering all the Safety aspects. The main objective of Safety Department of the Company is to establish health and safety culture across the plant through awareness training and promotional activities. It is mandatory to undergo Safety Training for all the employees.

An important part of the Company's mission is to invest in people development and growth as the Company believes that only people development is the foundation for strong and qualitative growth of the organization. Hence skill up-gradation training is being provided to all the employees based on their individual /departmental needs.

**Principle 4**

1. Has the company mapped its internal and external stakeholders? Yes/No  
Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

There is stigma about the exposure of Asbestos fibre and cement dust emission.

There are many controls and the equipment are modernised to ensure zero emission of Asbestos fibre inside and also outside the premises.

Some Social Media are notoriously spreading false information to the public.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The fibre emission test is being monitored frequently by the Government Lab and also by the third party testing to ensure the zero emission of fibre.

More CSR activities are in line to improve the socio- economic status of the people who are residing near to the factory

**Principle 5**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

The Company's Code of Conduct and HR practices have been developed to respect and protect human rights. It extends only to the Company and its Subsidiary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint in respect of violation of human rights.

**Principle 6**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
The Policy on environment covers the Company and its Subsidiary.
2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
Yes. The Company strives to have minimal carbon foot print and to reduce its impact with regard to climate change, global warming, etc. The Company's Safety, Health and Environment Policy gives utmost importance to the environmental impact of the practices it follows and the product it creates. The weblink for the same is : <https://www.ramcoindltd.com/policies.html>
3. Does the company identify and assess potential environmental risks? Y/N  
Yes. The Company has a mechanism in place to identify and assess potential environmental risk. The Company's ISO systems and procedures covers Environmental Risk and the process for managing it.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
The Company is having wind farm project to generate clean electricity from renewable energy source (wind).
5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.  
The Company pays attention at all levels to reduce energy consumption, by continuous monitoring, maintenances and improvements. Some of the steps taken for conservation of energy include
  - EPD, Greenpro and ISO 14001 certifications
  - Installation of Variable frequency drive (VFD) for process equipment to reduce electrical energy.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes, the emissions/waste generated by the Company are within the permissible limits prescribed by CPCB/SPCB.
7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
None.

**Principle 7**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - a. Indian Green building Council
  - b. United states Green building Council
  - c. The Fibre Cement Products Manufacturers Association
  - d. Fire and Safety Association of India
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Yes. Following are the areas.
  - a. Promotion of Fibre cement products
  - b. Recommendation for change in fly ash specification
  - c. Promotion of our Green products
  - d. Promotion of affordable green buildings

**Principle 8**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company believes that as the Organisation grows, the society and the community around it should also grow. For this, the company undertakes various initiatives/projects in and around the places where its manufacturing facilities are located. These include,

**Rural Industry and Skill Development**

Conducted Skill trainings for ITI students / Architects for entrepreneurship Employed youth through job placement

**CSR**

Conducted various CSR activities

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company's CSR initiatives are implemented by internal teams through coordination with external agencies, like Government Institutions, Academic Organisations, etc

3. Have you done any impact assessment of your initiative?

The Company reviews and assess its CSR initiatives through qualitative feedbacks, received from beneficiaries of the activities undertaken. Based upon such reviews, the initiatives are structured.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year ended 31<sup>st</sup> March 2022, the Company has spent ₹ 2.023 Crores towards Health, Education, Infrastructure Development and other various community development projects, towards its CSR commitment. The details are available in Board's Report. The company had also spent on other social causes and projects, which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR initiatives are carried out on a need based approach. The Company adopts participatory approach with communities/beneficiaries. With regard to project development and major asset creations, Company participates in mutual beneficiary contribution. These strategies ensure that the relevant beneficiaries successfully adopt and maintain them

**Principle 9**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

There were 53 customer complaints received during the year. 91% of complaints received pertained to Scheme settlement related and 9% of complaints received pertained to delivery of essential services which were resolved during the year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

The Company displays information as mandated by the local laws on the product label. No other additional information is provided.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

None

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No consumer survey was done due to pandemic scenario.

## INDEPENDENT AUDITOR'S REPORT

To the Members of RAMCO INDUSTRIES LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone financial statements of **RAMCO INDUSTRIES LIMITED** ("the Company"), which comprise the Standalone balance sheet as at 31<sup>st</sup> March 2022, and the Standalone Statement of Profit and Loss, the Standalone Statement of changes in Equity and the Standalone Statement of cash flows for the year ended on that date, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note No. 52 to the Standalone financial statement, which describes the uncertainties and the impact of the COVID-19 pandemic on the company's operations and results as assessed by the management. The Management has assessed that there is no material impact on the financial statements due to lockdown and related restrictions imposed towards controlling the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recognition and measurement of deferred taxes</b></p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p><b>(Refer to Note No. 4.4.4, 4.4.5, 4.4.6 and 4.4.7 to the Standalone Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Standalone financial statements.</p>



2	<p><b>Evaluation of uncertain Tax Position/ Other contingent liabilities</b></p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations, claims and other contingent liabilities. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p><b>(Refer to Note No. 38 to the Standalone Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</p> <p>We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p> <p>We also reviewed the relevant judgments and the opinions given by the company's advisers, which were relied on by the management for such claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Standalone financial statements.</p>
3	<p><b>Existence and impairment of Trade Receivables</b></p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business, the requirements of customers and various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment, in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p><b>(Refer to Note No. 12 to the Standalone Financial Statements)</b></p>	<p><b>Principal Audit Procedures:</b></p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We also reviewed the system of obtaining monthly confirmation from the customers, which are kept in electronic mode by the company. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Standalone financial statements.</p>
4	<p><b>Evaluation of Carrying value of Non-Current Investments:</b></p> <p>The Company has Non-Current Investments in unlisted subsidiaries, associates and other companies, amounting to ₹ 5,962.40 Lakhs as at 31<sup>st</sup> March 2022 which is 15.03% of the total non-current investments of the company. The Company's investments in unlisted subsidiaries and associates are valued at Cost less any impairment. These investments are assessed for impairment when an indicator of impairment exists. The management assess annually the existence of impairment indicators of each unlisted investment and assessed that there is no impairment in the value of such investment as on Balance Sheet date. The processes and methodologies for valuation and identification of impairment in the value of investments of unlisted companies requires application of significant judgment by the Company. The judgment has to be made with respect to the timing, quantity and estimation of future discounted cash flows of the unlisted entities.</p>	<p>We examined the policies and methodologies used by the management to estimate the carrying value of each investment.</p> <p>We evaluated the assessment techniques for the forecasting the future cash flows and revenue estimates used by the management to assess the future prospect of the investees' companies.</p> <p>We examined the report of the valuation experts obtained by the management for the valuation of the business to assess the investment value in unlisted companies.</p> <p>We reviewed and compared the estimates made by the management with the externally available industry data.</p>

It involves significant estimates and judgment by the management because of the inherent uncertainty involved in forecasting the investee's future performance and discounting future cash flows. We consider the valuation and assessment of impairment in value of such investments to be significant to the audit, because of the materiality of the value of investments in the separate financials statements of the Company and estimates and judgments involved in assessing the various unobservable valuation inputs like estimating the future cash flows. Accordingly, the valuation and assessment of impairment value in such investments of unlisted entities is determined to be key audit matter in our audit of the separate financials statement.

**(Refer to Note No. 8A and 8B to the Standalone Financial Statements)**

#### **Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Report on CSR activities, and Shareholders information but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit or loss including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act 2013 read with relevant rules issued there under and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

#### **Other Matters**

The Standalone Financial Statements includes financial performance of a foreign branch which reflects total assets of ₹ 164.34 Lakhs, total revenue of ₹ Nil and net cash outflow amounting to ₹ 2.18 Lakhs for the year ended on 31<sup>st</sup> March 2022, which was audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the Standalone financial statements solely based on such audited financial statements.

#### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

- (d) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of changes in equity and the Standalone statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Standalone Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial control over financial reporting.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the details of the pending litigations and its impact on the financial position in its standalone financial statements have been disclosed in Note No. 38.2.1 to 38.2.9 of the Disclosures forming part of the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2022;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provide under (a) and (b) above, contain any material mis-statement.
  - v. The company has not paid any dividend during the year. The Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELQ05128

Place: Chennai  
Date: 18<sup>th</sup> May 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335

C. KESAVAN  
Partner  
Membership No.: 227833  
UDIN: 22227833AJEGWG1046

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT**

With reference to the Annexure A referred to in the Independent Auditor’s Report to the members of company on the Standalone financial statements for the year ended 31<sup>st</sup> March 2022, we report the following:

- (i) (a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (c) According to the information and explanation given to us and on the basis of the verification of the records of the company the title deeds of immovable properties of the Company are held in the name of the Company.  
In respect of immovable properties taken on lease and disclosed as right of use assets in the Standalone financial statements, the lease agreements are in the name of company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act 1988 and rules made there under.
- (ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material.
- (c) The Company has been sanctioned working capital limits in excess of five crore rupees from bankers on the basis of security of current assets and the quarterly statements filed with such banks are in agreement with the books of account of company.
- (iii) (a) The company has made investments in/provided guarantee /granted loans/ advances in the nature of loans during the year details of which are given below:

₹ in Lakhs

Particulars	Investments	Guarantees	Loans
Aggregate amount granted during the year			
(i) Subsidiaries & Associates	6,133.03	-	1,017.21
(ii) Other Companies	-	-	-
(iii) Others	3.01	-	27.09
Balance outstanding as at Balance Sheet date			
(i) Subsidiaries & Associates	35,200.01	-	1,234.23
(ii) Other Companies	4,447.50	4,629.00	-
(iii) Others	33.51	-	38.45

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided, prima facie, not prejudicial to the interest of the company.
- (c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, in respect of loans and advances in the nature of loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are regular.
- (d) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans repayable on demand without specifying any terms or period of repayment.

- (iv) According to information and explanations give to us, the company has complied with the provisions of Section 186 of the Act in relation to loans, guarantees provided and investments made.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, reporting under this clause 3 (v) of the Order does not arise.
- (vi) The Central Government, under section 148 (1) of the Companies Act 2013 has specified maintenance of cost records and such accounts and records have been so made and maintained by the Company.
- (vii) (a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrear as at 31<sup>st</sup> March 2022 for a period of more than six months from the date they become payable.
- (b) As at 31<sup>st</sup> March 2022, according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

(₹ In Lakhs)

Sl. No.	Name of the Statute	Forum where dispute is pending	31/03/2022	31/03/2021
1	Sales Tax Act	Appellate Authority	181.94	178.70
	VAT Act	Assistant/Deputy/Joint Commissioner, Appeals	18.66	18.47
	Entry Tax	Assistant/Deputy/Joint Commissioner, Appeals	21.32	11.82
	CST Act	Assistant/Deputy/Joint Commissioner, Appeals	45.52	37.66
2	Electricity Act	High Court	527.35	501.86
3	Income Tax Act	Deputy Commissioner	314.94	550.43
		Commissioner Appeals	858.27	816.61
		High Court	944.06	944.06
Total			2,912.06	3,059.61

- (viii) According to the Information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under Income tax act 1961 as income during the year.
- (ix) (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies as defined in the Act.
- (f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies as defined under the Act.
- (x) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised funds by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.



- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards. (Refer to Note No. 44 to the Standalone Financial Statements)
- (xiv) (a) Based on information and explanations given to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its Directors. Accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any non-banking financial or housing finance activities during the year.
- (c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations provided to us during the course of our audit, the Company does not have any CICs.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of the balance sheet, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project under CSR. According clauses 3 (xx) (a) and 3 (xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELQO5128

Place: Chennai  
Date: 18<sup>th</sup> May 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S

C. KESAVAN  
Partner  
Membership No.: 227833  
UDIN: 22227833AJEGWG1046

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARDS OF RAMCO INDUSTRIES**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**  
We have audited the internal financial controls over financial reporting of M/s. RAMCO INDUSTRIES LIMITED (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELQ05128

Place: Chennai  
Date: 18<sup>th</sup> May 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S

C. KESAVAN  
Partner  
Membership No.: 227833  
UDIN: 22227833AJEGWG1046

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022**

	Note No	As at 31-Mar-2022 ₹ in Lakhs	As at 31-Mar-2021 ₹ in Lakhs
<b>I ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipments	6-A	49,353.84	44,317.32
Capital Work -in- Progress	6-C	1,735.20	3,408.26
Investment Property	7	58.37	63.97
Intangible Assets	6-B	398.65	364.93
<b>Financial Assets</b>			
Investments in Subsidiaries and Associates	8-A	35,200.01	29,066.98
Other investments	8-B	4,481.01	4,673.03
Loans	9	1,234.23	217.78
Other Financial Assets	9	762.92	742.09
Other Non - Current Assets	10	591.35	313.42
		<u>93,815.58</u>	<u>83,167.78</u>
<b>CURRENT ASSETS</b>			
Inventories	11	36,752.18	33,403.91
<b>Financial Assets</b>			
Trade Receivables	12	11,033.51	8,892.84
Cash and Cash Equivalents	13 A	594.04	594.97
Bank Balances other than Cash and Cash Equivalents	13 B	60.66	165.50
Other Financial Assets	14	174.79	180.37
Current Tax Assets		3,388.50	3,827.75
Other Current Assets	15	6,564.33	3,385.35
		<u>58,568.01</u>	<u>50,450.69</u>
<b>TOTAL ASSETS</b>		<u>1,52,383.59</u>	<u>1,33,618.47</u>
<b>II EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUND</b>			
Equity Share Capital	16	866.63	866.63
Other Equity	17	99,837.74	89,244.22
Total Equity		<u>1,00,704.37</u>	<u>90,110.85</u>
<b>NON-CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	18	1,472.04	2,355.17
Other Financial Liabilities	19	218.41	219.41
Deferred Tax Liability (Net)	20	6,513.92	4,169.36
Deferred Government Grants	21	107.90	115.74
		<u>8,312.27</u>	<u>6,859.68</u>
<b>CURRENT LIABILITIES</b>			
<b>Financial Liabilities</b>			
Borrowings	22	20,916.06	12,891.69
Trade Payables			
Dues of Micro and Small Enterprises	23	476.04	337.51
Dues of creditors other than Micro and Small Enterprises	23	4,250.83	6,345.77
Other financial Liabilities	24	8,497.93	7,850.81
Deferred Government Grants		9.77	11.70
Other Current liabilities	25	4,092.73	3,891.87
Provisions	26	5,123.59	5,318.59
		<u>43,366.95</u>	<u>36,647.94</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u>1,52,383.59</u>	<u>1,33,618.47</u>
Significant Accounting Policies, Judgements and Estimates	1-5		
See accompanying notes to the financial statements	6-54		

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN : 22210474AJELQ05128  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN : 22227833AJEGWG1046

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

	Note No	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
<b>INCOME</b>			
Revenue from operations	27	1,18,390.78	1,00,293.39
Other Income	28	2,970.30	4,597.20
Other Finance Income	29	85.38	60.85
<b>Total Revenue</b>		<u>1,21,446.46</u>	<u>1,04,951.44</u>
<b>EXPENSES</b>			
Cost of materials consumed	30	60,763.50	48,112.58
Cost of Resale materials		41.19	12.68
Change in inventories of Finished Goods and Work in Progress	31	(2,492.64)	1,784.24
Employee benefit expenses	32	11,090.35	10,037.60
Finance costs	33	853.27	949.32
Depreciation and amortisation expenses	6	2,930.92	2,761.71
Other expenses	34	32,233.55	25,251.15
<b>Total Expenses</b>		<u>1,05,420.14</u>	<u>88,909.28</u>
Profit / (Loss) before Tax		16,026.32	16,042.16
Income Tax expenses	36		
Current Tax		4,482.54	4,555.72
Current Tax adjustments of earlier years		126.87	(14.53)
Net Current Tax Expenses		4,609.41	4,541.19
Deferred Tax		724.08	423.22
Total Tax Expenses		<u>5,333.49</u>	<u>4,964.41</u>
<b>Profit / (Loss) for the year</b>		<u>10,692.83</u>	<u>11,077.75</u>
<b>Other Comprehensive income</b>			
Item will not be reclassified to profit / (loss) in subsequent periods:			
Actuarial Gain/(loss) on defined benefit obligation		(5.03)	(2.51)
Fair value gain/(loss) on Equity instruments through OCI		(195.04)	1,620.58
Tax effect on Other Comprehensive Income		22.72	(188.80)
<b>Total Comprehensive income for the year, net of Tax</b>		<u>10,515.48</u>	<u>12,507.02</u>
Earnings per equity share of face value of ₹ 1 each			
Basic & Diluted in Rupees		12.34	12.78
Significant Accounting Policies, Judgements and estimates	1-5		
See accompanying notes to the financial statements	6-54		

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN : 22210474AJELQ05128  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN : 22227833AJEGWG1046

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

**SEPARATE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022**

	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
<b>A Cash flow from operating activities</b>		
Profit Before Tax	16,026.32	16,042.16
Adjusted for		
Loss on sale of assets	71.45	219.58
Depreciation	2,930.92	2,761.71
Dividend Income	(2,206.85)	(4,092.66)
Profit on sale of assets	(20.69)	(149.37)
Fair value loss/(gain) on investments	(3.01)	(9.99)
Interest income	(85.38)	(60.85)
Employee Stock Option Expense	78.04	-
Cash flow arising out of Actuarial loss on defined benefit obligation	(5.03)	(2.51)
Finance Cost	853.27	949.32
Royalty receipts	(3,035.08)	(2,293.09)
	(1,422.36)	(2,677.86)
Operating profit before working capital changes	14,603.96	13,364.30
Adjusted for		
Trade and other receivables	(2,140.67)	(1,074.64)
Inventories	(3,348.27)	(1,693.64)
Trade payables	(1,956.41)	636.45
Other Current Assets	(5,347.15)	(3,205.39)
Other current Liabilities/financial liabilities	652.65	4,424.37
	(12,139.85)	(912.85)
<b>Cash (used in) / generated from operations</b>	2,464.11	12,451.45
Taxes paid	(353.21)	(546.29)
<b>Net cash (used in) / generated from operating activities</b>	2,110.90	11,905.16
<b>B Cash flow from Investing activities</b>		
Purchase of Plant, property and Equipment	(8,158.81)	(4,371.24)
Proceeds from Sale of Plant, property and Equipment	80.88	595.35
Adjustments in Assets	26.01	68.97
Interest income	85.38	60.85
Dividend income	2,206.85	4,092.66
Changes in Capital WIP	1,673.06	(1,530.38)
Advance for long term purpose	(309.61)	339.17
Loan given to Subsidiaries & Associates	(1,000.00)	-
Investment made in Equity shares of Associates	(6,133.04)	(4,051.39)
Royalty receipts	3,035.08	2,293.09
<b>Net cash (used in) / from investing activities</b>	(8,494.20)	(2,502.92)

**SEPARATE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022**

	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowing	(752.24)	(2,197.21)
Proceeds from other Long term liabilities	(7.84)	(11.69)
Proceeds from short term borrowings	7,893.48	(6,323.73)
Dividend paid	-	(866.64)
Finance cost	<u>(855.87)</u>	<u>(948.51)</u>
<b>Net cash from / (used in) Financing activities</b>	<b>6,277.53</b>	<b>(10,347.78)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	<b>(105.77)</b>	<b>(945.54)</b>
Cash and cash equivalents as at the beginning of the period	<b>760.47</b>	<b>1,706.01</b>
<b>Cash and Cash equivalents as at end of the period</b>	<b><u>654.70</u></b>	<b><u>760.47</u></b>
 <b>Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:</b>		
Balance at the beginning of the year		
Long Term Borrowings	2,355.17	2,573.76
Short Term Borrowings (excluding cash credit)	11,844.94	18,168.67
Current maturities of Long Term Debt	1,046.75	3,025.37
Interest accrued	31.36	32.17
Sub-total Balance at the beginning of the year	<u>15,278.22</u>	<u>23,799.97</u>
Cash flows during the year		
Proceeds from Long Term Borrowings	361.53	1,101.93
Repayment of Long Term Borrowings	(1,113.77)	(3,299.14)
Proceeds from / (Repayment of) Short Term Borrowings (net)	7,893.48	(6,323.73)
Interest paid	(850.67)	(950.13)
Sub-total Cash flows during the year	<u>6,290.57</u>	<u>(9,471.07)</u>
Non-cash changes		
Interest accrual for the year	853.27	949.32
Balance as at the end of the year		
Long Term Borrowings	1,472.04	2,355.17
Short Term Borrowings	19,738.42	11,844.94
Current maturities of Long Term Debt	1,177.64	1,046.75
Interest accrued but not due	33.96	31.36
Balance as at the end of the year	<u>22,422.06</u>	<u>15,278.22</u>

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELQO5128  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEGWG1046

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**A. EQUITY SHARE CAPITAL**

₹ In Lakhs

Balance as at 01-04-2020	866.63
Changes in Equity Share Capital during the year 2020-21	-
Changes in Equity for Prior Period Errors	-
Balance as at 31-03-2021	866.63
Changes in Equity Share Capital during the year 2021-22	-
Changes in Equity for Prior Period Errors	-
Balance as at 31-03-2022	866.63

**B. OTHER EQUITY**

For the year ended 31<sup>st</sup> March, 2022

₹ In Lakhs

Particulars	Surplus					Items of OCI		Total
	Capital Reserve	Employee Stok Option Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 01-04-2021	1,260.71	-	209.53	34,982.83	48,273.46	4,517.69	-	89,244.22
Profit for the period	-	-	-	10,692.83	-	-	-	10,692.83
Other comprehensive income	-	-	-	-	-	(172.32)	(5.03)	(177.35)
<b>Total Comprehensive Income</b>	-	-	-	<b>10,692.83</b>	-	<b>(172.32)</b>	<b>(5.03)</b>	<b>10,515.48</b>
Transfer to General Reserve	-	-	-	(1,600.00)	1,600.00	-	-	-
Transfer to Retained Earnings	-	-	-	(5.03)	-	-	5.03	-
Reserve created for ESOP granted during the year	-	78.04	-	-	-	-	-	78.04
As at 31-03-2022	1,260.71	78.04	209.53	44,070.63	49,873.46	4,345.37	-	99,837.74

For the year ended 31<sup>st</sup> March, 2021

Attributable to Equity holders of the parent

₹ In Lakhs

Particulars	Surplus					Items of OCI		Total
	Capital Reserve	Employee Stok Option Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 01-04-2020	1,260.71	-	209.53	26,674.23	46,373.46	3,085.91	-	77,603.84
Profit for the period	-	-	-	11,077.75	-	-	-	11,077.75
Other comprehensive income	-	-	-	-	-	1,431.78	(2.51)	1,429.27
<b>Total Comprehensive Income</b>	-	-	-	<b>11,077.75</b>	-	<b>1,431.78</b>	<b>(2.51)</b>	<b>12,507.02</b>
Transfer to general reserve	-	-	-	(1,900.00)	1,900.00	-	-	-
Transfer to Retained Earnings	-	-	-	(2.51)	-	-	2.51	-
Cash dividends	-	-	-	(866.64)	-	-	-	(866.64)
As at 31-03-2021	1,260.71	-	209.53	34,982.83	48,273.46	4,517.69	-	89,244.22

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN : 22210474AJELQ05128

Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335

C. KESAVAN  
Partner  
Membership No.227833  
UDIN : 22227833AJEGWG1046

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 1. CORPORATE INFORMATION

Ramco Industries Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act 1956. The Registered office of the Company is located at No. 47 P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu and corporate office of the company is located at “Auras corporate centre”, VI Floor, 98A- Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu. The Company’s shares are listed in BSE Limited and NSE Limited.

The Company is engaged in manufacture of Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs). The Company’s segments are building products, Textiles and power generation from wind mills. The Company caters mainly to the domestic markets. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 18.05.2022

### 2. STATEMENT OF IND AS COMPLIANCE

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

### 3. BASIS OF PREPARATION OF SEPARATE FINANCIAL STATEMENTS

- 3.1 The significant accounting policies used in preparing the financial statements are set out in Note No.4
- 3.2 The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 3.3 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 3.4 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 3.5 The financial statements are presented in Indian Rupees rounded off to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.
- 3.6 The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.
- 3.7 Previous year figures have been regrouped / restated, wherever necessary and appropriate.

### 4. SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Inventories

- 4.1.1 Raw-materials, Stores & Spares, Fuel, 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 after providing for obsolescence and other losses or net realisable value whichever is lower. Inventories are usually written down to net realisable value, if the finished products, in which they will be used, are expected to be sold below cost. However, the inventories are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- 4.1.2 Process stock is valued at moving weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- 4.1.3 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. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

### 4.2 Cash Flow Statement

- 4.2.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- 4.2.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.
- 4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

### 4.3 Dividend distribution to Equity shareholders

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes (If any) is recognised directly in Equity.

### 4.4 Income Taxes

- 4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.
- 4.4.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period. The MAT Credit Entitlement being unused tax credits that are carried forward by the Company for a specified period, is grouped under Deferred Tax.
- 4.4.3 Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- 4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- 4.4.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- 4.4.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- 4.4.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

### 4.5 Property, Plant and Equipments (PPE)

- 4.5.1. PPEs are stated at cost of acquisition or construction (net of GST wherever eligible and applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditures are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

- 4.5.2 The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Asset type	Useful life ranging from
Buildings	3 to 60 years
Plant and Machinery	5 to 25 years
Windmills	5 to 25 years

- 4.5.3 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- 4.5.4 PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, 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. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value or any value whichever is less.
- 4.5.6 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- 4.5.7 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

**Capital Work in progress**

- 4.5.8 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.
- 4.5.9 Advances given towards acquisition / construction of PPE, outstanding as at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**4.6 Leases**

- 4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Company as a Lessee

- 4.6.2 The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- 4.6.3 The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
- 4.6.4 The estimated useful lives of right-of-use assets are determined on the same basis as those of Property Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.
- 4.6.5 The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities in 'Financial Liabilities' in the Balance sheet.
- 4.6.6 The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### Company as a Lessor

- 4.6.7 The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company do not have any finance leases arrangements.

## 4.7 Revenue Recognition

- 4.7.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- 4.7.2 Revenue from Operations

### *Sale of products*

Revenue from product sales is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale including GST. The company provides discounts to customers on achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the company as per Ind AS 115. The company do not have any non-cash consideration.

### *Project Revenue recognition*

Contract revenue from Project activity on fixed price contracts is recognized when the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on work certified by the customer.

### *Power generated from Windmills*

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO/ BESCOM/PGVCL are consumed at factories and unutilized units are sold to concerned distribution companies. The monetary values of such power generated that are captively consumed are not recognised as revenue for the company.

Power generated from windmills that are covered under power purchase agreement with TANGEDCO /BESCOM/ PGVCL are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is recognised as Sale of surplus power generated from windmills

### *Scrap sale*

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 4.7.3 Other Income

- a. Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- b. Dividend income is recognised when the Company's right to receive dividend is established.
- c. Rental income from lease on investment properties is recognised on a straight line basis over the term of the relevant lease
- d. Value of Carbon credits are recognised when the Company's right to receive the same is established.

### 4.8 Employee Benefits

- 4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- 4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- 4.8.3 The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.
- 4.8.4 The Company also contributes for superannuation a sum equivalent to 15% of the eligible officer's annual basic salary. The company is remitting contribution for superannuation subject to maximum of ₹ 1.5 Lakhs per annum to Ramco Industries Limited Officer's Superannuation Fund administered by trustees and managed by LIC of India. There are no further obligations in respect of the above contribution plan.
- 4.8.5 The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Ramco Industries Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external Actuary as at the Balance Sheet date using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- 4.8.6 The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- 4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.
- 4.8.8 In respect of subsidiaries, such benefits to the extent applicable have been provided for in the books as required.

#### Employee Stock options

- 4.8.9 The employees of the Company are entitled for grant of stock options based on the eligibility criteria set out in ESOS 2021, as determined by Nomination & Remuneration committee (NRC). The fair value of the equity settled stock options granted to employees are measured by an independent valuer using Black-Scholes Model
- 4.8.10 The fair value determined at the grant date of the option is expensed on a straight-line basis in the Statement of Profit and Loss as 'Employee Benefits Expense', over the vesting period of the option, based on the Company's estimate of stock options that will eventually vest, with a corresponding increase in equity,
- 4.8.11 At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

4.8.12 When the options are exercised, the Company issues fresh issue of equity shares upon receipt of exercise price from the employees. The proceeds received are allocated to share capital upto the face value of shares issued, with any excess being accounted as Securities Premium in the Balance Sheet.

4.8.13 In case of forfeiture/lapse of stock option, which is not vested, then to such extent, expenses shall be reversed in Statement of Profit and Loss and if expires unexercised, the related balance standing to the credit of the Employee Stock Options Reserve Account is transferred within other equity.

### 4.9 Government Grants

4.9.1 This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance

4.9.2 In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".

4.9.3 Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

### 4.10 Foreign currency transactions

4.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

4.10.4 Non-monetary items which are carried at historical cost denominated at functional currency are reported using the exchange rates at the date of transaction.

#### Foreign Branch Operations

Income and expenditure transactions are translated to functional currency using monthly moving average exchange rate.

Monetary assets and liabilities of foreign branch as at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

Non-monetary items of foreign branch are carried at historical cost denominated at functional currency and are reported using the exchange rates at the transaction date.

### 4.11 Borrowing Costs

4.11.1 Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

4.11.2 Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the general borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. The amount of borrowing cost that the Company capitalises does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost is expensed in the period in which they occur.

### 4.12 Earnings per Share

4.12.1 Net Profit / (Loss) after tax attributable to equity shareholders is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding if any, during the year.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- 4.12.2 Diluted Earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year and potential equity shares arising out of employee stock options.
- 4.12.3 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.12.4 The company do not have any potential equity shares.

**4.13 Impairment of Non-Financial Assets**

- 4.13.1 The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- 4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- 4.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- 4.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

**4.14 Provisions, Contingent Liabilities and Contingent Assets**

- 4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- 4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 4.14.3 Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- 4.14.4 Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

**4.15 Intangible Assets**

- 4.15.1 The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- 4.15.2 Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team. Its accounting classification is given below:

Nature of Intangible assets	Estimated useful life	Amortisation of Intangible assets	Accounting classification
Computer software	3 - 6 years	Computer software	Depreciation & Amortisation

- 4.15.3 The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- 4.15.4 The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### 4.16 Investment Properties

- 4.16.1 An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- 4.16.2 Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- 4.16.3 The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- 4.16.4 Depreciation on investment properties are calculated on straight-line method based on useful life of the significant components.

Asset type	Useful life ranging from
Buildings under Investment properties	30 to 60 years

- 4.16.5 Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.16.6 The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

### 4.17 Operating Segments

Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

The Company has three operating/reportable segments viz. building products, textile and wind power generation.

The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

### 4.18 Financial Instruments

- 4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- 4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- 4.18.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

#### Financial Assets

- 4.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- 4.18.5 Investment in equity instrument and mutual funds are recognised based on the date of contract note where the transaction is entered through stock exchanges and based on date of allotment in respect of others.
- 4.18.6 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
- a) Amortised cost; or
  - b) Fair value through other comprehensive income (FVTOCI); or
  - c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- 4.18.7 Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

- 4.18.8 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:
- a. significant risk and rewards of the financial asset, or
  - b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retention of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

- 4.18.9 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.
- 4.18.10 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

**Financial Liabilities**

4.18.11 Financial liabilities comprises of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.18.12 The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

4.18.13 Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

4.18.14 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.

4.18.15 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

**4.19 Fair value measurement**

4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.



## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- 4.19.5 For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- 4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

### ***Investments in Equity / Mutual Funds***

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

### ***Trade and other receivables***

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

### ***Forward exchange contracts***

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

### ***Non-derivative financial liabilities***

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### ***Financial guarantee obligation***

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

### ***Investment Properties***

The fair value is determined for disclosure purposes based on an annual evaluation performed by an external technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

## 5. SIGNIFICANT ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

### ***Property, Plant and Equipment, Intangible Assets and Investment Properties***

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

### ***Revenue Recognition***

Significant management judgement is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The Company offers credit period to customers for which there is no financing component.

### ***Current Taxes***

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### ***Deferred Tax Asset (Including MAT Credit Entitlement)***

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### ***Contingent Liabilities***

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

### ***Impairment of Trade receivables***

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

### ***Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)***

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

### ***Provisions***

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

### ***Defined Benefit Plans and Other long term benefits***

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

### ***Employee Stock Options***

Significant management judgement is exercised in determination of the most appropriate valuation model, most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, risk free rate and the number of options that are expected to vest as at the reporting date. Management believes that the assumptions used by the valuer are reasonable.

### ***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value the inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

### ***Impairment of Investments in Subsidiaries /Associates***

Significant management judgement is exercised in determining whether the investment in subsidiaries / associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

### ***Interests in other entities***

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

₹ in Lakhs

**6A. PROPERTY PLANT & EQUIPMENT**

PARTICULARS	YEAR	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK		
		As At 01-APR-2021	Additions	Withdrawals/ Adjustments	As At 31-MAR-2022	As At 01-APR-2021	For the year 2021-22	Withdrawals/ Adjustments	As At 31-MAR-2022	As At 01-APR-2021
LAND - FREEHOLD	2021-22	2,259.10	33.04	2.71	2,289.43	-	-	-	2,289.43	2,259.10
	2020-21	2,259.10	-	-	2,259.10	-	-	-	2,259.10	2,259.10
LAND - LEASE HOLD	2021-22	1,583.89	-	(6.29)	1,590.18	232.35	21.67	(2.40)	1,333.76	1,351.54
	2020-21	1,583.89	-	-	1,583.89	210.74	21.67	0.06	232.35	1,351.54
BUILDINGS	2021-22	17,844.30	809.14	(192.20)	18,845.64	6,282.24	447.35	(187.78)	6,917.37	11,928.27
	2020-21	17,353.85	546.55	56.10	17,844.30	5,869.27	435.21	22.24	6,282.24	11,484.58
RAILWAY SIDINGS	2021-22	20.68	-	-	20.68	19.65	-	-	19.65	1.03
	2020-21	20.68	-	-	20.68	19.65	-	-	19.65	1.03
PLANT & MACHINERY	2021-22	54,509.65	5,947.02	580.13	59,876.54	28,764.39	1,613.26	442.50	29,935.15	29,941.39
	2020-21	53,715.42	3,495.50	2,701.27	54,509.65	29,335.34	1,452.01	2,022.96	28,764.39	25,745.26
ELECTRICAL MACHINERY	2021-22	8,684.23	1,016.01	112.08	9,588.16	5,590.61	586.68	94.70	6,082.59	3,505.57
	2020-21	8,459.54	259.59	34.90	8,684.23	5,046.87	574.60	30.86	5,590.61	3,412.67
FURNITURE	2021-22	325.40	12.98	0.26	338.12	210.55	26.65	0.25	236.95	101.17
	2020-21	359.51	6.60	40.71	325.40	221.83	25.96	37.24	210.55	114.85
OFFICE EQUIPMENTS	2021-22	169.15	64.60	4.62	229.13	97.72	23.84	4.31	117.25	111.88
	2020-21	135.76	38.22	4.83	169.15	86.94	15.41	4.63	97.72	71.43
VEHICLES	2021-22	436.32	56.21	49.68	442.85	317.89	25.38	41.76	301.51	141.34
	2020-21	458.17	24.78	46.63	436.32	323.07	26.74	31.92	317.89	118.43
TOTAL TANGIBLE ASSETS	2021-22	85,832.72	7,939.00	550.99	93,220.73	41,515.40	2,744.83	393.34	43,866.89	49,353.84
	2020-21	84,345.92	4,371.24	2,884.44	85,832.72	41,113.71	2,551.60	2,149.91	41,515.40	44,317.32

Notes: (a) During the year, Additions under Lease hold Land & Building include reclassification from Investment Property Land & Buildings of ₹ 6.29 lakhs and ₹ 210.24 lakhs respectively in view of change in usage.  
 (b) All the title deeds of immovable properties are held in the name of the Company  
 (c) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.  
 (d) The carrying amount of movable fixed assets of the company have been hypothecated by the way of pari passu first charge as security for Long Term Borrowings.

**6B. INTANGIBLE ASSETS**

COMPUTER SOFTWARE	2021-22	1,218.49	219.81	-	1,438.30	853.56	186.09	-	1,039.65	398.65
	2020-21	1,218.49	-	-	1,218.49	643.45	210.11	-	853.56	364.93
TOTAL INTANGIBLE ASSETS	2021-22	1,218.49	219.81	-	1,438.30	853.56	186.09	-	1,039.65	398.65
	2020-21	1,218.49	-	-	1,218.49	643.45	210.11	-	853.56	364.93

Notes: (a) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

**6C. CAPITAL WORK-IN-PROGRESS**

CAPITAL WORK-IN-PROGRESS	2021-22	3,408.26	6,265.94	7,939.00	1,735.20	-	-	-	1,735.20	3,408.26
	2020-21	1,877.88	5,901.62	4,371.24	3,408.26	-	-	-	3,408.26	1,877.88

Notes: Refer Note No. 49 (b) for information relating to Ageing Schedule.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**6D DEDUCTIONS / ADJUSTMENTS IN GROSS BLOCK OF PPE COMPRISES OF:**

₹ In Lakhs

Particulars	2021-22			2020-21		
	Sale of Asset	Other Adjustment	Total	Sale of Asset	Other Adjustment	Total
LAND - FREEHOLD	-	2.71	2.71	-	-	-
LAND - LEASE HOLD	-	(6.29)	(6.29)	-	-	-
BUILDINGS	-	(192.20)	(192.20)	66.33	(10.23)	56.10
PLANT & MACHINERY	541.89	38.24	580.13	2,552.55	148.72	2,701.27
ELECTRICAL MACHINERY	92.77	19.31	112.08	32.22	2.68	34.90
FURNITURE	0.26	-	0.26	32.68	8.03	40.71
OFFICE EQUIPMENTS	4.62	-	4.62	3.98	0.85	4.83
VEHICLES	49.68	-	49.68	46.63	-	46.63
<b>TOTAL TANGIBLE ASSETS</b>	<b>689.22</b>	<b>(138.23)</b>	<b>550.99</b>	<b>2,734.39</b>	<b>150.05</b>	<b>2,884.44</b>

Note: Other Adjustments represent assets that were damaged / discarded and derecognised from financial statements since no future benefits is expected from its use or disposal.

**7. INVESTMENT PROPERTY**

₹ In Lakhs

Particulars	YEAR	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
		As At 01-APR-2021	Additions	Withdrawals/ Adjustments	As At 31-MAR-2022	As At 01-APR-2021	For the year 2021-22	Withdrawals/ Adjustments	As At 31-MAR-2022	As At 31-MAR-2022	As At 01-APR-2021
LAND - FREEHOLD	2021-22	-	2.71	-	2.71	-	-	-	-	2.71	-
	2020-21	-	-	-	-	-	-	-	-	-	-
LAND - LEASE HOLD	2021-22	6.29	-	6.29	-	2.40	-	2.40	-	-	3.89
	2020-21	6.29	-	-	6.29	2.34	0.06	-	2.40	3.89	3.95
BUILDINGS	2021-22	277.04	18.04	210.24	84.84	216.96	1.32	189.10	29.18	55.66	60.08
	2020-21	277.04	-	-	277.04	215.83	1.13	-	216.96	60.08	61.21
<b>TOTAL TANGIBLE ASSETS</b>	2021-22	283.33	20.75	216.53	87.55	219.36	1.32	191.50	29.18	58.37	63.97
	2020-21	283.33	-	-	283.33	218.17	1.19	-	219.36	63.97	65.16

- The Company measured all of its Investment Property at Cost in accordance with Ind AS 40.
- During the year, Additions under Free hold Land & Buildings are made for ₹ 2.71 lakhs and ₹ 18.04 lakhs respectively in view of change in usage.
- During the year, withdrawal/Adjustments under Lease hold Land & Building include reclassification from Investment Property Land & Buildings of ₹ 6.29 lakhs and ₹ 210.24 lakhs respectively in view of change in usage.
- The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair valuation of the investment properties are valued by Registered Valuer, has required by amendments made to Schedule III of the Companies Act, effective from 01.04.2021, measured using the technique of quoted prices for similar assets in the active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. All resulting fair value estimates for investment properties as given below are included in Level 2. During previous years, the fair valuation of these investment properties were determined by an internal technical team and the fair value of the investment property approximates to the historical cost at which its was carried.

**Information regarding income and expenditure of Investment property**

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
Rental Income from Investment Properties	38.06	23.08
Direct Operating Expenses	9.63	12.33
Profit arising from Investment Properties before Depreciation and indirect expenses	28.43	10.75
Less: Depreciation	1.32	1.19
Profit arising from Investment Properties	27.11	9.56
Fair Value of Investment property	2817.54	283.33

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**8. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES**

₹ in Lakhs

	Name of the Company	Face Value per share ₹	As at 31-03-2022		As at 31-03-2021	
			Number	Amount	Number	Amount
<b>A.</b>	<b>Quoted Investment - Fully paid Equity shares</b>					
	The Ramco Cements Limited	1	5,04,75,795	15,838.87	4,99,00,245	10,777.56
	Rajapalayam Mills Limited	10	1,48,587	182.57	1,27,360	61.79
	Ramco Systems Limited	10	54,67,376	13,216.19	54,67,376	13,216.19
	Sub-Total (A)			29,237.63		24,055.54
	<b>Unquoted Investment - Fully paid Equity shares</b>					
	<b>Associate Companies</b>					
	Ramco Industrial and Technology Services Ltd.	10	50,000	5.00	50,000	5.00
	Madurai Trans carrier Ltd.	1	3,09,00,000	309.00	3,09,00,000	309.00
	Lynks Logistics Limited	1	38,03,78,615	3,803.79	28,52,84,587	2,852.85
	Sub-Total			4,117.79		3,166.85
	<b>Subsidiaries</b>					
	Sudharsanam Investments Limited	10	42,50,000	425.00	42,50,000	425.00
	Sri Ramco Lanka (Private) Ltd, Srilanka	SLR 10	2,30,00,000	1,365.32	2,30,00,000	1,365.32
	Sri Ramco roofings Lanka (Private) Ltd, Srilanka	SLR 10	12,90,000	54.27	12,90,000	54.27
	Sub-Total			1,844.59		1,844.59
	Sub-Total (B)			5,962.38		5,011.44
	Total Investments in Subsidiaries and Associates C= (A+B)			35,200.01		29,066.98
	Aggregate Market Value of Quoted Investments			4,03,466.10		5,30,136.87
<b>B.</b>	<b>Other Investment</b>					
	<b>Quoted Investment - Fully paid Equity shares (designated at FVTOCI)</b>					
	Indian Bank	10	1,391	2.14	1,391	1.61
	HDFC Limited	2	1,79,200	4,283.60	1,79,200	4,476.60
	HDFC Bank Limited	1	11,000	161.74	11,000	164.30
	Sub-Total (A)			4,447.48		4,642.51
	<b>Investments in Mutual Funds (measured at FVTPL)</b>					
	HDFC Mutual Fund	10	2,40,419	33.51	2,40,419	30.50
	Sub-Total (B)			33.51		30.50
<b>C.</b>	<b>Other Non-Current Investments, Non-Trade - Unquoted</b>					
	Ramco Industries Employees Co-op Stores Limited		2,500	0.02	2,500	0.02
	Sub-Total (C)			0.02		0.02
	<b>Total Other Investments (A+B+C)</b>			4,481.01		4,673.03

- The Company has accounted for investments in Subsidiaries and Associates at Cost. Refer Note Nos. 43 (a) and 43 (b) for information on principal place of business / country of incorporation and company's interest / percentage of shareholding in the above subsidiaries and associates.
- The carrying amount of Investment in Subsidiaries / Associates is tested for impairment in accordance with Ind AS 36. These investments are strategic and long term in nature. Impairment testing is carried out for listed securities based on fair market value as per stock exchange. However, in case of unlisted securities, impairment testing is carried out based on the recent trade transactions with third parties or DCF method, wherever applicable. Accordingly, no impairment is considered necessary as at the reporting date.
- During the year, the company has made additional investment of ₹ 5,061.31 lakhs (5,75,550 equity shares) in The Ramco Cements Limited.
- During the year, the Company has made strategic investments in equity shares of Lynks Logistics Limited for ₹ 950.94 Lakhs (9,50,94,028 Equity shares). The investee company has proposed to apply this funds for expansion of their business.
- During the year, the company has been allotted 21227 equity shares of Rajapalayam Mills Ltd under rights issue entitlement for ₹ 120.78 lakhs.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>9 LOANS AND OTHER FINANCIAL ASSETS [Non Current]</b>		
Loan given to related parties	1,234.23	217.78
Security deposit with Electricity Board	762.92	742.09
	<u>1,997.15</u>	<u>959.87</u>

- a. The Company has not granted any loan or advance in the nature of loan to promoters, directors and KMPs that are repayable on demand or without specifying any terms or period of repayment
- b. Loan given to related party represents loan given to our wholly owned subsidiary company, M/s.Sudharsanam Investments Ltd - ₹ 234.23 lakhs [PY: ₹ 217.78 lakhs] and to our Associate company, M/s. Lynks Logistics Limited - ₹ 1000.00 lakhs [PY: NIL] [ Refer Note: 44 (b) (5)].

**10 OTHER NON CURRENT ASSETS**

Unsecured and considered good

Advances towards Capital goods	590.55	312.32
Advances to Others	0.80	1.10
	<u>591.35</u>	<u>313.42</u>

**11 INVENTORIES**

Raw materials	21,247.92	18,946.25
Raw Materials in Transit	1,706.39	3,253.06
Work-in-progress	5,683.35	2,924.10
Finished goods	6,920.56	7,187.16
Stores and spares	1,175.72	1,092.07
Asset held for Sale	18.24	1.27
	<u>36,752.18</u>	<u>33,403.91</u>

- a. Inventories are valued as per company's accounting policy. [Note No. 4.1 of Significant Accounting Policies]
- b. The total carrying cost of inventories as at the reporting date has been hypothecated as security for Short term Borrowings.
- c. During current year, some of the PPE with book value of ₹ 31.89 lakhs [PY: ₹ 17.28 lakhs] are impaired and the loss of impairment of ₹ 14.63 lakhs [PY: ₹ 16.01 lakhs] is accounted.

**12 TRADE RECEIVABLES [Current]**

Trade receivables, considered good - Unsecured	8,733.48	8,292.24
Trade receivables, which have significant increase in Credit Risk	548.56	438.27
Trade receivables, provision for Credit Risk	(548.56)	(438.27)
Trade receivables, considered good -unsecured - Related Parties	2,300.03	600.60
	<u>11,033.51</u>	<u>8,892.84</u>

- a. Trade receivables are generally non-interest bearing and are with terms of 30 to 45 days.
- b. No trade receivable are due from directors or other officers of the company either severally or jointly with any other person.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- |   | As at<br>31.03.2022<br>₹ In Lakhs | As at<br>31.03.2021<br>₹ In Lakhs |
|---|-----------------------------------|-----------------------------------|
| c. Trade receivable from related parties represents Royalty receivable from our subsidiaries of ₹ 2,300.03 lakhs [PY: ₹ 600.07 lakhs] and other receivables from Associate Companies ₹ NIL lakhs [PY: ₹ 0.53 lakhs]- [Refer Note No. 44 (b) (1)]. |                                   |                                   |
| d. The total carrying amount of trade receivables has been hypothecated as security for Short term Borrowings.  |                                   |                                   |
| e. Refer Note No. 46 and 49 (c ) for information about risk profile of Trade Receivables under Financial Risk Management and Ageing Schedule respectively.  |                                   |                                   |
| f. Royalty from our overseas subsidiaries receivable to the tune of ₹ 2300.03 lakhs is getting delayed due to repatriation restrictions imposed by the Central Bank of Sri Lanka on account of prevailing economic situation in that country.     |                                   |                                   |

**13A CASH AND CASH EQUIVALENTS**

Cash on Hand	2.38	3.38
Balance With Bank Current account	591.66	591.59
	594.04	594.97

- a. There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of the reporting period.
- b. Refer Note 46 for information about risk profile of Cash and Cash equivalents under Financial Risk Management.

**13B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Margin Money	48.17	88.77
Balance with Bank - Unpaid Dividend Warrant Account	12.49	76.73
	60.66	165.50

Margin money is bank deposits which is held towards security to various Government departments

**14 OTHER FINANCIAL ASSETS [Current]**

Security Deposit - Others	174.79	180.37
	174.79	180.37

**15 OTHER CURRENT ASSETS**

Tax Credit - Indirect Taxes	494.07	730.48
Advance to Suppliers	5,321.59	1,913.65
Advance to Employees	36.15	20.39
Prepaid Expenses	656.95	603.23
Other Current Assets	55.57	117.60
	6,564.33	3,385.35

Note: Tax Credit - Indirect taxes include un-utilised input tax credit availed under GST. These credits are available for set-off against Out put tax in the subsequent periods.



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**16. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued & Subscribed and Fully paid up shares of ₹. 1/- each	8,66,63,060	866.63	8,66,63,060	866.63

**A. Reconciliation of the number of Shares**

Number of Shares at the beginning	8,66,63,060	866.63	8,66,63,060	866.63
Changes in Equity Share capital during the year	-	-	-	-
Number of Shares at the end	8,66,63,060	866.63	8,66,63,060	866.63

**B. Terms / Rights / Restrictions attached to Equity shares**

The Company has one class of equity shares having a face value of ₹ 1/- each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**C. The details of Shareholders holding more than 5% shares :**

Name of the Shareholder	As at 31-03-2022		As at 31-03-2021	
	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	84,01,680	9.69	84,01,680	9.69
Shri.P.R.Venketrama Raja	62,20,655	7.18	62,20,655	7.18
Smt.Nalina Ramalakshmi	62,50,655	7.21	63,00,655	7.27
Smt.Saradha Deepa	52,63,655	6.07	52,63,655	6.07
Shri. Govindlal M Parikh*	51,56,145	5.95	51,96,136	6.00
	4,46,65,290	51.53	4,47,55,281	51.64

\* - Shri. Govindlal M Parikh holding jointly with Smt. Chinmay G Parikh

**D. Shareholding of Promoters**

Promoter Name	Shareholding at the end of the year		% Change in Shareholding during the year
	No of Shares	% of Total Shares	No. of Shares
The Ramco Cements Ltd.	1,33,72,500	15.43	-
Ramco Management Pvt. Ltd.	18,98,800	2.19	-
The Ramaraju Surgical Cotton Mills Ltd.	1,35,880	0.16	-
Rajapalayam Mills Limited	84,01,680	9.69	-
Ramco Agencies Pvt. Ltd.	22,200	0.03	-
Ramco Pvt. Ltd.	39,600	0.05	-
RCDC Securities and Investments Pvt. Ltd.	43,000	0.05	-
Ramco Industrial and Technology Services Ltd.	90,000	0.10	-
Smt. Ramachandra Raja Chittammal	10,53,880	1.22	-
Smt. P.V. Srisandhya	42,400	0.05	-
Shri P.V. Abinav Ramasubramaniam Raja	40,000	0.05	-
Smt. Saradha Deepa	52,63,655	6.07	-
Shri P.R. Venketrama Raja	62,20,655	7.18	-
Smt. P.V. Nirmala	4,00,000	0.46	-
Shri N.R.K.Ramkumar Raja	89,640	0.10	-
Smt. Nalina Ramalakshmi	62,50,655	7.21	(0.06)
Shri S.R. Srirama Raja	2,43,000	0.28	-
Smt. R Sudarsanam	30,77,276	3.55	-
Shri N.R.K. Ramkumar Raja HUF	85,000	0.10	-
	4,67,69,821	53.97	(0.06)



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>17 OTHER EQUITY</b>		
<b>A. Capital Reserve</b>		
Balance as at beginning and end of the year	<u>1,260.71</u>	<u>1,260.71</u>
Represents the incentives received under “Kutch Development Scheme 2001” in respect of Fibre Cement Plant at Anjar, Bhuj in the State of Gujarat. The Scheme, inter-alia, stipulates investment of the amount equivalent to 50% of the Incentives availed in the new project in the State of Gujarat within a period of 10 years from the date of commencement of commercial production.		
<b>B. Employee Stock Options Reserve</b>		
Balance as at beginning of the year	-	-
Add: Reserve created for fair value of ESOPs recognised over the vesting period	78.04	-
Less: Amount transferred to Securities premium pursuant to exercise of stock options	-	-
Balance as at end of the year	<u>78.04</u>	<u>-</u>
The share based payment reserve represent amount recognised towards the value of equity-settled share based payments granted to employees under ESOS 2021.		
<b>C. Share premium</b>		
Balance as at beginning and end of the year	<u>209.53</u>	<u>209.53</u>
Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium payable on redemption of any redeemable preference shares or of any debentures, to write off preliminary expenses and to write off the expenses of or the commission paid or discount allowed on, any issue of shares or debentures of the company.		
<b>D. General Reserve</b>		
Balance as at beginning of the year	48,273.46	46,373.46
Add: Amount transferred from Retained Earnings	1,600.00	1,900.00
Balance as at end of the year	<u>49,873.46</u>	<u>48,273.46</u>
General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.		
<b>E. Retained Earnings</b>		
Balance as at beginning of the year	34,982.83	26,674.23
Add: Profit for the year	10,692.83	11,077.75
Add: Transfer from FVTOCI Reserve	(5.03)	(2.51)
Balance available for Appropriations	<u>45,670.63</u>	<u>37,749.47</u>
Less: Appropriations		
Dividend Distributed	-	(866.64)
Amount transferred to General Reserve	(1,600.00)	(1,900.00)
Balance as at end of the year	<u>44,070.63</u>	<u>34,982.83</u>
Retained Earnings represent the undistributed profits of the Company that has been retained by the Company, after transfer to other Reserves.		
<b>F. Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)</b>		
Balance as at beginning of the year	4,517.69	3,085.91
Other Comprehensive Income for the year	(177.35)	1,429.27
	4,340.34	4,515.18
Less: Transfer to Retained Earnings	(5.03)	(2.51)
	<u>4,345.37</u>	<u>4,517.69</u>

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>18 BORROWINGS [NON CURRENT]</b>		
<b>Secured:</b>		
Term Loan from Banks	1,472.04	2,355.17
	<u>1,472.04</u>	<u>2,355.17</u>
a. Long term Borrowings from Banks are secured by pari-passu first charge on all movable Fixed Assets of the Company.		
b. The Company precloses Term Loans during the year to the tune of ₹ NIL [PY: ₹ 589.30 lakhs]		
c. The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment schedule is as follows:		
2024-25	294.40	261.67
2023-24	1,177.64	1,046.75
2022-23	-	1,046.75
	<u>1,472.04</u>	<u>2,355.17</u>
d. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.		
e. Registration, Modification and satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the allowed extended time with payment of additional fees.		
f. Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management.		
<b>19 OTHER NON CURRENT FINANCIAL LIABILITIES</b>		
Lease land Rental Liability	218.41	219.41
	<u>218.41</u>	<u>219.41</u>
<b>20 DEFERRED TAX LIABILITY (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	7,798.84	7,043.90
Tax effect on Fair Value measurement and Other Items allowable under the Income Tax Act, 1961	94.10	118.17
Tax effect of Lease hold land	(55.42)	(53.66)
<b>Deferred Tax Assets</b>		
Tax effect -provision for Bonus and Leave encashment	(500.09)	(510.88)
Unused MAT credit entitlement	(631.85)	(2,275.04)
Disallowances under the Income Tax Act, 1961.	(191.66)	(153.13)
Net Deferred Tax Liability	<u>6,513.92</u>	<u>4,169.36</u>
<b>Reconciliation of deferred tax Liabilities (net)</b>		
Opening balance as on 1 <sup>st</sup> April	4,169.36	1,812.44
Tax (income)/Expense during the period recognised in statement of Profit and Loss	724.08	423.22
Used / (Unused) MAT credit entitlement	1,661.92	1,764.19
MAT Credit entitlement - Previous year tax adjustment	(18.72)	(19.29)
Deferred Tax charge/(credit) on OCI recognised during the year	(22.72)	188.80
Closing balance as on 31 <sup>st</sup> March	<u>6,513.92</u>	<u>4,169.36</u>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>21 DEFERRED GOVERNMENT GRANTS</b>		
Deferred Government Grants	107.90	115.74
	107.90	115.74

Industrial Promotion Assistance (IPA) of ₹ 134.31 lakhs provided by Department of Industries of Government of Bihar and ₹ 150.00 lakhs provided by Government of West Bengal towards creation of infrastructure facilities is recognised as 'Industrial Promotion assistance' over the useful life of the underlying PPE.

**22 BORROWINGS [CURRENT]**

**Secured:**

Loan from banks	8,837.60	5,857.87
Current Maturities of Long Term Debt - Secured	1,177.64	1,046.75

**Unsecured:**

Loan from banks	10,900.09	925.90
Commercial Papers	-	5,000.00
Loans and Advances from Directors	0.73	61.17
	20,916.06	12,891.69

- a. Short term Borrowings from Banks (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statement filed by the Company with the banks or financial institutions are in agreement with the books of accounts.
- b. Loans and advances from Directors represents amount due to Managing Director, which carries an interest. Interest rate have quarterly rest and is equivalent to interest rate of Short term borrowings. The interest accrued during the year amounts to ₹ 4.43 Lakhs (PY: ₹ 3.18 Lakhs).
- c. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at reporting date.
- d. Refer Note No. 46 for information about risk profile of Trade payables under Financial Risk Management.

**23 TRADE PAYABLES**

Trade Payables		
Dues of Micro and Small Enterprises	476.04	337.51
Dues of creditors other than Micro and Small Enterprises	4,088.22	6,212.46
Dues of Related parties	162.61	133.31
	4,726.87	6,683.28

- a. Trade payables are non-interest bearing and are normally settled in 10 to 30 days, except where credit term as per contractual obligation is more than 30 days.
- b. The dues to Micro and Small Enterprises as at 31-03-2022 is ₹ 476.04 lakhs (PY: ₹ 337.51 lakhs). This has been determined to the extent such parties have been identified on the basis of information available with the Company.
- c. The dues to related parties are dues to Associate entities and due not more than 45 days. [Refer Note No. 44 (b) (2)]
- d. Refer Note No. 46 and 49 (a) for information about risk profile of Trade payables under Financial Risk Management and Ageing Schedule respectively.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>24 OTHER FINANCIAL LIABILITIES [CURRENT]</b>		
Unpaid dividends	12.49	13.62
Financial Guarantee Obligation	23.21	23.34
Lease land Rental Liability	19.98	19.02
Security Deposit from Customers	3,398.18	3,275.71
Liability - Foreign exchange forward contracts	6.02	-
Other Liabilities	5,038.05	4,519.12
	<u>8,497.93</u>	<u>7,850.81</u>

- a. Unpaid dividends represent amount not due for transfer to Investor Education and Protection Fund.
- b. Foreign exchange forward contracts are purchased to mitigate the fluctuations in foreign exchange rates with certain payables / receivables in foreign currencies.
- c. The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other income over the tenure of the corporate guarantee.
- d. Provision for interest on delayed payment to MSME Suppliers - ₹ 1.25 lakhs (PY - ₹ 4.42 lakhs), included in Other Liabilities

**25 OTHER CURRENT LIABILITIES**

Statutory Duties and Taxes recovery repayable	1,272.84	1,275.87
Advance received from Customers	2,819.89	2,616.00
	<u>4,092.73</u>	<u>3,891.87</u>

- a. Advance from Customers are received in the normal course of business and adjusted against subsequent supplies.

**26 PROVISIONS [CURRENT]**

Provision for Leave encashment	1,037.63	1,039.95
Provision for Gratuity	151.98	149.51
Provision for Taxation	3,933.98	4,129.13
	<u>5,123.59</u>	<u>5,318.59</u>

- a. The Company provides for expenses towards compensated absences provided to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.
- b. The company maintains Gratuity fund account in LIC of India. The Company provides for expenses towards Gratuity to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.

**26A BREAKUP OF PROVISION FOR TAXATION**

Opening balance	4,129.13	6,088.79
Additions		
Current year provisions	4,482.54	4,555.72
Additional provision for Previous year (Net)	126.87	(14.53)
MAT Credit availment	(1,661.92)	(1,764.19)
Adjusted during the year		
Adjusted due to assessment completion	(3,142.64)	(4,736.66)
Closing balance	<u>3,933.98</u>	<u>4,129.13</u>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>27 REVENUE FROM OPERATIONS</b>		
Sale Revenue	1,15,134.21	97,837.67
Other operating revenue		
Industrial promotion assistance	44.95	11.70
Royalty Income	3,035.08	2,293.09
Income from Wind power generation {Net of inter-divisional transfer of ₹ 1212.58 lakhs (PY ₹ 1304.51 lakhs)}	176.54	150.93
	<b>1,18,390.78</b>	<b>1,00,293.39</b>
<p>(a) As per the Guidance Note on Division II, Ind AS Schedule III to the Companies Act, 2013 issued by ICAI, Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they have been excluded from revenue.</p> <p>(b) Industrial Promotion Assistance from:  - Government of Rajasthan - ₹ 35.18 lakhs [PY - ₹ NIL]  - Deferred Grant recognised as income - ₹ 9.77 lakhs [PY- ₹ 11.70 lakhs]</p> <p>(c) Out of Royalty Income of 3035.08 lakhs, a sum of ₹ 510.04 lakhs is received during the year. The receipt of balance amount is getting delayed due to repatriation restrictions imposed by Central Bank of Sri Lanka on account of prevailing economic situation in that country.</p> <p>(d) Out of 231.95 lakhs units [PY - 238.69 lakhs units] generated by our windmills, 50.99 lakhs units [PY - 46.46 lakhs units] were sold to concerned state Electricity Board, 180.12 lakhs units [PY - 193.78 lakhs units] were consumed at our plant and 3.74 lakhs units [PY - 2.90 lakhs units] remain unadjusted.</p> <p>(e) The Company's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point of time. Revenue from windmills is recognised upon transmission of energy to the grids of state electricity boards. The revenue from project contract is recognised on using percentage of completion method.</p>		
<b>28 OTHER INCOME</b>		
Dividend Income	45.10	1,533.67
Dividend Income from Subsidiaries	2,161.75	2,558.99
Profit on Sale of Assets	20.69	149.37
Other Miscellaneous Income	715.90	355.17
Carbon Credit	26.86	-
	<b>2,970.30</b>	<b>4,597.20</b>
<b>29 OTHER FINANCIAL INCOME</b>		
Interest Income	<b>85.38</b>	<b>60.85</b>
<b>30 COST OF MATERIALS CONSUMED</b>		
Material consumed for Building Products	48,327.77	40,535.44
Material consumed for Textile Products	12,435.73	7,577.14
	<b>60,763.50</b>	<b>48,112.58</b>
<b>31 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS</b>		
Closing Stock of Finished Goods	6,920.55	7,187.16
Closing Stock of Process Stock	5,683.35	2,924.10
	<b>12,603.90</b>	<b>10,111.26</b>
Opening Stock of Finished Goods	7,187.16	9,397.94
Opening Stock of Process Stock	2,924.10	2,497.56
	<b>10,111.26</b>	<b>11,895.50</b>
(Increase) / Decrease	<b>(2,492.64)</b>	<b>1,784.24</b>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>32 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	9,499.81	8,830.41
Contribution to and provision for		
- Provident Fund	501.65	464.13
- Gratuity Fund	152.66	146.99
- Superannuation Fund	33.67	28.49
Employees Stock Option Expenses	78.04	-
Staff welfare	824.52	567.58
	<u>11,090.35</u>	<u>10,037.60</u>

Refer Note 40 & 41 for disclosures required under Ind AS 19 and Employees Stock Option schemes

<b>33 FINANCE COSTS</b>		
Interest on Bank borrowings	602.65	694.08
Others	250.62	255.24
	<u>853.27</u>	<u>949.32</u>

a. Others includes Interest on Security deposit from Customers.

b. Refer Note No. 46 for information about risk profile of Finance Cost under Financial Risk Management

**34 OTHER EXPENSES**

**Manufacturing Expenses**

Stores Consumed	2,663.25	2,178.37
Power & Fuel (net off power from Wind Mills)	6,140.15	4,485.91
Repairs & Maintenance - Building	262.44	415.38
Repairs & Maintenance - General	798.03	527.27
Repairs & Maintenance - Plant & Machinery	4,128.03	3,028.23

**Establishment Expenses**

Repairs & Maintenance - Vehicle / Aircraft	686.40	421.76
Insurance	270.45	246.91
Travelling expenses	453.04	235.01
Rates & Taxes	405.68	371.81
Exchange fluctuation in foreign currency loss	293.20	80.38
Rent	175.11	178.53
Managing Director Remuneration	828.59	824.63
Printing & Stationery	42.43	33.74
Communication Expenses	51.26	47.33
Donation [ see Note : 34 (a)]	83.95	470.20
Corporate Social Responsibility [ see Note : 34 (b)&(c)]	202.36	165.63
Legal & Consultancy Expenses	436.97	347.87
Loss on Sale of Assets	71.45	219.58
Impairment on Assets	14.63	16.01
Directors Sitting fees	49.60	30.00
Audit Fees & Expenses [ see Note : 35]	18.98	23.60

**Selling & Distribution Expenses**

Agency Commission	944.15	834.67
Advertisement Expenses	271.66	174.47
Impairment Allowance / (Reversal) for Trade Receivables	110.04	(29.96)
Bad Debts Written off	3.39	96.16
Transportation and Handling Expenses	12,007.68	9,120.39
Miscellaneous Expenses	820.63	707.27
	<u>32,233.55</u>	<u>25,251.15</u>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>34 (a) DONATION</b>		
Donation to Educational Trust / Institutions	75.03	134.05
Donation to Political Parties	-	300.00
Donation to Chief Minister's Relief Fund	6.00	-
Donation to Trusts, promoting Arts, Culture, Education, sports	2.92	36.15
	<b>83.95</b>	<b>470.20</b>
<b>34 (b) CORPORATE SOCIAL RESPONSIBILITIES</b>		
Health care	99.31	2.97
Art and culture	36.78	128.47
Poverty, hunger, malnutrition	4.36	9.19
Training to promote sports	10.17	9.46
Rural development projects	6.60	3.38
Safe drinking water	-	0.06
Environmental sustainability	17.45	2.20
Education	26.87	9.31
Livelihood enhancement projects	0.42	0.59
Socio-economic inequalities	0.20	-
Animal welfare	0.20	-
	<b>202.36</b>	<b>165.63</b>
Details of CSR expenditure are furnished in Annexure VI of the Director's report.		
<b>34 (c) CORPORATE SOCIAL RESPONSIBILITIES</b>		
(a) Amount Required to Spent during the year	190.85	149.53
(b) Shortfall/(excess) amount spent during previous year	(16.10)	-
(c) Amount of Expenditure incurred during the year	202.36	165.63
(d) Shortfall / (excess) at the end of the year	(27.61)	(16.10)
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	-	-
(g) Nature of CSR activities [see Note: 34 b]	-	-
(h) Details of related party transactions	-	-
(i) Provision is made with respect to a liability incurred by entering into a contractual obligation	-	-
<b>35 AUDIT FEES AND EXPENSES</b>		
1. Statutory Auditors:		
a. for statutory audit	7.00	7.00
b. for Taxation matters	1.00	1.00
c. for certification work and other related fee	2.43	6.09
d. for other fee and reimbursement of expenses	3.05	4.01
2. Cost Auditor:		
a. for Cost audit	2.50	2.50
3. Secretarial Auditor		
a. for Secretarial Audit	3.00	3.00
	<b>18.98</b>	<b>23.60</b>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>36 INCOME TAX EXPENSES</b>		
<b>Reconciliation of Tax Expenses and Accounting Profit</b>		
Accounting Profit before Income Tax	16,026.32	16,042.16
At India's statutory Income Tax Rate of 2021-22: 34.944% (2020-21 : 34.944%)	5,600.24	5,605.77
<i>Effects of:</i>		
Tax effects on differences between book depreciation and depreciations under the Income Tax act ,1961	(759.03)	(480.21)
Profit/(loss) on Sale of Property ,Plant and equipment	17.74	45.25
Dividend from Foreign Company	(755.40)	(894.21)
Other non-deductible expenses (timing Difference)	160.04	276.77
Other Deduction claimed	(158.75)	(444.76)
Net effective income tax under Regular method (A)	<u>4,104.84</u>	<u>4,108.61</u>
<b>B. 115BBD Tax working (Spl rate of Tax)</b>		
Dividend from Foreign Company- (2021-22: 17.472%) (2020-21: 17.472%)	2,161.75	2,558.99
Net effective income tax u/s 115BBD (B)	<u>377.70</u>	<u>447.11</u>
<b>Income Tax Under MAT</b>		
Accounting Profit before Income Tax	16,026.32	16,042.16
At India's statutory Income Tax Rate of 2021-22: 17.472% (2020-21: 17.472%)	2,800.12	2,802.89
Adjustments as per Income Tax	20.50	(11.36)
Net effective income tax (C)	<u>2,820.62</u>	<u>2,791.53</u>
<b>Tax applicable higher of (A and B) or C</b>	4,482.54	4,555.72
Previous year tax adjustment	126.87	(14.53)
	<u>4,609.41</u>	<u>4,541.19</u>
<b>Deferred Tax Recognised in the Statement of Profit and Loss</b>		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	754.94	504.00
Adjustment of tax in respect of Prior Years		
Tax effect on Fair Value measurement and other non deductible expenses	(30.86)	(80.78)
	<u>724.08</u>	<u>423.22</u>
<b>MAT Credit</b>		
Net effective income tax excluding interest	2,820.62	2,791.53
Income tax expense under Regular Method	4,482.54	4,555.72
Other adjustments		
MAT Credit utilisation	<u>1,661.92</u>	<u>1,764.19</u>

As per Section 115BAA in the Income Tax Act, 1961, the Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. The Company has not exercised this option for the financial year 2021-22 in view of the benefits available under the existing tax regime.



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>37. COMMITMENTS</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances)	7,412.12	3,875.53
<b>38. CONTINGENT LIABILITIES</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
38.1 Guarantees given by the bankers on behalf of company	445.01	497.49
Letters of Credits to the extent, bills not accepted	1,888.76	2,399.36
38.2 Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -		
Income Tax (Ref Note 38.2.1 and 38.2.2)	2,168.37	1,915.49
VAT & Input Tax Credit, CST (Ref Note 38.2.3 and 38.2.4)	-	-
Entry tax (Refer 38.2.5)	-	-
GST (Refer 38.2.6)	-	-
Other demands (Ref Note 38.2.7 to 38.2.9)	291.87	291.87

38.2.1 Income tax demand amounting to ₹ 3,252.64 Lakhs (PY ₹ 3,362.89 Lakhs) have been disputed by the company and the company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. Out of this demand ₹ 1,084.27 Lakhs (PY ₹ 1,447.40 Lakhs) is provided in books of accounts. Balance amount of ₹ 2,168.37 Lakhs (PY ₹ 1915.49 Lakhs) is not acknowledged as Debts by company. In the opinion of the Management, there may not be any further tax liability with regard this contingent liability and due to this no provision has been considered necessary.

38.2.2 Govt. has announced in the Budget 2021-22 that a new Direct tax Vivad se Vishwas (VSV) Scheme launched. Taxpayer would be required to pay only the amount of the disputed taxes. The taxpayer will get a full waiver of interest and penalty on comply with Scheme conditions. We have opted for this scheme for six assessment year as mentioned below for settling the disputes which are pending for very long time.

Assessment Year	Value of Disputed amount	Value of disputed Tax portion to be settled (excluding Interest and penalty)
AY 2001-02	283.32	112.05
AY 2002-03	52.67	18.80
AY 2003-04	38.76	14.24
AY 2004-05	35.33	12.68
AY 2005-06	144.06	52.71
AY 2012-13	65.26	21.17
TOTAL dispute to be settled	619.40	231.66

We have received acceptance of our application under this scheme from Income Tax Dept.

38.2.3 Sales tax demand amounting to ₹ 283.92 Lakhs (PY ₹ 362.81 Lakhs) have been disputed by the company and the company has preferred appeals before appellate authorities in respect of various disallowances in several assessments and the appeals are pending. Above amount is fully provided in the books of accounts.

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 38.2.4 The Company had put up a plant in Silvassa in The Union Territory of Daman, Diu, Dadra and Nagar Haveli in the year 1998 and availed VAT and CST exemption for the period of 15 years ending on March 2013 based on a certificate of exemption given by appropriate authority in exercise of powers conferred on it by relevant provision of the CST Act, 1956. This power of granting exemption was withdrawn with retrospective effect by an amendment in Finance Act 2002 and the sales tax department has followed it up by issuing a circular for compulsory production of concessional sales tax forms for availing CST exemption. The differential sales tax liability for the year 1998 to the year 2002 works out to ₹ 37 Crores. However, the Company was not in receipt of any demand from the appropriate authority. Aggrieved by the department circular and as an additional precaution, the Company had filed an appeal with Bombay High Court and the Bombay High Court has quashed the circular issued by the Commercial tax department, Silvassa, The Union Territory of Daman, Diu, Dadra and Nagar Haveli thereby allowing continuance of CST exemption even after amendment of relevant provision of CST Act, 1956 by the Finance Act, 2002. But the department of Commercial Tax, Silvassa has preferred an appeal against the Bombay High Court order before the Honourable Supreme Court and the adjudication and the court hearing is in process pending final disposal by the Honourable Supreme Court.

Based on the decision of Bombay High Court and interpretations of other relevant provisions, the Company has been legally advised that there will not be any demand likely to be raised or if the demand is raised it is likely to be deleted or substantially reduced and accordingly no provision is considered necessary.

- 38.2.5 Entry tax demand amounting to ₹ 29.19 Lakhs (PY ₹ 19.69 Lakhs) have been disputed by the company and the company has preferred appeals before appellate authorities in respect of this disallowances and the appeal are pending. This demand of ₹ 29.19 Lakhs (PY ₹ 19.69 Lakhs) is provided in books of accounts.

The Government of West Bengal enacted “The West Bengal Tax on Entry of goods into Local Areas Act, 2012” and writ petitions was filed by the Company challenging the validity of the said Act. The Calcutta High Court passed an order on 20.04.2017 stating that it is no longer retains the jurisdiction over the subject writ petition and directed “West Bengal Taxation tribunal” to decide the case. The Company has filed additional petition with “West Bengal Taxation tribunal” during the FY 2018-19. The Hon’ble West Bengal Tribunal passed an order dated 25.03.2022, stating that the State of West Bengal had no legislative competence to introduce Sections 5 and 6 (Entry tax) of the West Bengal Finance Act, 2017 and declared the said provisions to be ultra vires and unconstitutional.

The company has paid and expensed the said tax upto May 2013 from its inception. Company also made provision in the book of accounts for the above tax for ₹ 295.37 Lakhs for the period from June 2013 to Jun 2017. Provision has been made in the books of accounts for interest to the extent of ₹ 498.70 Lakhs (Previous year ₹ 427.81 Lakhs)

- 38.2.6 GST demands amounting to ₹ 0.99 Lakhs (Previous year: 0.99 Lakhs) have been disputed by the Company and necessary appeals have been filed. This amount is fully provided in books of Accounts.

- 38.2.7 In respect of the electricity matters relating to our Textile Division, the Company has filed appeals / writ petition for ₹ 291.87 lakhs (PY: ₹ 291.87 lakhs) against various subject to the 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 accounts.

- 38.2.8 Under Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligations) Regulations 2010, consumers owning grid connected captive power generating plants and open access consumers with a sanctioned demand of more than 2 MVA are obligated to consume a minimum of 0.5% of their energy requirements from solar sources. The non-complainants are required to purchase Renewable Energy Certificates (REC) from markets @ 1 REC per 1,000 units of shortage or deposit an equivalent amount in a separate designated fund. Even though the Company is consuming wind energy generated from its own wind farms, it has been excluded for reckoning the obligatory consumption, since the Company has wheeling and banking arrangement with TNEB. Aggrieved, the Company including other affected producers have approached the Honourable High court of Madras and obtained an interim stay against the implementation of the said regulation.

- 38.2.9 The Company received a notice from the Department of Revenue Intelligence (DRI) for an amount of ₹ 41.23 lakhs excluding interest and penalty pertaining to the year 2009-10 for short payment of customs duty to the extent of utilization of DEPB Scrip’s purchased in the open market by the Company and which were originally obtained by the ultimate export firms fraudulently as alleged by the DRI. The Company had denied the allegations made in the notice in so far as they relate to the Company’s role is concerned and also the obligation to pay the duty demanded in the notice vide its letter dated August 4, 2014. We attended the personal hearing before the assistant commissioner of customs JNPT Mumbai during October 2016 and awaiting for the favourable order. The Management is confident of resolving the matter in favour of the Company and hence no provision is considered necessary.

- 38.3 (A) 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,

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- We have recognised a sum of ₹ 9.77 lakhs (PY 11.70 lakhs) due to fair valuation of Govt. Grants as per Ind AS.
  - Incentive Scheme under GST regime from 1<sup>st</sup> July, 2017 has been announced by the Gov. of Bihar. Company has applied for the same and is awaiting for approval from Govt.
- (B) The company is eligible for incentive under the “Rajasthan Investment Promotion Scheme 2010” in respect of its Calcium Silicate Board Plant at Kotputli in the state of Rajasthan, during the year under review,
- A sum of ₹ 35.18 lakhs (Previous year: Nil) received as Industrial Promotion Assistance has been credited to Profit and loss Account which was received as per VAT scheme.
  - Incentive Scheme under GST regime from 1<sup>st</sup> July, 2017 has been announced by the Gov. of Rajasthan. Company has applied for the same and is awaiting for approval from Govt

₹ In Lakhs

39. FINANCIAL GUARANTEES	As at	As at
	31-03-2022	31-03-2021
Guarantees given to banks to avail loan facilities by Related parties:		
- Sri Harini Textiles Limited	4,629.00	4,629.00

Notes:

- a. There were no fresh guarantees given on behalf of related parties during the year
- b. The loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Group are furnished below:

₹ In Lakhs

Financial guarantees	As at	As at
	31-03-2022	31-03-2021
- Sri Harini Textiles Limited	648.15	706.30

- c. The related party is prompt in servicing the above said loan.

**40. AS PER IND AS 19, THE DISCLOSURES PERTAINING TO “EMPLOYEE BENEFITS” ARE GIVEN BELOW:**

**Defined Contribution Plan**

₹ In Lakhs

Particulars	31-3-2022	31-3-2021
Employer’s Contribution to Provident Fund	501.65	464.13
Employer’s Contribution to Superannuation Fund	33.67	28.49

**Principal Actuarial Assumptions (Expressed as weighted averages)**

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Discount Rate	6.93%	6.54%	6.93%	6.54%
Rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Attrition Rate	7.95%	7.95%	7.95%	7.95%
Expected rate of return on Plan Assets	6.93%	6.50%	0.00%	0.00%

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**Changes in the Present Value of the Obligation (PVO)**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
PVO as at the beginning of the period	1,632.59	1,453.65	1,039.95	913.96
Interest Cost	100.22	92.44	60.78	56.17
Current service cost	147.96	140.23	74.75	73.21
Past service cost	-	-	-	-
Benefits paid	(200.38)	(63.12)	(221.33)	(99.70)
Actuarial loss/(gain) on obligation (balancing figure)	5.35	9.39	83.48	96.31
PVO as at the end of the period	1,685.73	1,632.59	1,037.63	1,039.95

**Changes in the Fair Value of Plan Assets - Reconciliation of Opening and Closing Balances:**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Fair value of plan assets as at the beginning of the period	1,483.08	1,245.44	-	-
Expected return on plan assets	95.52	85.67	-	-
Contributions	155.22	208.21	221.33	99.70
Benefits paid	(200.38)	(63.12)	(221.33)	(99.70)
Actuarial gain/(loss) on plan assets [balancing figure]	0.32	6.88	-	-
Fair value of plan assets as at the end of the period	1,533.75	1,483.08	-	-

**Actual Return on Plan Assets**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Expected return on plan assets	95.52	85.67	-	-
Actuarial gain/(loss) on plan assets	0.32	6.88	-	-
Actual return on plan assets	95.84	92.55	-	-

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Actuarial Gains and Losses Recognized**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Actuarial gain/(loss) for year - obligation	(5.35)	(9.39)	(83.48)	(96.31)
Actuarial gain/(loss) for year - plan assets	0.32	6.88	-	-
Subtotal	(5.03)	(2.51)	(83.48)	(96.31)
Actuarial (gain)/loss recognized	5.03	2.51	83.48	96.31
Unrecognized actuarial gains (losses) at the end of the period	-	-	-	-

**Amounts Recognised in the Balance Sheet and Related Analyses**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Present value of the obligation	1,685.73	1,632.59	1,037.63	1,039.95
Fair value of plan assets	1,533.75	1,483.08	-	-
Amount determined under Para 63 of Ind AS 19	151.98	149.51	-	-
Net Defined Benefit Liability recognized in the balance sheet	151.98	149.51	1,037.63	1,039.95
Present value of future reduction in contribution under Para 65 of Ind AS 19	-	-	-	-
Net Defined Benefit Asset recognised under Para 64 of Ind AS19	-	-	-	-

**Expenses Recognised in the Statement of Profit and Loss:**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Current service cost	147.96	140.23	74.75	73.21
Net Interest on Net Defined Benefit Obligations	4.70	6.76	60.78	56.17
Net actuarial (gain)/loss recognised during the period	-	-	83.48	96.31
Past service cost	-	-	-	-
Expenses recognized in the statement of profit and loss	152.66	146.99	219.00	225.69

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Amount Recognized for the Current Period in the Statement of Other Comprehensive Income [OCI]**

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Actuarial (gain)/loss on Plan Obligations	5.35	9.39	-	-
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(0.32)	(6.88)	-	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	5.03	2.51	-	-

**Movements in the Liability Recognized in the Balance Sheet**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Opening net liability adjusted for effect of balance sheet limit	149.51	208.21	1,039.95	913.96
Amount recognised in Profit and Loss	152.66	146.99	219.00	225.69
Amount recognised in OCI	5.03	2.51	-	-
Contribution paid	(155.22)	(208.21)	(221.33)	(99.70)
Closing net liability	151.98	149.51	1,037.63	1,039.95

**Amount for the Current Period**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Present Value of obligation	1,685.73	1,632.59	1,037.63	1,039.95
Plan Assets	1,533.75	1,483.08	-	-
Surplus (Deficit)	(151.98)	(149.51)	(1,037.63)	(1,039.95)
Experience adjustments on plan liabilities - (loss)/gain	(44.22)	(13.27)	(107.58)	(98.71)
Impact of Change in Assumptions on Plan Liabilities - (loss)/gain	38.86	3.87	24.10	2.40
Experience adjustments on plan assets -(loss)/gain	0.32	6.88	-	-

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Major Categories of Plan Assets (As Percentage of Total Plan Assets)**

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Funds managed by Insurer (LIC)	100.00%	100.00%	0.00%	0.00%

**Enterprise's Best Estimate of Contribution during Next Year**

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Enterprise's Best Estimate Of Contribution During Next Year	NA	NA	-	-

**Sensitivity Analyses**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
A. Discount Rate + 50 BP	7.43%	7.04%	7.43%	7.04%
Defined Benefit Obligation [PVO]	1,638.30	1,585.66	1,008.27	1,010.90
Current Service Cost	143.22	142.75	73.37	72.35
B. Discount Rate - 50 BP	6.43%	6.04%	6.43%	6.04%
Defined Benefit Obligation [PVO]	1,735.87	1,682.23	1,068.72	1,070.73
Current Service Cost	153.85	153.51	78.33	77.30
C. Salary Escalation Rate +50 BP	6.50%	6.50%	6.50%	6.50%
Defined Benefit Obligation [PVO]	1,738.40	1,684.49	1,068.85	1,070.75
Current Service Cost	154.11	153.75	78.34	77.30
D. Salary Escalation Rate -50 BP	5.50%	5.50%	5.50%	5.50%
Defined Benefit Obligation [PVO]	1,635.47	1,583.08	1,007.88	1,010.62
Current Service Cost	142.93	142.48	73.34	72.33

**Expected Contributions in Following Years**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Year 1	NA	NA	99.95	101.58
Year 2	NA	NA	128.44	167.17
Year 3	NA	NA	146.41	100.13
Year 4	NA	NA	108.96	123.16
Year 5	NA	NA	90.80	96.00
Next 5 Years	NA	NA	352.77	336.72

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Expected Benefit Payments in Following Years**

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Year 1	188.09	166.08	99.95	101.58
Year 2	258.89	282.63	128.44	167.17
Year 3	266.53	191.44	146.41	100.13
Year 4	207.04	227.82	108.96	123.16
Year 5	213.16	187.84	90.80	96.00
Next 5 Years	694.42	692.45	352.77	336.72

**41. DISCLOSURES PERTAINING TO SHARE BASED PAYMENTS AS PER IND AS 102**

**Employee Stock Option Schemes (ESOS)**

The Company instituted Employee Stock Option Schemes (ESOS 2021) approved by shareholders at the Annual General Meeting held on 19.08.2021. The Board of Directors and Nomination & Remuneration Committee granted 1,46,000 options to its eligible employees under various ESOS schemes at its meeting held on January 20, 2022. Each option entitles the option holder thereof to apply for one equity share of the company, upon satisfaction of performance condition during the vesting period and payment of exercise price during the exercise period. Options are granted for no consideration and carries no dividend or voting rights. There are no market conditions attached to the grant / vesting of options. The Company has recognized ₹ 78.04 Lakhs as Employee stock options expense towards equity-settled share based transactions. There are no cash settlement options alternatives. Other terms and conditions of the plan are tabled below:

Particulars	ESOS 2021 - Plan A	ESOS 2021 - Plan B
No. of options outstanding	1,33,500	12,500
Vesting Plan	100% vesting at the end of 1 <sup>st</sup> year	
Exercise Period	Before 31 <sup>st</sup> December of succeeding FY from the date of vesting	
Grant Date	January 20, 2022	
Exercise Price (₹ per Share)	1	30
Fair value of option on the date of grant (₹ / Share)	277.12	250.08
Method of Settlement	Equity-Settled Option	

**Employee Stock Option Schemes (ESOS)**

Particulars	As at 31-3-2022		As at 31-3-2021	
	No of options	WAEP per share	No of options	WAEP per share
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,46,000	274.80	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	1,46,000	-	-	-
Exercisable at the end of the year	1,46,000	-	-	-

Note: Weighted Average Exercise Price (WAPA)

For the options outstanding at the end of the period, the exercise prices range from ₹ 1/- per share to 30/- per share and the weighted average remaining contractual life as at 31<sup>st</sup> March 2022 is 294 days (PY: NIL days)



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Fair Valuation of Employee Stock Options**

The Weighted Average Fair Value of the option is ₹ 274.80. The fair value of options has been done on the date of grant by an independent valuer using the BlackScholes Model. The key assumptions in the Black-Scholes model for calculating fair value as on the date of grant is given below:

Particulars	ESOS 2021 - Plan A	ESOS 2021 - Plan B
Market Price of the underlying asset - ₹ Per share	278.55	278.55
Reference date for the market price	19 <sup>th</sup> Jan 2022	19 <sup>th</sup> Jan 2022
Fair value of shares on grant date	277.12	250.08
Risk Free Rate	7%	7%
Option Life	100% vesting at the end of 1 <sup>st</sup> year	
Expected Volatility	10%	10%
Dividend Yield	0.18%	0.18%

Expected Volatility is based on historical volatility of the observed market prices on National Stock Exchange up to the grant date.

**42. EARNINGS PER SHARE**

Particulars	31-03-2022	31-03-2021
Net profit after tax (A) [In Lakhs]	10,692.83	11,077.75
Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Lakhs]	866.63	866.63
Nominal value per equity share (in ₹ )	1	1
Basic & Diluted Earnings per share (A)/(B) in ₹	12.34	12.78

**43. INFORMATION ON NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIP AS REQUIRED BY IND AS 24 ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022:**

**(a) Subsidiary**

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2022	31-03-2021
Sudharsanam Investments Limited	India	100.00	100.00
Sri Ramco Lanka (Private) Ltd	Sri Lanka	99.99	99.99
Sri Ramco Roofings Lanka (Private) Ltd*	Sri Lanka	1.27	1.27
*Step down subsidiary			
Sri Ramco Lanka (Private) Ltd holding in Sri Ramco Roofings (Private) Ltd	Sri Lanka	98.73	98.73

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**(b) Associates**

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2022	31-03-2021
The Ramco Cements Limited	India	22.62	22.41
Ramco Systems Limited	India	17.74	17.80
Rajapalayam Mills Limited	India	1.73	1.73
Ramco Industrial and Technology Services Limited	India	1.05	1.05
Madurai Trans Carrier Limited	India	17.17	17.17
Lynks Logistics Limited	India	25.71	23.78

**(c) Key Management Personnel and Directors**

Name of the Key Management Personnel and Directors	Designation
P.R. Venketrama Raja	Chairman
P.V. Abinav Ramasubramaniam Raja	Managing Director
Prem G Shanker	Chief Executive Officer
K. Sankaranarayanan	Chief Financial Officer
S. Balamurugasundaram	Company Secretary and legal head
S.S. Ramachandra Raja	Non-Executive & Non Independent Director
N.K. Shrikantan Raja	Non-Executive & Non Independent Director
Suresh Subramaniam - from (20-09-2020 to 30.05.2021)	Independent Director
R.S. Agarwal	Independent Director
V. Santhanaraman	Independent Director
Smt. Justice Chitra Venkataraman (Retd.)	Independent Director
Ajay Bhaskar Baliga - from (27.07.2021)	Independent Director

**(d) Relative of Key Management Personnel**

Name of the Relative of KMP	Relationship
P.V. Abinav Ramasubramaniam Raja	Son of P.R. Venketrama Raja
P.V. Nirmala	Wife of P.R. Venketrama Raja
R. Sudarsanam	Mother of P.R. Venketrama Raja
P.V. Sri Sandhya Raju	Daughter of P.R. Venketrama Raja
Ramaraju	Son in Law of P.R. Venketrama Raja
Saradha Deepa	Sister of P.R. Venketrama Raja
Nalina Ramalakshmi	Sister of P.R. Venketrama Raja

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**(e) Companies over which KMP/Relatives of KMP exercise significant influence**

Ramco Company	R. Sudarsanam & Co
Gowrihouse Metal Works LLP	Gowri Shankar Screws
Timeous, USA	Lotus Knitting Mills
Sudarasana Farms Private Limited	Rajapalayam Farms Private Limited
Ramco Private Limited	Sri Sandhya Farms (India) Private Limited
Ramamandiram Agricultural Estate Private Limited	Nalina Agricultural Farms Private Limited
Sri Saradha Deepa Farms Private Limited	Sri Nithyalakshmi Farms Private Limited
Nirmala Shankar Farms & Estates Private Limited	Ram Sandhya Farms Private Limited
RCDC Securities and Investments Private Limited	Ramco Management Private Limited
Ramco Agencies Private Limited	Barefoot Dance Company Private Limited
Sound Investment & Leasing Private Limited	Satmala Agro-Farms Private Limited
Bharani Bio-Tech Private Limited	Parimala Chemicals Private Limited
Pranahita Power Generation Private Limited	Barefoot Media & Entertainment Private Limited
The Ramco Cements Limited	Rajapalayam Mills Limited
The Ramaraju Surgical Cotton Mills Limited	Sri Vishnu Shankar Mills Limited
Sandhya Spinning Mill Limited	Rajapalayam Textile Limited
Ramco Systems Limited	Lynks Logistics Limited
Vincent Chemilab Private Limited	JKR Enterprises Limited
Shri Harini Media Limited	N.R.K.Herbotec Network
Sri Harini Textiles Limited	

**(f) Employee Benefit Funds where control exists**

Ramco Industries Limited Officers' Superannuation Fund
Ramco Industries Limited Employees' Gratuity Fund

**(g) Other entities over which there is a significant influence**

Smt. Lingammal Ramaraju Shastra Prathishta Trust	The Ramco Cements Limited Educational and Charitable Trust
PACR Sethurammammal Charity Trust	PACR Sethurammammal Charities
Ramco Welfare Trust	PAC Ramasamy Raja Education Charity Trust
Raja Charity Trust	Rajapalayam Rotary Trust
Sri Abhinava Vidyatheertha Seva Trust	Ramco Debate And Research Educational And Charitable Trust
Sastra Prakasika Trust	PAC Ramasamy Raja Centenary Trust
Thangavilas Estate	

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**44. Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:**

**a. Transactions during the year**

₹ In Lakhs

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
1	<b>Sale of Goods</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	13.87	24.61
	Rajapalayam Mills Limited	575.39	543.61
	<b>Companies over which KMP / Relatives of KMP exercise significant influence</b>		
	Rajapalayam Textile Limited	2,510.79	200.31
	The Ramaraju Surgical Cotton Mills Limited	208.97	471.71
	Sri Vishnu Shankar Mills Limited	773.38	247.09
	Sandhya Spinning Mill Limited	1,617.94	494.33
	Sri Harini Textiles Limited	278.72	294.32
	N.R.K.Herbotec Network	-	0.12
	<b>Subsidiary</b>		
	Sri Ramco Lanka (Private) Ltd	-	2.97
	Sri Ramco Roofings Lanka (Private) Ltd	3.57	-
<b>Total</b>	<b>5,982.63</b>	<b>2,279.07</b>	
2	<b>Sale of Machinery</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited	4.17	153.45
	<b>Companies over which KMP / Relatives of KMP exercise significant influence</b>		
	Rajapalayam Textile Limited	-	58.76
	Sri Vishnu Shankar Mills Limited	-	188.85
	Sandhya Spinning Mill Limited	0.59	100.81
	<b>Total</b>	<b>4.76</b>	<b>501.87</b>
3	<b>Purchase of Goods</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	1,492.97	1,093.34
	Rajapalayam Mills Limited	538.48	777.45
	<b>Companies over which KMP / Relatives of KMP exercise significant influence</b>		
	The Ramaraju Surgical Cotton Mills Limited	1181.25	522.90
	Sri Vishnu Shankar Mills Limited	1,871.30	1800.07
	Rajapalayam Textiles Limited	106.35	67.43
	Sandhya Spinning Mill Limited	708.29	397.66

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
	Vinvent Chemilab Private Limited	48.59	21.24
	Gowrihouse Metal Works LLP	0.68	0.31
	<i>Other entities over which there is a significant influence</i>		
	PACR Sethurammam Charity Trust	47.24	19.25
	<b>Total</b>	<b>5,995.15</b>	<b>4,699.65</b>
4	<b>Purchase of Machinery</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited		0.89
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	-	19.26
	<b>Total</b>	<b>-</b>	<b>20.15</b>
5	<b>Receiving of Services</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited	169.18	17.29
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	8.76	-
	Sri Vishnu Shankar Mills Limited	62.07	0.65
	Sandhya Spinning Mill Limited	0.07	-
	<i>Other entities over which there is a significant influence</i>		
	Raja Charity Trust	1,114.10	834.67
	<b>Total</b>	<b>1,354.18</b>	<b>852.61</b>
6	<b>Services Rendered - Execution of Contract</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited	-	4.39
	<b>Total</b>	<b>-</b>	<b>4.39</b>
7	<b>Services Rendered</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited	147.20	56.23
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	0.22	1.29
	The Ramaraju Surgical Cotton Mills Limited	0.14	0.57
	Sandhya Spinning Mill Limited	86.72	3.34
	Sri Vishnu Shankar Mills Limited	51.32	1.57
	<b>Total</b>	<b>285.60</b>	<b>63.00</b>

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
8	<b>Services Rendered - Royalty</b>		
	<b>Subsidiary</b>		
	Sri Ramco Lanka (Private) Ltd	1,541.42	1,135.07
	Sri Ramco Roofings Lanka (Private) Ltd	1,493.66	1,158.02
	<b>Total</b>	<b>3,035.08</b>	<b>2,293.09</b>
9	<b>Services Received - Software Related Services</b>		
	<b>Associates</b>		
	Ramco Systems Limited	316.55	73.41
	<b>Total</b>	<b>316.55</b>	<b>73.41</b>
10	<b>Services Received - Advertisement</b>		
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Shri Harini Media Limited	4.78	4.04
	<b>Total</b>	<b>4.78</b>	<b>4.04</b>
11	<b>Services Received - Manpower Supply</b>		
	<i>Other entities over which there is a significant influence</i>		
	Raja Charity Trust	213.96	190.58
	<b>Total</b>	<b>213.96</b>	<b>190.58</b>
12	<b>Services Received - Aircraft Charter Services</b>		
	<i>Other entities over which there is a significant influence</i>		
	Madurai Trans Carrier Limited	413.55	343.70
	<b>Total</b>	<b>413.55</b>	<b>343.70</b>
13	<b>Leasing Arrangements - Rent Received</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	12.74	12.78
	<i>Other entities over which there is a significant influence</i>		
	JKR Enterprises	2.12	-
	Sri Abhinava Vidhyatheertha Seva Trust	0.04	0.04
	<b>Total</b>	<b>14.90</b>	<b>12.82</b>
14	<b>Leasing Arrangement - Rent Received on Spares</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited	1.39	1.60
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	0.01	0.42
	The Ramaraju Surgical Cotton Mills Limited	0.01	-

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

₹ in Lakhs

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
	Sri Vishnu Shankar Mills Limited	0.34	6.97
	Sandhya Spinning Mill Limited	1.04	0.32
	<b>Total</b>	<b>2.79</b>	9.31
15	<b>Leasing arrangement - Rent on Store Material Paid</b>		
	<b>Associates</b>		
	Rajapalayam Mills Limited	8.94	8.17
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	0.02	0.67
	Sandhya Spinning Mill Limited	0.08	0.34
	Sri Vishnu Shankar Mills Limited	11.15	0.40
	<b>Total</b>	<b>20.19</b>	9.58
16	<b>Leasing Arrangements - Rent &amp; Amenities Paid</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	20.96	20.96
	<b>Subsidiary</b>		
	Sri Ramco Lanka Private Ltd.	0.51	0.54
	<b>Total</b>	<b>21.47</b>	21.50
17	<b>Share of Expenses - Paid</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	50.63	4.78
	Rajapalayam Mills Limited	67.19	43.66
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Sandhya Spinning Mill Limited	18.98	-
	<b>Total</b>	<b>136.80</b>	48.44
18	<b>Share of Expenses - Received</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	6.66	7.07
	Rajapalayam Mills Limited	0.48	0.66
	Ramco Systems Limited	11.25	-
	<b>Total</b>	<b>18.39</b>	7.73
19	<b>Expenses Related to Carbon Credit</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	8.15	-
	<b>Total</b>	<b>8.15</b>	-

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

₹ in Lakhs

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
20	<b>Carbon Credit Receipt</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	31.70	-
	<b>Total</b>	31.70	-
21	<b>Dividend received</b>		
	<b>Subsidiary</b>		
	Sri Ramco Lanka (Private) Ltd	2,147.63	2,538.59
	Sri Ramco Roofings Lanka (Private) Ltd	14.12	20.40
	<b>Associates</b>		
	The Ramco Cements Limited	-	1,582.44
	Rajapalayam Mills Limited	0.74	1.27
	<b>Total</b>	2,162.49	4,142.70
22	<b>Dividend Paid</b>		
	<b>Associates</b>		
	The Ramco Cements Limited	-	133.73
	Rajapalayam Mills Limited	-	84.02
	<b>Companies over which KMP / Relatives of KMP exercise significant influence</b>		
	The Ramaraju Surgical Cotton Mills Limited	-	1.36
	RCDC Securities and Investments Private Limited	-	0.43
	Ramco Management Private Limited	-	18.99
	Ramco Industrial and Technologies Services Private Limited	-	0.90
	Ramco Private Limited	-	0.40
	Ramco Agencies Private Limited	-	0.22
	<b>Key Management Personnel (Other than Sitting Fees)</b>		
	P.R. Venketrana Raja, Chairman	-	62.21
	P.V. Abinav Ramasubramaniam Raja, Managing Director	-	0.40
	Prem G Shanker	-	0.11
<b>Total</b>	-	302.77	
23	<b>Remuneration to Key Management Personnel (Other than Sitting Fees)</b>		
	P.V. Abinav Ramasubramaniam Raja, Managing Director	828.59	824.63
	Prem G Shanker, Chief Executive Officer	350.12	300.58
	K. Sankaranarayanan, Chief Financial Officer	85.61	79.06
	S. Balamurugasundaram, Company Secretary and legal Head	39.80	36.35
	<b>Total</b>	1,304.12	1,240.62



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
24	<b>Directors' Sitting Fees</b>		
	<b>Key Management Personnel</b>		
	P.R. Venketrama Raja, Chairman	8.00	5.20
	P.V. Abinav Ramasubramaniam Raja	3.20	2.80
	S.S. Ramachandra Raja	3.20	2.00
	N.K. Shrikantan Raja	4.80	2.80
	K.T. Ramachandran	-	2.00
	R.S. Agarwal	8.80	5.60
	V. Santhana Raman	9.20	3.20
	Smt. Justice Chitra Venkataraman (Retd.)	7.60	4.80
	Suresh Subramaniam	0.80	1.60
	Ajay Bhaskar Baliga	4.00	-
	<b>Total</b>	<b>49.60</b>	<b>30.00</b>
	25	<b>Interest Received</b>	
<b>Associates</b>			
Lynks Logistics Limited		33.81	-
<b>Subsidiary</b>			
Sudharsanam Investments Limited		7.56	13.06
<b>Total</b>		<b>41.37</b>	<b>13.06</b>
26	<b>Interest Paid</b>		
	<b>Key Managerial Personnel</b>		
	P V Abinav Ramasubramaniam Raja, Managing Director	4.43	3.18
	<b>Total</b>	<b>4.43</b>	<b>3.18</b>
27	<b>Purchase of Shares</b>		
	<b>Associates</b>		
	Lynks Logistics Limited	950.94	1,083.85
	Rajapalayam Mills Limited - Rights issue	120.78	-
	Rajapalayam Mills Limited - Purchase of The Ramco Cements Ltd., Shares	1,001.98	-
	<b>Companies over which KMP / Relatives of KMP exercise significant influence</b>		
	The Ramaraju Surgical Cotton Mills Limited -Purchase of The Ramco Cements Ltd., Shares	-	2,967.93
	<b>Key Managerial Personnel</b>		
	Shri. P.R. Venketrama Raja - Purchase of The Ramco Cements Ltd., Shares	1,468.44	-
	<b>Relative of Key Managerial Personnel</b>		
	Smt. Sardha Deepa - Purchase of The Ramco Cements Ltd., Shares	2,590.88	-
	<b>Total</b>	<b>6,133.02</b>	<b>4,051.78</b>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

S. No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
28	<b>Contribution to Superannuation Fund / Gratuity Fund</b>		
	<b>Employee Benefit Funds where Control Exists</b>		
	Ramco Industries Limited Officers' Superannuation Fund	33.67	28.49
	Ramco Industries Limited Employees' Gratuity Fund	151.98	149.51
	<b>Total</b>	<b>185.65</b>	<b>178.00</b>

**b. Outstanding balances including commitment**

₹ in Lakhs

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2022	31-03-2021
1	<b>Trade Receivables</b>		
	<b>Subsidiaries</b>		
	Sri Ramco Lanka (Private) Ltd	1,160.80	317.43
	Sri Ramco Roofings Lanka (Private) Ltd	1,139.23	282.64
	<b>Associates</b>		
	The Ramco Cements Ltd	-	0.53
	Rajapalayam Mills Limited	-	-
	<b>Total</b>	<b>2,300.03</b>	<b>600.60</b>
2	<b>Payables</b>		
	<b>Associates</b>		
	The Ramco Cement Limited	-	29.58
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Vincent Chemilab Private Limited	3.48	0.90
	<i>Other entities over which there is a significant influence</i>		
	Raja Charity Trust	156.00	101.08
	PACR Sethurammal Charity Trust	3.13	1.75
<b>Total</b>	<b>162.61</b>	<b>133.31</b>	
3	<b>Other Financial Liabilities</b>		
	<b>Associates</b>		
	The Ramco Cement Limited	5.34	5.41
	<b>Key Managerial Person</b>		
	P.V.Abinav Ramasubramaniam Raja, Managing Director	0.73	61.17
<b>Total</b>	<b>6.07</b>	<b>66.58</b>	

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2022	31-03-2021
4	<b>Corporate Guarantees given to lenders of Related parties</b>		
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Sri Harini Textiles Limited	4,629.00	4,629.00
	<b>Total</b>	<b>4,629.00</b>	<b>4,629.00</b>
5	<b>Loan Outstanding</b>		
	<b>Subsidiary</b>		
	Sudharsanam Investments Limited	234.23	217.78
	<b>Associates</b>		
	Lynks Logistics Limited	1,000.00	-
<b>Total</b>	<b>1,234.23</b>	<b>217.78</b>	
6	<b>Maximum amount of loans and advances outstanding during the year</b>		
	<b>Subsidiary - Loan</b>		
	Sudharsanam Investments Limited	234.42	298.72
	<b>Associates - Loan</b>		
	Lynks Logistics Limited	1,033.81	-
	<b>Associates - Rent Advance Paid</b>		
	The Ramco Cements Limited	8.40	8.40
<b>Total</b>	<b>1,292.89</b>	<b>307.12</b>	

Note:

- a. The above figures are inclusive of all applicable taxes
- b. The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances

**Disclosure of Key Management Personnel compensation in total and for each of the following categories**

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Short - Term Benefits (1)		
Defined Contribution Plan (2)	1,307.32	1,243.42
Defined Benefit Plan / Other Long-term benefits(3)		
<b>Total</b>	<b>1,307.32</b>	<b>1,243.42</b>

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**
**45. DISCLOSURE OF FAIR VALUE MEASUREMENTS**

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

**Financial Instruments by category**

₹ in Lakhs

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>As at 31-03-2022</b>					
<b>Financial Assets</b>					
Other Investments	4,673.03	3.01	(195.03)	4,481.01	4,481.01
Loans and Advances	1,234.23	-	-	1,234.23	1,234.23
Trade Receivables	11,033.52	-	-	11,033.52	11,033.52
Cash and Bank Balances	654.97	-	-	654.97	654.97
Other Financial Assets	937.71	-	-	937.71	937.71
<b>Financial Liabilities</b>					
Borrowings	22,387.37	-	-	22,387.37	22,387.37
Trade Payables	4,726.87	-	-	4,726.87	4,726.87
Other Financial Liabilities	8,716.34	-	-	8,716.34	8,716.34
<b>As at 31-03-2021</b>					
<b>Financial Assets</b>					
Other Investments	3,042.46	9.99	1,620.58	4,673.03	4,673.03
Loans and Advances	217.78	-	-	217.78	217.78
Trade Receivables	8,892.84	-	-	8,892.84	8,892.84
Cash and Bank Balances	760.47	-	-	760.47	760.47
Other Financial Assets	922.46	-	-	922.46	922.46
<b>Financial Liabilities</b>					
Borrowings	15,185.69	-	-	15,185.69	15,185.69
Trade Payables	6,683.28	-	-	6,683.28	6,683.28
Other Financial Liabilities	8,070.22	-	-	8,070.22	8,070.22

**Fair value hierarchy**

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

The details of financial instruments that are measured at fair value on recurring basis are given below: ₹ in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Instruments at FVTOCI</b>				
<b>Investments in listed equity securities</b>				
As at 31-03-2022	(195.03)	-	-	(195.03)
As at 31-03-2021	1,620.58	-	-	1,620.58
<b>Actuarial Values</b>				
As at 31-03-2022	-	-	(5.03)	(5.03)
As at 31-03-2021	-	-	(2.51)	(2.51)
<b>Financial Instruments at FVTPL</b>				
<b>Investment in mutual funds</b>				
As at 31-03-2022	3.01	-	-	3.01
As at 31-03-2021	9.99	-	-	9.99
<b>Foreign exchange forward contracts</b>				
As at 31-03-2022	-	(6.02)	-	(6.02)
As at 31-03-2021	-	-	-	-

**Valuation techniques used to determine the fair value**

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at 31 <sup>st</sup> March in Stock Exchange
Investment in Unlisted securities	Adjusted Net Assets	Net Assets plus Cost Savings in operations of business based on Discounted cash flow method
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker

**46. FINANCIAL RISK MANAGEMENT**

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyses the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

### Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

### Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail segment. The exposures with the Government are generally unsecured but they are considered as good. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

₹ In Lakhs

As at 31-03-2022	Building products	Textile Division	Windmill	Total
Gross carrying amount	6,489.39	4,977.88	114.81	11,582.08
Expected Loss Rate	6.47%	0.65%	84.13%	4.74%
Expected Credit Losses	419.78	32.18	96.60	548.56
Carrying amount of trade receivables net of impairment	6,069.60	4,945.70	18.21	11,033.52

As at 31-03-2021	Building Products	Textile Division	Windmill	Total
Gross carrying amount	4,848.70	4,363.04	119.37	9,331.11
Expected Loss Rate	7.18%	-	75.42%	4.70%
Expected Credit Losses	348.24	-	90.03	438.27
Carrying amount of trade receivables net of impairment	4,500.46	4,363.04	29.34	8,892.84

### Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counterparty risk relating to short term and medium term deposits placed with banks, and also investments made in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

### Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

### Fund Management

Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Financial arrangements**

The Company has access to the following undrawn borrowing facilities:

₹ In Lakhs

Particulars	31-03-2022	31-03-2021
<b>Expiring within one year</b>		
Bank Overdraft and other facilities	30,918.01	44,351.28
Term Loans	-	361.53
<b>Expiring beyond year</b>		
Term Loans	-	-

**Maturities of Financial Liabilities**

₹ in Lakhs

Nature of Financial Liability	< 1 Year	1 - 5 Years	> 5 years	Total
<b>As at 31-03-2022</b>				
Borrowings from Banks	20,915.33	1,472.04	-	22,387.37
Trade payables	4,726.87	-	-	4,726.87
Security Deposits payable	3,398.18	-	-	3,398.18
Other Financial Liabilities (Incl. Interest)	5,038.05	-	-	5,038.05
<b>As at 31-03-2021</b>				
Borrowings from Banks	12,830.52	2,355.17	-	15,185.69
Trade payables	6,683.28	-	-	6,683.28
Security Deposits payable	3,275.71	-	-	3,275.71
Other Financial Liabilities (Incl. Interest)	4519.12	-	-	4519.12

**Foreign Currency Risk**

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of raw material, capital goods and spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks	Foreign Currency Loan
USD in Millions				
<b>As at 31-03-2022</b>	0.11	6.50	-	3.59
As at 31-03-2021	1.55	3.00	0.26	1.30

**Risk sensitivity on foreign currency fluctuation**

₹ in Lakhs

Foreign Currency	31-03-2022		31-03-2021	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	77.29	(77.29)	44.70	(44.70)

## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

### Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position. Sensitivity on interest rate fluctuation.

### Interest rate risk exposure

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Variable rate borrowings	19,737.69	11,783.77
Fixed rate borrowings	2,649.68	3,401.92

The Company does not have any interest rate swap contracts.

### Sensitivity on Interest rate fluctuation

₹ in Lakhs

Total Interest Cost works out to	31-03-2022	31-03-2021
1% Increase in Interest Rate	435.04	545.59
1% Decrease in Interest Rate	283.81	379.76

## 47. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Long Term Borrowings	1,472.04	2,355.17
Current maturities of Long term borrowings	1,177.64	1,046.75
Short Term Borrowings	19,737.69	11,783.77
Less: Cash and Cash Equivalents	654.70	760.47
Net Debt (A)	21,732.67	14,425.22
Equity Share Capital	866.63	866.63
Other Equity	99,837.74	89,244.22
Total Equity (B)	1,00,704.37	90,110.85
Total Capital Employed (C) = (A) + (B)	1,22,437.04	1,04,536.07
Capital Gearing Ratio (A) / (C)	17.75%	13.80%



## NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2022 and 31-03-2021.

### 48. PROJECT REVENUE RECOGNITION

Contract revenue from Project activity on fixed price contracts is recognized when the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on work certified by the customer.

Disclosure as per Indian Accounting Standard - 11 in respect of projects in progress

- [a] Contract Revenue during the year ₹ 217.02 Lakhs [PY: 129.74 Lakhs]
- [b] Aggregate amount of cost incurred ₹ 201.33 Lakhs [PY: 132.91 Lakhs] and recognised profit ₹ 15.69 Lakhs [PY: (3.17) Lakhs] (less recognised losses) to date
- [c] Advances received [Outstanding] ₹ 26.73 Lakhs [PY: 13.30 Lakhs]
- [d] Retention Money [Outstanding] ₹ 31.12 Lakhs [PY: 24.00 Lakhs]\*
- [e] Gross Amount due from Customers for Contract Work [including Retention at (d) above] ₹ 92.56 Lakhs [PY: 69.19 Lakhs]
- [f] Gross Amount due to Customers for Contract Work [other than advances at (c) above] - Nil
- [g] Unbilled revenue - Nil

\* Retention Money [Outstanding] is after adjusting amounts released against furnishing of Bank Guarantees.

Unbilled Revenue represents revenue recognised based on percentage of completion method over and above the amount due from the customers as per the agreed payment plans.

### 49. ADDITIONAL REGULATORY INFORMATION AS REQUIRED UNDER COMPANIES ACT 2013 / INDIAN ACCOUNTING STANDARDS

#### a. Trade Payables Ageing Schedule

Particulars	Outstanding for the following periods from the due of payments					Total
	Not Due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
<b>As at 31-03-2022</b>						
(i) MSME	309.38	166.59	-	-	0.07	476.04
(ii) Others	3,693.56	537.61	0.06	0.76	18.84	4,250.83
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,002.94</b>	<b>704.20</b>	<b>0.06</b>	<b>0.76</b>	<b>18.91</b>	<b>4,726.87</b>
(i) MSME	238.68	91.29	0.67	2.67	4.50	337.81
(ii) Others	5,330.01	898.41	26.22	18.73	72.10	6,345.47
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>5,568.69</b>	<b>989.70</b>	<b>26.89</b>	<b>21.40</b>	<b>76.60</b>	<b>6,683.28</b>

#### b. Capital Work-in-Progress Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
<b>As at 31-03-2022</b>	<b>1,685.40</b>	<b>49.80</b>	-	-	<b>1,735.20</b>
<b>As at 31-03-2021</b>	<b>3,345.30</b>	<b>62.96</b>	-	-	<b>3,408.26</b>

Note: The Company do not have any projects whose activity has been suspended.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**c. Completion schedule for Capital Work-in-Progress whose completion is overdue or cost exceeded as per the original plan**

Particulars	To be Completed in			
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years
<b>As at 31-03-2022</b>				
Additional Line, Arakkonam Division	779.59	-	-	-
Modernization of Building Products Division	481.68	398.26	-	-
Modernization of Textile Division	75.67	-	-	-
<b>Total</b>	<b>1,336.94</b>	<b>398.26</b>	-	-
<b>As at 31-03-2021</b>				
Additional Line, Arakkonam Division	2,282.12	119.28	-	-
Modernization of Building Products Division	803.05	48.93	-	-
Modernization of Textile Division	154.90	-	-	-
<b>Total</b>	<b>3,240.07</b>	<b>168.21</b>	-	-

**d. Trade Receivables Ageing Schedule**

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 month - 1 Year	1 - 2 years	2 - 3 Years	> 3 Years	
<b>As at 31-03-2022</b>							
Undisputed Trade Receivables - Considered Good	8,579.18	1,480.28	749.11	244.93	-	-	11,033.51
Undisputed Trade Receivables - which has significant increase in Credit Risk	-	185.13	76.52	57.23	-	96.60	415.48
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which has significant increase in Credit Risk	-	-	6.77	53.10	34.51	38.71	133.08
<b>Total</b>	<b>8,579.18</b>	<b>1,666.42</b>	<b>832.40</b>	<b>335.26</b>	<b>34.51</b>	<b>135.31</b>	<b>11,582.07</b>
<b>As at 31-03-2021</b>							
Undisputed Trade Receivables - Considered Good	7,009.56	1,465.75	282.84	134.68	-	-	8,892.84
Undisputed Trade Receivables - which has significant increase in Credit Risk	-	189.25	34.04	18.50	-	90.02	331.81
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which has significant increase in Credit Risk	-	-	-	39.96	30.79	35.71	106.46
<b>Total</b>	<b>7,009.56</b>	<b>1,655.00</b>	<b>316.88</b>	<b>193.14</b>	<b>30.79</b>	<b>125.73</b>	<b>9,331.11</b>

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

- e. **Unbilled Revenue Ageing Schedule**  
The Company do not have any such transaction.
- f. **Undisclosed Income**  
The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.
- g. **CSR Disclosure:**  
Disclosure has been given in (Note no:34 (b) & (c)) of note on accounts.
- h. **Compliance with approved Scheme(s) of arrangements.**  
The Company do not have any such approved Scheme(s) of arrangements.
- i. **Relationship with Struck off Companies**  
The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.
- j. **Details of Crypto Currency or Virtual Currency**  
The Company did not trade or invest in Crypto Currency or virtual currency during the financial year.
- k. **Disclosure on loans / advance to directors / KMP / related parties:**  
Disclosure has given in note on accounts (Note no:9 (a) & (b)) as per the Schedule III.
- l. **Benami Property**  
The Company did not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- m. **The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall:**
- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or
  - ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- n. **The amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress are given below:**

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Pre-operative expenses included in CWIP as at the beginning of the year	-	-
Expenditure incurred during the year		
Finance Costs	-	68.03
Sub Total	-	68.03
Less: Capitalised during the year	-	68.03
Pre-operative expenses included in CWIP as the end of the year	-	-

- o. **Events after the reporting period - Distribution made and proposed**

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Cash Dividends on Equity Shares declared and paid		
Final dividend for the year ended 31 <sup>st</sup> March 2021: Nil (for the year ended 31 <sup>st</sup> March 2020: Nil)	-	-
Interim dividend for the year ended 31 <sup>st</sup> March 2022: Nil (for the year ended 31 <sup>st</sup> March 2021: ₹1 per share)	-	866.63
TDS on Dividends	-	-
Proposed Dividends on Equity Shares		
Final dividend for the year ended 31 <sup>st</sup> March 2022: ₹ 1 per share (for the year ended 31 <sup>st</sup> March 2021: Nil)	866.63	-

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**50. KEY FINANCIAL RATIOS:**

Particulars		UoM	31-03-2022	31.03.2021	Variation in %
(a)	Current Ratio	In Multiple	1.35	1.38	-2%
(b)	Debt-Equity Ratio	In Multiple	0.22	0.17	29%
(c)	Debt Service Coverage Ratio	In Multiple	7.73	3.52	119%
(d)	Return on Equity Ratio	In %	11%	15%	-26%
(e)	Inventory Turnover Ratio	In Days	111	121	-8%
(f)	Trade receivable Turnover Ratio	In Days	32	31	1%
(g)	Trade payable Turnover Ratio	In Days	18	24	-24%
(h)	Net Capital Turnover Ratio	In Days	125	129	-3%
(i)	Net Profit Ratio	In %	9%	11%	-18%
(j)	Return on Capital Employed	In %	10%	13%	-23%
(k)	Return on Investment (Assets)	In %	7%	10%	-25%

**Formula adopted for above Ratios:**

- (a) Current Ratio = Total Current Assets / Total Current Liabilities
- (b) Debt-Equity Ratio = Total Debt / Total Equity
- (c) Debt Service Coverage Ratio = (EBITDA - Current Tax) / (Principal Repayment + Gross Interest)
- (d) Return on Equity Ratio = Total Comprehensive Income / Average Total Equity
- (e) Inventory Turnover Ratio = (Average Inventory days) = 365 / (Net Revenue / Average Inventories)
- (f) Trade receivable Turnover Ratio = (Average Receivables days) = 365 (Net Revenue / Average Trade receivables)
- (g) Trade payable Turnover Ratio = (Average Payables days) = 365 (Net Revenue / Average Trade payables)
- (h) Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade Receivable Turnover Ratio - Trade Payable Ratio)
- (i) Net Profit Ratio = Net Profit / Total Income
- (j) Return on Capital Employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))
- (k) Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets

**Reasons for Variation if more than 25%**

The increase in Debt-Equity Ratio by 29% from 0.17 times in previous year to 0.22 times in current year is mainly due to increased Working capital borrowing.

The increase in Debt-Service Coverage Ratio by 119% from 3.52 times in previous year to 7.73 times in current year is mainly due to Lower Term Loan repayments and reduced interest rates

The decline in Return on Equity Ratio by 26% from 15% in previous year to 11% in current year is mainly due to decrease in operational margin.

The decline in Return on Investment (Assets) Ratio by 25% from 10% in previous year to 7% in current year is mainly due to decrease in operational margin and increase in assets.

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**51. THE CODE ON SOCIAL SECURITY, 2020 AND INDUSTRIAL RELATIONS CODE, 2020**

The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 (“the codes”) in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees including post-employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognised post notification of relevant provisions

**52. IMPACT ON COVID 19 PANDEMIC**

The second wave of COVID 19 has impacted the demand for the product as the pandemic is now affecting rural areas also. The Company is continuing its operations in compliance with the directives issued by the Government Authorities. The company is monitoring the situation closely and is taking necessary steps to continue operations in due compliance with applicable regulations.

The Company has considered the possible effects that may result from the pandemic relating to COVID19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and nonfinancial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including economic forecasts and expects that the carrying amount of these assets will be recovered. However, the final impact may differ from the current estimates made as at the date of approval of the financial statements for the year ended 31-03-2022 considering the prevailing uncertainties.



**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**53. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

₹ in Lakhs

As required under Ind AS 108, the Segment-wise Revenue, Results and Capital employed are furnished below:-

Particulars	Building Products		Textiles		Windmill		Others		Total	
	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021
<b>1. Revenue/Income from operations</b>										
External Customers	94,836.28	84,670.12	20,342.88	13,179.25	1,389.12	1,455.44	3,035.08	2,293.09	1,19,603.36	1,01,597.90
Inter-segment	-	-	-	-	(1,212.58)	(1,304.51)	-	-	(1,212.58)	(1,304.51)
Total Revenue	94,836.28	84,670.12	20,342.88	13,179.25	176.54	150.93	3,035.08	2,293.09	1,18,390.78	1,00,293.39
<b>2. Results:</b>										
Segment results										
Unallocated Corporate Expenses										
Operating Profit / (Loss)	8,921.12	10,703.56	3,421.27	349.71	774.18	843.43	1,378.82	2,431.39	14,495.39	14,328.09
Interest expenses									853.27	949.32
Other Income/ Dividend income									2,206.85	4,092.66
Income Tax - Current (MAT)									4,609.41	4,541.19
- Deferred									724.08	423.22
- MAT credit entitlement									-	-
Profit from Ordinary activities									10,515.48	12,507.02
Exceptional items									-	-
Net Profit									10,515.48	12,507.02
<b>3. Other Information:</b>										
Segment Assets	73,598.61	69,522.94	22,604.86	16,459.57	1,518.02	1,370.16	54,662.38	46,265.80	1,52,383.87	1,33,618.47
Unallocated corporate assets										
Total Assets	73,598.61	69,522.94	22,604.86	16,459.57	1,518.02	1,370.16	54,662.38	46,265.80	1,52,383.87	1,33,618.47
Segment Liabilities	14,068.18	15,642.32	8,501.47	5,685.28	370.73	206.32	28,738.84	21,973.70	51,679.50	43,507.62
Unallocated corporate liabilities										
Total Liabilities	14,068.18	15,642.32	8,501.47	5,685.28	370.73	206.32	28,738.84	21,973.70	51,679.50	43,507.62
Capital Expenditure	6,631.26	1,477.68	1,149.70	2,761.16	-	-	377.85	132.40	8,158.81	4,371.24
Depreciation	2,267.62	2,155.51	551.82	492.01	111.19	113.90	0.29	0.29	2,930.92	2,761.71
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

Segmental Assets includes Tax Assets

**NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

54. The previous period figures have been re-grouped / restated wherever considered necessary.

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELQ05128  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S  
C. KESAVAN  
Partner  
Membership No. 227833  
UDIN: 22227833AJEGWG1046

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

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

### INDEPENDENT AUDITOR'S REPORT

To the Members of RAMCO INDUSTRIES LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the Consolidated financial statements of **RAMCO INDUSTRIES LIMITED** ("the Holding Company"), and its subsidiaries (collectively referred to as "the Company" or "the Group") and its associates, comprising of the consolidated balance sheet as at 31<sup>st</sup> March 2022, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of their consolidated state of affairs of the Company as at March 31, 2022, and the consolidated profit/loss, and its consolidated cash flows for the year ended and consolidated changes in the equity on that date.

##### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of Matter

We draw attention to Note No. 51 to the consolidated financial statement, which describes the uncertainties and the impact of the COVID-19 pandemic on the operations and financial results. The Management has assessed that there is no material impact on the financial statements due to lockdown and related restrictions imposed towards controlling the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

##### Key Audit Matters

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

S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recognition and measurement of deferred taxes</b></p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with Ind AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p><b>(Refer to Note No. 4.4.4, 4.4.5, 4.4.6 and 4.4.7 to the Consolidated Financial Statements)</b></p>	<p><b>Principal Audit Procedures</b></p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.</p>

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

<p>2</p>	<p><b>Evaluation of uncertain Tax Position/ Other contingent liabilities</b></p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims and other contingent liabilities. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p>(Refer to Note No. 38 to the Separate Financial Statements)</p>	<p><b>Principal Audit Procedures</b></p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management’s underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</p> <p>We reviewed the significant litigations and claims and discussed with the Company’s legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p> <p>We also reviewed to relevant judgements and the opinions given by the company’s advisers, which were relied on by the management for such claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate financial statements.</p>
<p>3</p>	<p><b>Existence and impairment of Trade Receivables</b></p> <p>Trade Receivables are significant to the Company’s financial statements. The Collectability of trade receivables is a key element of the company’s working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>(Refer to Note No. 12 to the Consolidated Financial Statements)</p>	<p><b>Principal Audit Procedures:</b></p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management’s assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We also reviewed the system of obtaining monthly confirmation from the customers, which are kept in electronic mode by the company. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements.</p>
<p>4</p>	<p><b>Evaluation of Carrying value of Non-Current Investments:</b></p> <p>The Company has Non-Current Investments in unlisted associates and other companies, amounting to ₹ 1,636.38 Lakhs as at 31<sup>st</sup> March 2022 which is 0.54% of the total non-current investments of the company. The Company’s investments in associates are accounted using equity method less any impairment. These investments are assessed for impairment when an indicator of impairment exists. The management assess annually the existence of impairment indicators of each unlisted investment and assessed that there is no impairment in the value of such investment as on balance sheet date. The processes and methodologies for valuation and identification of impairment in the value of investments of unlisted companies requires application of significant judgment by the Company. The judgment has to be made with respect to the timing, quantity and estimation of future discounted cash flows of the unlisted entities.</p>	<p>We examined the policies and methodologies used by the management to estimate the carrying value of each investment.</p> <p>We evaluated the assessment techniques for the forecasting the future cash flows and revenue estimates used by the management to assess the future prospect of the investees’ companies.</p> <p>We examined the report of the valuation experts obtained by the management for the valuation of the business to assess the investment value in unlisted companies.</p> <p>We reviewed and compared the estimates made by the management with the externally available industry data.</p>

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

It involves significant estimates and judgment by the management because of the inherent uncertainty involved in forecasting the investee's future performance and discounting future cash flows. We consider the valuation and assessment of impairment in value of such investments to be significant to the audit, because of the materiality of the value of investments in the separate financials statements of the Company and estimates and judgments involved in assessing the various unobservable valuation inputs like estimating the future cash flows. Accordingly, the valuation and assessment of impairment value in such investments of unlisted entities is determined to be key audit matter in our audit of the standalone financials statement.

**(Refer to Note No. 8 A and 8 B to the Consolidated Financial Statements)**

### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and board of directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, consolidated profit/loss including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the entities included in the Group and of its associates are responsible for assessing the ability of each entity and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associates are responsible for overseeing the financial reporting process of each entity.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of these assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and Subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- (a) The Consolidated Financial Statements includes financial performance of a foreign branch which reflects total assets of ₹ 164.34 Lakhs, total revenue of ₹ Nil and net cash outflow amounting to ₹ 2.18 Lakhs for the year ended on 31<sup>st</sup> March 2022, which was audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the consolidated financial statements solely based on such audited financial statements.
- (b) The Consolidated financial statements reflects the Group's share of total assets of ₹ 16,674.94 Lakhs as at 31<sup>st</sup> March 2022, the Total revenue of ₹ 30,633.30 Lakhs and net cash inflow of ₹ 1,378.00 Lakhs for the year ended 31<sup>st</sup> March 2022 of Two foreign subsidiaries, which were audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the consolidated financial statements solely based on such audited financial statements. Our opinion is not modified in respect of this matter.

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

- (c) The audited statements as per Ind AS of One Subsidiary Company, included in the consolidated financial results year to date reflect total assets of ₹ 1,287.57 Lakhs as at 31<sup>st</sup> March 2022, the total revenue of ₹ Nil and net cash outflow of ₹ 0.02 Lakhs for the year ended 31<sup>st</sup> March 2022, which was audited by one of us.
- (d) We did not audit the financial statements of SIX associate companies included in the consolidated annual financial results year to date, whose financial statements reflect the Group's share of net profit after tax of ₹ 17,632.78 Lakhs for the year ended 31<sup>st</sup> March 2022. These financial statements as per Ind AS and other financial information are un-audited and have been furnished to us by the management, and our opinion is based solely on the financial results year to date, to the extent they have been derived from such un-audited financial statements.

### **Our opinion on the statement is not modified in respect of these matters.**

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is based on the financial statements/financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- (d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March 2022 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", which is based on the auditor's reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and best of our information and according to the explanations given to us, the remuneration paid to the directors during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provision of section 197 (16) of the Act. The remuneration paid to any director by the Holding company and its subsidiaries which are incorporated in India, is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us,

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

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

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India during the year ended 31<sup>st</sup> March 2022.
- iv. (a) The respective Management of the Holding Company and its subsidiaries incorporated in India whose financial statements/financial information have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The respective Management of the Holding Company and its subsidiaries incorporated in India whose financial statements/financial information have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provide under (a) and (b) above, contain any material misstatement.
- v. The Holding Company has not paid any dividend during the year. The Board of Directors of the Holding Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804

Place: Chennai  
Date: 18<sup>th</sup> May 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S

C. KESAVAN  
Partner  
Membership No.: 227833  
UDIN: 22227833AJEHHI3273

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

### “ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

With reference to the Annexure A referred to in the Independent Auditors’ Report to the members of the Holding Company on the consolidated financial statements for the year ended 31<sup>st</sup> March 2022, we report the following:

(xxi) The Companies (Auditor’s Report) Order (CARO) report of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks. According to the information and explanations given to us, in respect of the following subsidiary and associate companies incorporated in India and included in the consolidated financial statements, we give below details:

Sl. No.	Name of the Company	Nature of relationship	Qualifications or Adverse Remarks by the Auditors	Clause Number of the CARO report which is qualified or adverse
1	Sudharsanam Investments Limited	Subsidiary	There are no qualifications/adverse remarks by the Auditors.	
2	Sri Ramco Lanka (Private) Limited, Srilanka	Subsidiary	There are no qualifications/adverse remarks by the Auditors.	
3	Sri Ramco Roofings Lanka (Private) Limited, Srilanka	Subsidiary	There are no qualifications/adverse remarks by the Auditors.	
4	The Ramco Cements Limited	Associate	CARO report has not been issued by the Auditors for 31 <sup>st</sup> March 2022.	
5	Ramco Systems Limited	Associate	CARO report has not been issued by the Auditors for 31 <sup>st</sup> March 2022.	
6	Rajapalayam Mills Limited	Associate	CARO report has not been issued by the Auditors for 31 <sup>st</sup> March 2022.	
7	Ramco Industrial and Technology Services limited	Associate	CARO report has not been issued by the Auditors for 31 <sup>st</sup> March 2022.	
8	Madurai Trans Carrier Limited	Associate	CARO report has not been issued by the Auditors for 31 <sup>st</sup> March 2022.	
9	Lynks Logistics Limited	Associate	CARO report has not been issued by the Auditors for 31 <sup>st</sup> March 2022.	

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804

Place: Chennai  
Date: 18<sup>th</sup> May 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S

C. KESAVAN  
Partner  
Membership No.: 227833  
UDIN: 22227833AJEHHI3273



### **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT**

Referred to in Paragraph (g) of Report on Other Legal and Regulatory Requirements of our Report of even date

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of Ramco Industries Limited (The Holding Company) as of and for the year ended 31<sup>st</sup> March 2022, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



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

### Opinion

In our opinion, based on the test checks conducted by us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804

Place: Chennai  
Date: 18<sup>th</sup> May 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S

C. KESAVAN  
Partner  
Membership No.: 227833  
UDIN: 22227833AJEHHI3273

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022**

	Note No	As at 31-Mar-2022 ₹ in Lakhs	As at 31-Mar-2021 ₹ in Lakhs
<b>I ASSETS</b>			
<b>(1) Non - Current Assets</b>			
(a) Property, Plant and Equipments	6-A	51,800.61	46,793.88
(b) Capital Work-in-progress	6-C	1,943.42	3,600.33
(c) Investment Property	7	58.37	63.97
(d) Intangible Assets	6-B	398.65	364.93
(e) Financial Assets			
Investment in Associates	8-A	3,00,828.70	2,77,068.68
Other Investment	8-B	4,481.01	4,673.03
Loans	9	1,000.00	-
Other Financial Assets	9	766.40	746.97
(f) Other Non-Current Assets	10	718.54	369.85
		<u>3,61,995.70</u>	<u>3,33,681.64</u>
<b>(2) Current Assets</b>			
(a) Inventories	11	41,567.10	37,387.75
(b) Financial Assets			
Trade Receivables	12	9,295.69	9,398.70
Cash and Cash Equivalents	13-A	7,142.39	5,143.84
Bank Balances other than Cash and Cash Equivalents	13-B	1,872.16	2,598.49
Other Financial Assets	14	180.11	186.98
(c) Current Tax Asset		3,389.25	4,823.75
(d) Deferred Tax Assets (Net)	20-A	28.75	-
(e) Other Current Assets	15	6,683.13	3,604.38
		<u>70,158.58</u>	<u>63,143.89</u>
<b>TOTAL ASSETS</b>		<u><b>4,32,154.28</b></u>	<u><b>3,96,825.53</b></u>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>(1) Share Holders' Fund</b>			
(a) Equity Share Capital	16	866.63	866.63
(b) Other Equity	17	3,75,019.24	3,47,530.68
Total Equity		<u>3,75,885.87</u>	<u>3,48,397.31</u>
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	18	1,472.04	2,355.17
Other Financial Liabilities	19	218.41	219.41
(b) Deferred Tax Liabilities (Net)	20	6,513.92	4,514.70
(c) Deffered Government Grants	21	107.90	115.74
		<u>8,312.27</u>	<u>7,205.02</u>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
Borrowings	22	20,916.06	12,891.69
Trade Payables			
Dues of Micro and Small Enterprises	23	476.04	337.51
Dues of creditors other than Micro and Small Enterprises	23	6,610.55	7,912.37
Other Financial Liabilities	24	10,010.97	8,603.58
Deferred Government Grants		9.77	11.70
(b) Other Current Liabilities	25	4,238.35	4,606.32
(c) Provisions	26	5,694.40	6,860.03
		<u>47,956.14</u>	<u>41,223.20</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><b>4,32,154.28</b></u>	<u><b>3,96,825.53</b></u>
Significant Accounting Policies, Judgements & Estimates	1-5		
See accompanying notes to the financial statements	6-53		

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEHHI3273

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

	Note No	2021-22	2020-21
<b>INCOME</b>			
1 Revenue from Operations	27	1,45,717.29	1,20,934.55
2 Other Income	28	810.59	2,141.31
3 Other Finance Income	29	347.10	309.45
<b>Total Revenue</b>		<b>1,46,874.98</b>	<b>1,23,385.31</b>
<b>4 Expenses</b>			
Cost of Materials Consumed	30	76,904.24	61,108.22
Cost of Resale materials		41.87	13.17
Changes in Inventories of Finished Goods and Work-in-progress	31	(2,295.55)	1,890.72
Employee Benefit Expenses	32	12,467.79	11,370.89
Finance Costs	33	864.37	956.50
Depreciation and Amortization Expenses	6	3,266.59	3,260.90
Other Expenses	34	36,367.35	27,275.58
<b>Total Expenses</b>		<b>1,27,616.66</b>	<b>1,05,875.98</b>
5 Profit/ (Loss) Before Exceptional items and Tax		19,258.32	17,509.33
6 Exceptional items		-	-
7 <b>Profit / (Loss) Before Tax</b>		<b>19,258.32</b>	<b>17,509.33</b>
<b>8 Income Tax Expenses</b>			
Current Tax	35	6,131.95	5,632.13
Current Tax adjustments of earlier years		134.66	(14.53)
Deferred Tax		339.83	299.12
<b>Total Tax Expenses</b>		<b>6,606.44</b>	<b>5,916.72</b>
9 <b>Profit / (Loss) for the year</b>		<b>12,651.88</b>	<b>11,592.61</b>
10 Share of Profit/(Loss) of Associates		17,632.78	16,282.24
11 <b>Total Profit for the Year</b>		<b>30,284.66</b>	<b>27,874.85</b>
<b>12 Other Comprehensive Income</b>			
Item that will not be reclassified to profit / (loss) in subsequent periods			
Actuarial Gain / (Loss) on defined benefit obligation (net)		(5.03)	(2.51)
Fair value gain/(loss) on Equity Instruments through OCI		(195.04)	1,620.58
Tax Effect on other comprehensive Income		22.72	(188.80)
13 <b>Total other Comprehensive Income for the year before share of OCI of Associates net of tax</b>		<b>(177.35)</b>	<b>1,429.27</b>
14 <b>Share of OCI of Associates</b>		<b>(5.78)</b>	<b>(375.40)</b>
<b>Total other Comprehensive Income for the year net of tax</b>		<b>(183.13)</b>	<b>1,053.87</b>
15 <b>Total Comprehensive Income for the year Net of Tax</b>		<b>30,101.53</b>	<b>28,928.72</b>
Earnings per equity share of face value of ₹ 1 each		36.27	33.38
Basic & Diluted (in ₹)		₹ 1	₹ 1
Significant Accounting Policies, Judgements & Estimates	1-5		
See accompanying notes to the financial statements.	6-53		

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEHJI3273

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

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

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022**

	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
<b>A Cash flow from operating activities</b>		
Profit before Tax	19,258.32	17,509.33
Adjusted for		
Loss on sale of assets	71.45	221.39
Depreciation	3,266.59	3,260.90
Dividend Income	(45.10)	(1,623.15)
Profit on sale of assets	(20.69)	(150.74)
Fair value loss/(gain) on investments	(3.01)	(9.99)
Interest income	(347.10)	(309.45)
Employee Stock Option Expense	78.04	-
Cash flow arising out of Actuarial loss on defined benefit obligation	(5.03)	(2.51)
Finance cost	864.37	956.50
Effects on Exchange rate	(2,691.01)	(605.31)
	<u>1,168.51</u>	<u>1,737.64</u>
Operating profit before working capital changes	20,426.83	19,246.97
Adjusted for		
Trade & Other Receivables	103.01	(1,003.77)
Inventories	(4,179.35)	(1,672.31)
Trade Payables	(1,163.29)	1,488.75
Other Current Assets	(5,026.77)	(4,151.11)
Other Current Liabilities / Financial Liabilities	(126.54)	6,135.60
	<u>(10,392.94)</u>	<u>797.16</u>
<b>Cash (used in) / generated from operations</b>	<b>10,033.89</b>	<b>20,044.13</b>
Taxes paid	(1,223.86)	(1,032.90)
<b>Net cash (used in) / generated from operating activities</b>	<b>8,810.03</b>	<b>19,011.23</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Plant, property and Equipment	(8,464.69)	(4,532.11)
Proceeds from Sale of Plant, property and Equipment	80.88	596.72
Adjustment in Assets	26.01	68.97
Interest income	347.10	309.45
Dividend income	45.10	1,623.15
Changes in Capital WIP	1,656.91	(1,512.66)
Advances for long term purpose	(362.52)	221.54
Loan given to Associates	(1,000.00)	-
Purchase of Investment	(6,133.03)	(4,051.39)
<b>Net cash (used in) / from Investing activities</b>	<u>(13,804.24)</u>	<u>(7,276.33)</u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2022 Contd...

	2021-22 ₹ in Lakhs	2020-21 ₹ in Lakhs
<b>C Cash Flow From Financing Activities</b>		
Proceeds from long term borrowing	(752.24)	(2,197.21)
Proceeds from other Long term Liabilities	(7.84)	(11.69)
Proceeds from short term borrowings	7,893.48	(6,323.73)
Dividend paid	-	(866.64)
Finance cost	(866.97)	(955.69)
<b>Net cash from / (used in) Financing activities</b>	<b>6,266.43</b>	<b>(10,354.96)</b>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,272.22	1,379.95
Cash and cash equivalents as at the beginning of the period	7,742.33	6,362.38
<b>Cash and Cash equivalents as at the end of the period</b>	<b>9,014.55</b>	<b>7,742.33</b>

**Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:**

Balance at the beginning of the year		
Long Term Borrowings	2,355.17	2,573.76
Short Term Borrowings (excluding cash credit)	11,844.94	18,168.67
Current maturities of Long Term Debt	1,046.75	3,025.37
Interest accrued	31.36	32.17
Sub-total Balance at the beginning of the year	<u>15,278.22</u>	<u>23,799.97</u>
Cash flows during the year		
Proceeds from Long Term Borrowings	361.53	1,101.93
Repayment of Long Term Borrowings	(1,113.77)	(3,299.14)
Proceeds from / (Repayment of) Short Term Borrowings (net)	7,893.48	(6,323.73)
Interest paid	(861.77)	(957.31)
Sub-total Cash flows during the year	<u>6,279.47</u>	<u>(9,478.25)</u>
Non-cash changes		
Interest accrual for the year	864.37	956.50
Balance as at the end of the year		
Long Term Borrowings	1,472.04	2,355.17
Short Term Borrowings	19,738.42	11,844.94
Current maturities of Long Term Debt	1,177.64	1,046.75
Interest accrued but not due	33.96	31.36
Balance as the end of the year	<u>22,422.06</u>	<u>15,278.22</u>

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEHHI3273

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
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**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022**

**A. EQUITY SHARE CAPITAL**

₹ In Lakhs

Balance as at 01-04-2020	866.63
Changes in Equity Share Capital during the year 2020-21	-
Changes in Equity for Prior Period Errors	-
Balance as at 31-03-2021	866.63
Changes in Equity Share Capital during the year 2021-22	-
Changes in Equity for Prior Period Errors	-
Balance as at 31-03-2022	866.63

**B. OTHER EQUITY**

For the year ended 31<sup>st</sup> March, 2022

₹ In Lakhs

Particulars	Surplus					Items of OCI		Total
	Capital Reserve	Employee Stock Option Reserve	Share premium	Retained earnings	General Reserve	FVTOCI Equity	Actuarial (Loss)/ Gain	
As at 1 <sup>st</sup> April 2021	1,75,990.19	-	209.53	1,21,188.38	46,103.41	4,039.17	-	3,47,530.68
Profit for the period	-	-	-	30,284.66	-	(5.78)	-	30,278.88
Other Comprehensive Income	-	-	-	-	-	(172.32)	(5.03)	(177.35)
<b>Total Comprehensive Income</b>	-	-	-	<b>30,284.66</b>	-	<b>(178.10)</b>	<b>(5.03)</b>	<b>30,101.53</b>
Issue of Share Capital	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	(1,600.00)	1,600.00	-	-	-
Transfer as per Ind AS 116	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	(5.03)	-	-	5.03	-
Reserve created for ESOP granted during the year	-	78.04	-	-	-	-	-	78.04
Transaction costs	-	-	-	-	(2,691.01)	-	-	(2,691.01)
Cash Dividends	-	-	-	-	-	-	-	-
As at 31 <sup>st</sup> Mar 2022	1,75,990.19	78.04	209.53	1,49,868.01	45,012.40	3,861.07	-	3,75,019.24

For the year ended 31<sup>st</sup> March, 2021

₹ In Lakhs

Particulars	Surplus					Items of OCI		Total
	Capital Reserve	Employee Stock Option Reserve	Share premium	Retained earnings	General Reserve	FVTOCI Equity	Actuarial (Loss)/ Gain	
As at 1 <sup>st</sup> April 2020	1,75,990.19	-	209.53	96,082.68	44,808.72	2,982.79	-	3,20,073.91
Profit for the period	-	-	-	27,874.85	-	(375.40)	-	27,499.45
Other Comprehensive Income	-	-	-	-	-	1,431.78	(2.51)	1,429.27
<b>Total Comprehensive Income</b>	-	-	-	<b>27,874.85</b>	-	<b>1,056.38</b>	<b>(2.51)</b>	<b>28,928.72</b>
Issue of Share Capital	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	(1,900.00)	1,900.00	-	-	-
Transfer as per Ind AS 116	-	-	-	-	-	-	-	-
Transfer to Retained Earnings	-	-	-	(2.51)	-	-	2.51	-
Reserve created for ESOP granted during the year	-	-	-	-	-	-	-	-
Transaction costs	-	-	-	-	(605.31)	-	-	(605.31)
Cash Dividends	-	-	-	(866.64)	-	-	-	(866.64)
As at 31 <sup>st</sup> March 2021	1,75,990.19	-	209.53	1,21,188.38	46,103.41	4,039.17	-	3,47,530.68

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 0150415

G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804

Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 0053335

C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEHHI3273

For and on behalf of the Board

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Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head

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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### 1. CORPORATE INFORMATION

Ramco Industries Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act 1956. The Registered office of the Company is located at No. 47 P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu and Corporate office of the company is located at "Auras corporate centre", VI Floor, 98A - Dr. Radha Krishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu. The Company's shares are listed in BSE Limited and NSE Limited.

The Company is engaged in manufacture of Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs). The Company's segments are Building products, Textiles and Power generation from wind mills. The Company caters mainly to the domestic markets. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The Consolidated financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 18.05.2022.

#### 2. STATEMENT OF IND AS COMPLIANCE

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time. The Srilankan subsidiary accounts have been prepared in conformance with Sri Lanka Accounting Standards for Small and Medium - sized Entities (SLFRS for SMEs).

#### 3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CFS)

- 3.1 The significant accounting policies used in preparing the financial statements are set out in Note No. 4
- 3.2 Pursuant to General Circular No.39/2014 dated 14.10.2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the standalone financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented
- 3.3 The CFS comprises the financial statements of the Ramco Industries Limited, its Subsidiary hereinafter collectively referred as 'Group' and its Associates. The list of Companies which are included in consolidation and the parent holding and voting rights therein are as under:

Name of the Subsidiary	% of ownership interest	
	31.03.2022	31.03.2021
Sudharsanam Investments Ltd	100.00	100.00
Sri Ramco Lanka Pvt Ltd	99.99	99.99
Sri Ramco Roofings Lanka (Private) Ltd *	1.27	1.27
*Step down subsidiary		
Sri Ramco Lanka Private Limited holding in Sri Ramco Roofing (pvt) Ltd	98.73	98.73

The following Companies are recognised as Associates based on existence of significant influence over such Companies:

Name of the Associates	Country of Incorporation	% of Ownership interest	
		31.03.2022	31.03.2021
The Ramco Cements Limited	India	22.62	22.41
Ramco Systems Limited	India	17.74	17.80
Rajapalayam Mills Limited	India	1.73	1.73
Ramco Industrial and Technology Services Limited	India	1.05	1.05
Madurai Trans Carrier Limited	India	17.17	17.17
Lynks Logistics Limited	India	25.71	23.78

% of ownership represents Direct holding and through Wholly Owned Subsidiaries.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

The above Companies are incorporated in India and Financial statements of the respective Companies are drawn up to the same reporting date as that of the parent (i.e) 31.03.2022

- 3.4 The Group has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 3.5 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 3.6 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 3.7 The CFS are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Group is denoted as ₹ 0.00 Lakhs.
- 3.8 Previous year figures have been regrouped / restated, wherever necessary and appropriate

**Principles of Consolidation**

- 3.9 The CFS of the parent Company and its subsidiary Companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after elimination of intra-group balances and intra-group transactions resulting in unrealized Profits / Losses
- 3.10 The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the parent's separate financial statements.
- 3.11 Non-controlling interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the parent's shareholders. Non-controlling interest in the net assets of consolidated subsidiary consists of:
- A. The amount of subscribed Parent's share capital attributable to minority shareholders during the year
  - B. The minority share of movement in equity since the date the parent subsidiary relationship came into existence
- 3.12 The CFS includes the share of profit / loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added / deducted from the cost of investment. The most recent available financial statements of the associate are used by the company in applying the equity method.
- 3.13 Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate from the date on which it becomes as associate and any difference between the cost of the investment and the Parent's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:
- A. Goodwill relating to an associate is included in the carrying amount of the investment and the same is not amortised.
  - B. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
- Subsequently, the carrying amount of investment is adjusted to recognize the share of post-acquisition profits or losses of the Associates in the profit & loss and also its share of Other Comprehensive Income (OCI) of the Associate Company separately under Other Comprehensives Income.
- 3.14 Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment
- 3.15 Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- 3.16 At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognized the loss as "Share of profit of an associate" in the statement of profit or loss.
- 3.17 The Group's statement of profit and loss reflects the share of results of operations of its associates. Any change in OCI of those investees is presented as part of the Group's OCI.



**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**Basis of Measurement**

3.18 The CFS have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

**4. SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Inventories**

4.1.1 Raw-materials, Stores & Spares, Fuel, 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 after providing for obsolescence and other losses or net realisable value whichever is lower. Inventories are usually written down to net realisable value, if the finished products, in which they will be used, are expected to be sold below cost. However, the inventories are considered to be realizable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

4.1.2 Process stock is valued at moving weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.

4.1.3 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. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

**4.2 Cash Flow Statement**

4.2.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

4.2.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.

4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

**4.3 Dividend distribution to Equity shareholders**

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes (if any) is recognised directly in Equity.

**4.4 Income Taxes**

4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant

4.4.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Group will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Group during the specified period. The Group reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Group will pay normal Income tax during the specified period. The MAT Credit Entitlement being unused tax credits that are carried forward by the Company for a specified period, is grouped under Deferred Tax.

4.4.3 Current tax assets and liabilities are offset, when the Group has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- 4.4.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- 4.4.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Group has legally enforceable right to set off current tax assets against current tax liabilities.
- 4.4.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in “Other Comprehensive Income” or directly in “Equity” as the case may be.

**4.5 Property, plant and equipments (PPE)**

- 4.5.1. PPEs are stated at cost of acquisition or construction (net of GST wherever eligible and applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditures are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Spares which meet the definition of PPE are capitalised from the date when it is available for use. Other expenses on fixed assets, including day-today repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria are charged to the Statement of Profit and Loss for the period during which such expenses are incurred

The Group identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

- 4.5.3 The Group follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

Asset type	Useful life ranging from
Buildings	3 to 60 years
Plant and Machinery	5 to 25 years
Windmills	5 to 25 years

- 4.5.4 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- 4.5.5 PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, 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. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

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- 4.5.6 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value or any value whichever is less, except for process control systems whose residual value is considered as Nil.
- 4.5.7 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded/ sold.
- 4.5.8 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

**Capital Work in progress**

- 4.5.9 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.
- 4.5.10 Advances given towards acquisition / construction of PPE, outstanding as at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**4.6 Leases**

- 4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a Lessee**

- 4.6.2 The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
- 4.6.3 The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.
- 4.6.4 The estimated useful lives of right-of-use assets are determined on the same basis as those of Property Plant and Equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.
- 4.6.5 The Group presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities in 'Financial Liabilities' in the Balance sheet.
- 4.6.6 The Group has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**Group as a Lessor**

- 4.6.7 The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Group do not have any finance leases arrangements.

**4.7 Revenue Recognition**

- 4.7.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**4.7.2 Revenue from Operations**

***Sale of products***

Revenue from product sales is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods after deducting discounts, volume rebates and applicable taxes on sale including GST. The Group provides discounts to customers on achievement of the performance criteria based on agreed terms and

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

conditions. There is no significant financing component with regard to sale of products for the company as per Ind AS 115. The Group do not have any non-cash consideration.

**Project Revenue recognition**

Contract revenue from Project activity on fixed price contracts is recognized when the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on work certified by the customer.

**Power generated from Windmills**

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO/BESCOM/PGVCL are consumed at factories and unutilized units are sold to concerned distribution companies. The monetary values of such power generated that are captively consumed are not recognised as revenue.

Power generated from windmills that are covered under power purchase agreement with TANGEDCO /BESCOM/PGVCL are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is recognised as Sale of surplus power generated from windmills

**Scrap sale**

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards.

**4.7.3 Other Income**

- a. Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.
- b. Dividend income is recognised when the Group's right to receive dividend is established.
- c. Rental income from lease on investment properties is recognised on a straight line basis over the term of the relevant lease
- d. Value of Carbon credits are recognised when the Group's right to receive the same is established.

**4.8 Employee Benefits**

- 4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- 4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- 4.8.3 The Group contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Group has no further obligations.
- 4.8.4 The Group also contributes for superannuation a sum equivalent to 15% of the eligible officer's annual basic salary. The Group is remitting contribution for superannuation subject to maximum of ₹ 1.5 Lakhs per annum to Ramco Industries Limited Officer's Superannuation Fund administered by trustees and managed by LIC of India. There are no further obligations in respect of the above contribution plan.
- 4.8.5 The Group has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Group makes annual contributions to "Ramco Industries Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external Actuary as at the Balance Sheet date using Projected Unit Credit method. The Group presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.
- 4.8.6 The Group provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

4.8.8 In respect of subsidiaries, such benefits to the extent applicable have been provided for in the books as required.

**Employee Stock options**

4.8.9 The employees of the Group are entitled for grant of stock options based on the eligibility criteria set out in ESOS 2021, as determined by Nomination & Remuneration committee (NRC). The fair value of the equity settled stock options granted to employees are measured by an independent valuer using Black-Scholes Model

4.8.10 The fair value determined at the grant date of the option is expensed on a straight-line basis in the Statement of Profit and Loss as 'Employee Benefits Expense', over the vesting period of the option, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity,

4.8.11 At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

4.8.12 When the options are exercised, the Group issues fresh issue of equity shares upon receipt of exercise price from the employees. The proceeds received are allocated to share capital upto the face value of shares issued, with any excess being accounted as Securities Premium in the Balance Sheet.

4.8.13 In case of forfeiture/lapse of stock option, which is not vested, then to such extent, expenses shall be reversed in Statement of Profit and Loss and if expires unexercised, the related balance standing to the credit of the Employee Stock Options Reserve Account is transferred within other equity.

**4.9 Government Grants**

4.9.1 This being in the nature of Government grants, which are recognised at fair value when the Group's right to receive the same is established with reasonable assurance

4.9.2 In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".

4.9.3 Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

**4.10 Foreign currency transactions**

4.10.1 The financial statements are presented in Indian Rupees, which is also the Group's functional currency.

4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

4.10.4 Non-monetary items which are carried at historical cost denominated at functional currency are reported using the exchange rates at the date of transaction.

**Foreign Subsidiaries**

4.10.5 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 Exchange Fluctuation Reserve.

**Foreign Branch Operations**

Income and expenditure transactions are translated to functional currency using monthly moving average exchange rate.

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

Monetary assets and liabilities of foreign branch as at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

Non-monetary items of foreign branch are carried at historical cost denominated at functional currency and are reported using the exchange rates at the transaction date.

**4.11 Borrowing Costs**

- 4.11.1 Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- 4.11.2 Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Group determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the general borrowings of the Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. The amount of borrowing cost that the Group capitalises does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

**4.12 Earnings per Share**

- 4.12.1 Net Profit / (Loss) after tax attributable to equity shareholders is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding if any, during the year, after deducting treasury shares which represents holding of its own shares indirectly through associates by way of reciprocal interests.
- 4.12.2 Diluted Earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year and potential equity shares arising out of employee stock options.
- 4.12.3 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.12.4 The Group do not have any potential equity shares.

**4.13 Impairment of Non-Financial Assets**

- 4.13.1 The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- 4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- 4.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- 4.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

**4.14 Provisions, Contingent Liabilities and Contingent Assets**

- 4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- 4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 4.14.3 Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- 4.14.4 Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

**4.15 Intangible Assets**

- 4.15.1 The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- 4.15.2 Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team. Its accounting classification is given below:

Nature of Intangible assets	Estimated useful life	Amortisation of Intangible assets	Accounting classification
Computer software	3 - 6 years	Computer software	Depreciation & Amortisation

- 4.15.3 The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- 4.15.4 The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

**4.16 Investment Properties**

- 4.16.1 An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- 4.16.2 Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- 4.16.3 The Group identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- 4.16.4 Depreciation on investment properties are calculated on straight-line method based on useful life of the significant components.

Asset type	Useful life ranging from
Buildings under Investment properties	30 to 60 years

- 4.16.5 Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.16.6 The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.



NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**4.17 Operating Segments**

Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

The Group has three operating/reportable segments viz. Building products, Textile and Wind power generation.

The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

**4.18 Financial Instruments**

4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.18.3 The Group initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Group. When the Group reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Group does not restate any previously recognised gains, losses including impairment gains or losses or interest.

**Financial Assets**

4.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

4.18.5 Investment in equity instrument and mutual funds are recognised based on the date of contract note where the transaction is entered through stock exchanges and based on date of allotment in respect of others.

4.18.6 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

- a) Amortised cost; or
- b) Fair value through other comprehensive income (FVTOCI); or
- c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

4.18.7 Financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Group is to hold and collect the contractual cash flows till maturity. In other words, the Group do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Group is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Group has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Group classifies its financial assets for measurement as below:



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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary Group, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

4.18.8 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Group also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

- a. significant risk and rewards of the financial asset, or
- b. control of the financial asset

However, the Group continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

4.18.9 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

4.18.10 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

#### Financial Liabilities

4.18.11 Financial liabilities comprises of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.18.12 The Group measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- 4.18.13 Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.
- 4.18.14 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.
- 4.18.15 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

**4.19 Fair value measurement**

- 4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- 4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- 4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.
- 4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- 4.19.5 For the purpose of fair value disclosures, the Group has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- 4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

***Investments in Equity / Mutual Funds***

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

***Trade and other receivables***

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

***Forward exchange contracts***

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

***Non-derivative financial liabilities***

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

***Financial guarantee obligation***

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

***Investment Properties***

The fair value is determined for disclosure purposes based on an annual evaluation performed by an external technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

**5. SIGNIFICANT ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

***Property, Plant and Equipment, Intangible Assets and Investment Properties***

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

***Revenue Recognition***

Significant management judgement is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The Group offers credit period to customers for which there is no financing component.

***Current Taxes***

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

***Deferred Tax Asset (Including MAT Credit Entitlement)***

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

***Contingent Liabilities***

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

***Impairment of Trade receivables***

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

***Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)***

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

***Provisions***

The timing of recognition requires application of judgement to the existing facts and circumstances that may be subject to change. The litigations and claims to which the Group is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability

***Defined Benefit Plans and Other long term benefits***

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

***Employee Stock Options***

Significant management judgement is exercised in determination of the most appropriate valuation model, most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, risk free rate and the number of options that are expected to vest as at the reporting date. Management believes that the assumptions used by the valuer are reasonable.

***Fair value measurement of financial instruments***

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value the inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

***Impairment of Investments in Subsidiaries /Associates***

Significant management judgement is exercised in determining whether the investment in subsidiaries / associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

***Interests in other entities***

The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights. Significant management judgement is exercised in determining the interests in other entities to determine whether such associates are individually immaterial or not for the purpose of disclosure requirements.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022  
 6A. PROPERTY PLANT & EQUIPMENT

₹ in Lakhs

PARTICULARS	YEAR	GROSS BLOCK			DEPRECIATION AND AMORTISATION			NET BLOCK		
		As At 01-Apr-2021	Additions	Withdrawals/ Adjustments	As At 31-Mar-2022	As At 01-Apr-2021	For the Year 2021-22	Withdrawals/ Adjustments	As At 31-Mar-2022	As at 31-Mar-2021
LAND - FREE HOLD	2021-22	2,259.10	33.04	2.71	2,289.43	-	-	-	2,289.43	2,259.10
	2020-21	2,259.10	-	-	2,259.10	-	-	-	2,259.10	2,259.10
LAND - LEASE HOLD	2021-22	1,590.34	-	(6.29)	1,596.63	235.45	21.75	(2.40)	259.60	1,354.89
	2020-21	1,590.34	-	-	1,590.34	213.72	21.79	0.03	235.48	1,376.62
BUILDINGS	2021-22	19,800.63	812.84	(192.20)	20,805.67	7,142.25	497.28	(187.78)	7,827.31	12,978.36
	2020-21	19,309.26	547.47	56.10	19,800.63	6,658.89	505.60	21.98	7,142.51	12,650.37
RAILWAY SIDINGS	2021-22	20.68	-	-	20.68	19.65	-	-	19.65	1.03
	2020-21	20.68	-	-	20.68	19.65	-	-	19.65	1.03
PLANT & MACHINERY	2021-22	59,986.63	6,168.88	580.13	65,575.38	33,033.22	1,833.13	442.50	34,423.85	31,151.53
	2020-21	59,139.54	3,640.96	2,805.43	59,975.07	33,370.84	1,776.69	2,124.08	33,023.45	26,951.62
ELECTRICAL MACHINERY	2021-22	9,550.64	1,085.24	112.08	10,523.80	6,330.31	642.09	94.70	6,877.70	3,646.10
	2020-21	9,321.98	265.25	33.91	9,553.32	5,702.12	660.69	30.13	6,332.68	3,220.64
FURNITURE & OFFICE EQUIPMENTS	2021-22	645.53	86.74	4.88	727.39	419.99	58.18	4.56	473.61	253.78
	2020-21	673.49	53.65	72.73	654.41	445.25	52.17	70.32	427.10	227.31
VEHICLES	2021-22	635.74	58.14	49.68	644.20	514.54	28.07	41.76	500.85	143.35
	2020-21	681.16	24.78	70.20	635.74	536.18	33.85	55.49	514.54	121.20
TOTAL - TANGIBLE ASSETS	2021-22	94,489.29	8,244.88	550.99	1,02,183.18	47,695.41	3,080.50	393.34	50,382.57	51,800.61
	2020-21	92,995.55	4,532.11	3,038.37	94,489.29	46,946.65	3,050.79	2,302.03	47,695.41	46,048.90

Notes: (a) During the year, Additions under Lease hold Land & Building include recalssification from Investment Property Land & Buildings of ₹ 6.29 lakhs and ₹ 210.24 lakhs respectively in view of change in usage.

(b) All the title deeds of immovable properties are held in the name of the Company

(c) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.

(d) The carrying amount of movable fixed assets of the company have been hypothecated by the way of pari passu first charge as security for Long Term Borrowings.

6B. INTANGIBLE ASSETS

COMPUTER SOFTWARE	2021-22	1,218.49	219.81	-	1,438.30	853.56	186.09	-	1,039.65	398.65	364.93
	2020-21	1,218.49	-	-	1,218.49	643.45	210.11	-	853.56	364.93	575.04
TOTAL INTANGIBLE ASSETS	2021-22	1,218.49	219.81	-	1,438.30	853.56	186.09	-	1039.65	398.65	364.93
	2020-21	1,218.49	-	-	1,218.49	643.45	210.11	-	853.56	364.93	575.04

Notes: (a) The Company has not revalued its Intangible Asset since the Company has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.

6C. CAPITAL WORK-IN-PROGRESS

CAPITAL WORK-IN-PROGRESS	2021-22	3,600.33	322.03	8,244.88	1,943.42	-	-	-	1,943.42	3,600.33
	2020-21	2,087.67	6,044.76	4,532.10	3,600.33	-	-	-	3,600.33	2,087.67

Notes: Refer Note No. 49 (b) for information relating to Ageing Schedule.

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**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**6D DEDUCTIONS / ADJUSTMENTS IN GROSS BLOCK OF PPE COMPRISES OF:**

₹ In Lakhs

Particulars	2021-22			2020-21		
	Sale of Asset	Other Adjustment	Total	Sale of Asset	Other Adjustment	Total
LAND - FREEHOLD	-	2.71	2.71	-	-	-
LAND - LEASE HOLD	-	(6.29)	(6.29)	-	-	-
BUILDINGS	-	(192.20)	(192.20)	66.33	(10.23)	56.10
PLANT & MACHINERY	541.89	38.24	580.13	2,552.55	148.72	2,701.27
ELECTRICAL MACHINERY	92.77	19.31	112.08	32.22	2.68	34.90
FURNITURE	0.26	-	0.26	32.68	8.03	40.71
OFFICE EQUIPMENTS	4.62	-	4.62	3.98	0.85	4.83
VEHICLES	49.68	-	49.68	46.63	-	46.63
<b>TOTAL TANGIBLE ASSETS</b>	<b>689.22</b>	<b>(138.23)</b>	<b>550.99</b>	<b>2,734.39</b>	<b>150.05</b>	<b>2,884.44</b>

Note: Other Adjustments represent assets that were damaged / discarded and derecognised from financial statements since no future benefits is expected from its use or disposal.

**7. INVESTMENT PROPERTY**

₹ In Lakhs

Particulars	YEAR	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
		As At 01-APR-2021	Additions	Withdrawals/ Adjustments	As At 31-MAR-2022	As At 01-APR-2021	For the year 2021-22	Withdrawals/ Adjustments	As At 31-MAR-2022	As At 31-MAR-2022	As At 01-APR-2021
LAND - FREEHOLD	2021-22	-	2.71	-	2.71	-	-	-	-	2.71	-
	2020-21	-	-	-	-	-	-	-	-	-	-
LAND - LEASE HOLD	2021-22	6.29	-	6.29	-	2.40	-	2.40	-	-	3.89
	2020-21	6.29	-	-	6.29	2.34	0.06	-	2.40	3.89	3.95
BUILDINGS	2021-22	277.04	18.04	210.24	84.84	216.96	1.32	189.10	29.18	55.66	60.08
	2020-21	277.04	-	-	277.04	215.83	1.13	-	216.96	60.08	61.21
TOTAL TANGIBLE ASSETS	2021-22	283.33	20.75	216.53	87.55	219.36	1.32	191.50	29.18	58.37	63.97
	2020-21	283.33	-	-	283.33	218.17	1.19	-	219.36	63.97	65.16

- The Company measured all of its Investment Property at Cost in accordance with Ind AS 40.
- During the year, Additions under Free hold Land & Buildings are made for ₹ 2.71 lakhs and ₹ 18.04 lakhs respectively in view of change in usage.
- During the year, withdrawal/Adjustments under Lease hold Land & Building include reclassification from Investment Property Land & Buildings of ₹ 6.29 lakhs and ₹ 210.24 lakhs respectively in view of change in usage.
- The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair valuation of the investment properties are valued by Registered Valuer, has required by amendments made to Schedule III of the Companies Act, effective from 01.04.2021, measured using the technique of quoted prices for similar assets in the active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. All resulting fair value estimates for investment properties as given below are included in Level 2. During previous years, the fair valuation of these investment properties were determined by an internal technical team and the fair value of the investment property approximates to the historical cost at which its was carried.

**Information regarding income and expenditure of Investment property**

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
Rental Income from Investment Properties	38.06	23.08
Direct Operating Expenses	9.63	12.33
Profit arising from Investment Properties before Depreciation and indirect expenses	28.43	10.75
Less: Depreciation	1.32	1.19
Profit arising from Investment Properties	27.11	9.56
Fair Value of Investment property	2,817.54	283.33

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

8. INVESTMENT IN ASSOCIATES (ACCOUNTED USING EQUITY METHOD)

₹ in Lakhs

	Name of the Company	Face Value per share ₹	As at 31-03-2022		As at 31-03-2021	
			Number	Amount	Number	Amount
A.	<b>Quoted Investment - Fully paid Equity shares</b>					
	The Ramco Cements Limited	1.00	5,34,58,395	2,61,317.32	5,28,82,845	2,36,527.84
	Rajapalayam Mills Limited	10.00	1,48,587	1,257.96	1,27,360	1,106.36
	Ramco Systems Limited	10.00	54,67,376	36,617.04	54,67,376	37,852.81
	Sub-Total (A)			2,99,192.32		2,75,487.01
	<b>Unquoted Investment - Fully paid Equity shares</b>					
	<b>Associate Companies</b>					
	Ramco Industrial and Technology Services Limited	10.00	50,000	175.64	50,000	179.09
	Madurai Trans carrier Ltd	1.00	3,09,00,000	203.44	3,09,00,000	203.44
	Lynks Logistics Limited	1.00	38,03,78,615	1,257.30	28,52,84,587	1,199.14
	Sub-Total (B)			1,636.38		1,581.67
	Total Investments in Associates C= (A+B)			3,00,828.70		2,77,068.68
	Aggregate Market Value of Quoted Investments			4,26,373.96		5,60,038.93
B.	<b>Other Investment</b>					
	<b>Quoted Investment - Fully paid Equity shares (designated at FVTOCI)</b>					
	Indian Bank	10.00	1,391	2.14	1,391	1.61
	HDFC Limited	2.00	1,79,200	4,283.60	1,79,200	4,476.60
	HDFC Bank Limited	1.00	11,000	161.74	11,000	164.30
	Sub-Total (A)			4,447.48		4,642.51
	<b>Investments in Mutual Funds (measured at FVTPL)</b>					
	HDFC Mutual Fund	10.00	2,40,419	33.51	2,40,419	30.50
	Sub-Total (B)			33.51		30.50
C.	<b>Other Non-Current Investments, Non-Trade - Unquoted</b>					
	Ramco Industries Employees Co-op Stores Limited		2,500	0.02	2,500	0.02
	Sub-Total (C)			0.02		0.02
	<b>Total Other Investments (A+B+C)</b>			4,481.01		4,673.03

- Refer Note No. 41 for information about interest in Associates using Equity Method.
- The carrying amount of Investment in Associates is tested for impairment in accordance with Ind AS 36. These investments are strategic and long term in nature. Impairment testing is carried out for listed securities based on fair market value as per stock exchange. However, in case of unlisted securities, impairment testing is carried out based on the recent trade transactions with third parties or DCF method, wherever applicable. Accordingly, no impairment is considered necessary as at the reporting date.
- During the year, the company has made additional investment of ₹ 5,061.31 lakhs (5,75,550 equity shares) in The Ramco Cements Limited.
- During the year, the Company has made strategic investments in equity shares of Lynks Logistics Limited for ₹ 950.94 Lakhs (9,50,94,028 Equity shares). The investee company has proposed to apply this funds for expansion of their business.
- During the year, the company has been allotted 21227 equity shares of Rajapalayam Mills Ltd under rights issue entitlement for ₹ 120.78 lakhs.



CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>9 LOANS AND OTHER FINANCIAL ASSETS [Non Current]</b>		
Loan to Related Parties	1,000.00	-
Security Deposit with Electricity Board	766.40	746.97
	<u>1766.40</u>	<u>746.97</u>

- a. The Company has not granted any loan or advance in the nature of loan to Promoters, Directors and KMPs that are repayable on demand or without specifying any terms or period of repayment
- b. Loan given to related party represents loan given to our Associate company, M/s. Lynks Logistics Limited - ₹ 1000.00 lakhs [PY: NIL]. [ Refer Note:44 (b) (5)].

**10 OTHER NON CURRENT ASSETS**

**Unsecured and considered good**

Advances Towards Capital Goods	717.74	368.75
Advance to others	0.80	1.10
	<u>718.54</u>	<u>369.85</u>

**11 INVENTORIES**

Rawmaterials	24,952.20	21,543.96
Raw Materials in Transit	1,706.39	3,253.06
Work-in-progress	5,683.35	2,924.10
Finished goods	7,789.13	8,252.82
Stock-In Trade	4.90	7.56
Stores and spares	1,412.89	1,404.98
Asset held for Sale	18.24	1.27
	<u>41,567.10</u>	<u>37,387.75</u>

- a. Inventories are valued as per company's accounting policy. [Note No. 4.1 of significant accounting policies]
- b. The total carrying cost of inventories as at the reporting date has been hypothecated as security for Short term Borrowings.
- c. During current year, some of the PPE with book value of ₹ 31.89 lakhs [PY: ₹ 17.28 lakhs] are impaired and the loss of impairment of ₹ 14.63 lakhs [PY: ₹ 16.01 lakhs] is accounted.

**12 TRADE RECEIVABLES (CURRENT)**

Trade receivables, considered good - Unsecured	9,295.69	9,398.17
Trade receivables, which have significant increase in Credit Risk	576.07	476.89
Trade receivables, provision for Credit Risk	(576.07)	(476.89)
Trade receivables, considered good -unsecured - Related Parties	-	0.53
	<u>9,295.69</u>	<u>9,398.70</u>

- a. Trade receivables are generally non-interest bearing and are with terms of 30 to 45 days.
- b. No trade receivable are due from Directors or other officers of the company either severally or jointly with any other person.
- c. Receivables from Associate Companies ₹ NIL lakhs [PY: ₹ 0.53 lakhs] - [Refer Note No. 44 (b) (1)].
- d. The total carrying amount of trade receivables has been hypothecated as security for Short term Borrowings.
- e. Refer Note No. 46 and 49 (d) for information about risk profile of Trade Receivables under Financial Risk Management and Ageing Schedule respectively.



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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>13A CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	3.53	4.97
Balance with Bank Current Account	7,138.86	5,138.87
	<u>7,142.39</u>	<u>5,143.84</u>

- a. There are no repatriation restrictions with regard to Cash and Cash equivalents as at the end of the reporting period.  
b. Refer Note 46 for information about risk profile of Cash and Cash equivalents under Financial Risk Management.

<b>13B BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Margin Money	1,012.18	1,232.71
Fixed Deposit	847.49	1,289.05
Balance with Bank - Unpaid Dividend Warrant Account	12.49	76.73
	<u>1,872.16</u>	<u>2,598.49</u>

Margin money is bank deposits which is held towards security to various Government departments / LC opened for purchase of Raw material.

<b>14 OTHER FINANCIAL ASSETS (CURRENT)</b>		
Security Deposit - Others	180.11	186.98
	<u>180.11</u>	<u>186.98</u>

<b>15 OTHER CURRENT ASSETS</b>		
Tax Credit- Indirect Taxes	496.30	733.62
Advance to Suppliers	5,402.92	2,087.17
Advance to Employees	40.02	25.84
Prepaid Expenses	679.18	630.38
Other Current Assets	64.71	127.37
	<u>6,683.13</u>	<u>3,604.38</u>

Note: Tax Credit - Indirect taxes include un-utilised input tax credit availed under GST. These credits are available for set-off against Out put tax in the subsequent periods.

**16. EQUITY SHARE CAPITAL**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued & Subscribed and Fully paid up shares of ₹. 1/- each	8,66,63,060	866.63	8,66,63,060	866.63

**A. Reconciliation of the number of Shares**

Number of Shares at the beginning	8,66,63,060	866.63	8,66,63,060	866.63
Changes in Equity Share capital during the year	-	-	-	-
Number of Shares at the end	8,66,63,060	866.63	8,66,63,060	866.63

**B. Terms / Rights / Restrictions attached to Equity shares**

The Company has one class of equity shares having a face value of ₹ 1/- each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**C. The details of Shareholders holding more than 5% shares :**

Name of the Shareholder	As at 31-03-2022		As at 31-03-2021	
	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	84,01,680	9.69	84,01,680	9.69
Shri.P.R.Venketrama Raja	62,20,655	7.18	62,20,655	7.18
Smt.Nalina Ramalakshmi	62,50,655	7.21	63,00,655	7.27
Smt.Saradha Deepa	52,63,655	6.07	52,63,655	6.07
Shri. Govindlal M Parikh*	51,56,145	5.95	51,96,136	6.00
	4,46,65,290	51.53	4,47,55,281	51.64

\* - Shri. Govindlal M Parikh holding jointly with Smt. Chinmay G Parikh

**D. Shareholding of Promoters**

Promoter Name	Shareholding at the end of the year		% Change in Shareholding during the year
	No of Shares	% of Total Shares	No. of Shares
The Ramco Cements Ltd.	1,33,72,500	15.43	-
Rajapalayam Mills Limited	84,01,680	9.69	-
Smt. Nalina Ramalakshmi	62,50,655	7.21	(0.06)
Shri P.R. Venketrama Raja	62,20,655	7.18	-
Smt. Saradha Deepa	52,63,655	6.07	-
Smt. R Sudarsanam	30,77,276	3.55	-
Ramco Management Pvt. Ltd.	18,98,800	2.19	-
Smt. Ramachandra Raja Chittammal	10,53,880	1.22	-
Smt. P.V. Nirmala	4,00,000	0.46	-
Shri S.R. Srirama Raja	2,43,000	0.28	-
The Ramaraju Surgical Cotton Mills Ltd.	1,35,880	0.16	-
Ramco Industrial and Technology Services Ltd.	90,000	0.10	-
Shri N.R.K.Ramkumar Raja	89,640	0.10	-
Shri N.R.K. Ramkumar Raja HUF	85,000	0.10	-
RCDC Securities and Investments Pvt. Ltd.	43,000	0.05	-
Smt. P.V. Srisandhya	42,400	0.05	-
P.V. Abinav Ramasubramaniam Raja	40,000	0.05	-
Ramco Pvt. Ltd.	39,600	0.05	-
Ramco Agencies Pvt. Ltd.	22,200	0.03	-
	4,67,69,821	53.97	(0.06)

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>17 OTHER EQUITY</b>		
<b>A. Capital Reserve</b>		
Balance as at beginning and end of the year	<u>1,75,990.19</u>	<u>1,75,990.19</u>
₹ 1260.71 Lakhs represents the incentives received under “Kutch Development Scheme 2001” in respect of Fibre Cement Plant at Anjar, Bhuj in the State of Gujarat. The Scheme, inter-alia, stipulates investment of the amount equivalent to 50% of the Incentives availed in the new project in the State of Gujarat within a period of 10 years from the date of commencement of commercial production.		
₹ 174,729.48 Lakhs represents excess of the Parent’s share of the net fair value of the investments in Associates over the cost of the investment is recognised directly in equity as capital reserve upon transition.		
<b>B. Employee Stock Options Reserve</b>		
Balance as at beginning of the year	-	-
Add: Reserve created for fair value of ESOPs recognised over the vesting period	78.04	-
Less: Amount transferred to Securities premium pursuant to exercise of stock options	-	-
Balance as at end of the year	<u>78.04</u>	<u>-</u>
The share based payment reserve represent amount recognised towards the value of equity-settled share based payments granted to employees under ESOS 2021.		
<b>C. Share premium</b>		
Balance as at beginning and end of the year	<u>209.53</u>	<u>209.53</u>
Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium payable on redemption of any redeemable preference shares or of any debentures, to write off preliminary expenses and to write off the expenses of or the commission paid or discount allowed on, any issue of shares or debentures of the company.		
<b>D. General Reserve</b>		
Balance as at beginning of the year	46,103.41	44,808.72
Add: Amount transferred from Retained Earnings	1,600.00	1,900.00
Transaction Cost	<u>(2,691.01)</u>	<u>(605.31)</u>
Balance as at end of the year	<u>45,012.40</u>	<u>46,103.41</u>
General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.		
<b>E. Retained Earnings</b>		
Balance as at beginning of the year	1,21,188.38	96,082.68
Add: Profit for the year	30,284.66	27,874.85
Less: Adjustment as per Ind AS 116	-	-
Add: Transfer from FVTOCI Reserve	<u>(5.03)</u>	<u>(2.51)</u>
Balance available for Appropriations	1,51,468.01	1,23,955.02
Less: Appropriations		
Dividend distributed	-	(866.64)
Amount transferred to General Reserve	<u>(1,600.00)</u>	<u>(1,900.00)</u>
Adjustment	-	-
Balance as at end of the year	<u>1,49,868.01</u>	<u>1,21,188.38</u>
Retained Earnings represent the undistributed profits of the Company that has been retained by the Company, after transfer to other Reserves.		

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>F. Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)</b>		
Balance as at beginning of the year	4039.17	2982.79
Other Comprehensive Income for the year	<u>(183.13)</u>	<u>1,053.87</u>
	3,856.04	4,036.66
Less: Transfer to Retained Earnings	<u>(5.03)</u>	<u>(2.51)</u>
	<u>3,861.07</u>	<u>4,039.17</u>

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

**18 BORROWINGS [NON CURRENT]**

**Secured**

Term Loan from Banks	<u>1,472.04</u>	<u>2,355.17</u>
	<u>1,472.04</u>	<u>2,355.17</u>

a. Long term Borrowings from Banks are secured by pari-passu first charge on all movable Fixed Assets of the Company.

b. The Company preclosed Term Loans during the year to the tune of ₹ NIL [PY: ₹ 589.30 lakhs]

c. The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment schedule is as follows:

2024-25	294.40	261.67
2023-24	1,177.64	1,046.75
2022-23	-	1,046.75
	<u>1,472.04</u>	<u>2,355.17</u>

d. The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.

e. Registration, Modification and satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the allowed extended time with payment of additional fees.

f. Refer Note No. 46 for information about risk profile of borrowings under Financial Risk Management.

**19 OTHER NON CURRENT FINANCIAL LIABILITIES**

Lease land Rental Liability	<u>218.41</u>	<u>219.41</u>
	<u>218.41</u>	<u>219.41</u>

**20 DEFERRED TAX LIABAILTY NET**

**Deferred Tax Liability**

Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961

7,798.84

7,389.24

Tax effect on Fair Value measurement and other items allowable under the Income tax act, 1961

94.10

118.17

Tax effect of Lease hold land

(55.42)

(53.66)

**Deferred Tax Asset**

Tax effect on Provision for Bonus and Leave Encashment

(500.09)

(510.88)

Retaining Gratuity

-

-

Unused MAT Credit Entitlement

(631.85)

(2,275.04)

Disallowances under the Income Tax Act, 1961.

(191.66)

(153.13)

Net Deffered Tax Liability

6,513.92

4,514.70

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	As at 31.03.2022 ₹ In Lakhs	As at 31.03.2021 ₹ In Lakhs
<b>20A DEFERRED TAX ASSET NET</b>		
Tax effect on Retiring Gratuity	28.75	0.00
	<u>28.75</u>	<u>0.00</u>
<b>Reconciliation of Deferred Tax Liabilities (Net)</b>		
Opening Balance as on 1 <sup>st</sup> April	4,514.70	2,313.71
Tax (Income)/Expense during the period recognised in statement of Profit and Loss	724.08	267.29
Used / (Unused)MAT credit entitlement	1,661.92	1,764.19
MAT Credit entitlement - Previous year tax adjustment	(18.72)	(19.29)
Deferred Tax charge/(credit) on OCI recognised during the year	(22.72)	188.80
Closing Balance as on 31 <sup>st</sup> March	<u>6,859.26</u>	<u>4,514.70</u>
<b>21 DEFERRED GOVERNMENT GRANTS</b>		
Deferred Government Grants	107.90	115.74
	<u>107.90</u>	<u>115.74</u>

Industrial Promotion Assistance (IPA) of ₹ 134.31 lakhs provided by Department of Industries of Government of Bihar and ₹ 150.00 lakhs provided by Government of West Bengal towards creation of infrastructure facilities is recognised as 'Industrial Promotion assistance' over the useful life of the underlying PPE.

**22 BORROWINGS [CURRENT]**

**Secured**

Loan from banks	8,837.60	5,857.87
Current Maturities of Long Term Debt - Secured	1,177.64	1,046.75

**Unsecured**

Loan from banks	10,900.09	925.90
Commercial Papers	-	5,000.00
Loans and Advances from Directors	0.73	61.17
	<u>20,916.06</u>	<u>12,891.69</u>

- Short term Borrowings from Banks (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns of statement filed by the Company with the banks or financial institutions are in agreement with the books of accounts.
- Loans and advances from Directors represents amount due to Managing Director, which carries an interest. Interest rate have quarterly rest and is equivalent to interest rate of Short term borrowings. The interest accrued during the year amounts to ₹ 4.43 Lakhs (PY: ₹ 3.18 Lakhs).
- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at reporting date.
- Refer Note No. 46 for information about risk profile of Trade payables under Financial Risk Management.

**23 TRADE PAYABLES**

Dues of Micro and Small Enterprises	476.04	337.51
Dues of creditors other than Micro and Small Enterprises	6,447.94	7,779.06
Dues of Related Parties	162.61	133.31
	<u>7,086.59</u>	<u>8,249.88</u>

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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- |  | 2021-22<br>₹ In Lakhs | 2020-21<br>₹ In Lakhs |
|--|-----------------------|-----------------------|
| a. Trade payables are non-interest bearing and are normally settled in 10 to 30 days, except where credit term as per contractual obligation is more than 30 days.   |                       |                       |
| b. The dues to Micro and Small Enterprises as at 31-03-2022 is ₹ 476.04 lakhs (PY: ₹ 337.51 lakhs). This has been determined to the extent such parties have been identified on the basis of information available with the Company. |                       |                       |
| c. The dues to related parties are dues to Associate entities and due not more than 45 days. [Refer Note No. 44 (b) (2)]   |                       |                       |
| d. Refer Note No. 46 and 49 (a) for information about risk profile of Trade payables under Financial Risk Management and Ageing Schedule respectively.   |                       |                       |

#### 24 OTHER FINANCIAL LIABILITIES [CURRENT]

Unpaid dividends	12.56	13.70
Financial Guarantee Obligation	23.21	23.34
Lease land Rental Liability	19.98	19.02
Security Deposit from Customers	3,402.42	3,281.57
Liability - Foreign exchange forward contracts	6.02	-
Other Liabilities	6,546.78	5,265.95
	<u>10,010.97</u>	<u>8,603.58</u>

- Unpaid dividends represent amount not due for transfer to Investor Education and Protection Fund.
- Foreign exchange forward contracts are purchased to mitigate the fluctuations in foreign exchange rates with certain payables / receivables in foreign currencies.
- The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other income over the tenure of the corporate guarantee.
- Provision for interest on delayed payment to MSME Suppliers - ₹ 1.25 lakhs (PY - ₹ 4.42 lakhs), is included in Other Liabilities

#### 25 OTHER CURRENT LIABILITIES

Statutory Duties & Taxes Recovery Repayable	1,386.33	1,382.74
Advance Received From Customers	2,852.02	3,223.58
	<u>4,238.35</u>	<u>4,606.32</u>

- Advance from Customers are received in the normal course of business and adjusted against subsequent supplies.

#### 26 PROVISIONS [CURRENT]

Provision for Leave encashment	1,073.45	1,114.66
Provision for Gratuity	240.49	315.33
Provision for Taxation	4,380.46	5,430.04
	<u>5,694.40</u>	<u>6,860.03</u>

- The Company provides for expenses towards compensated absences provided to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.
- The company maintains Gratuity fund account in LIC of India. The Company provides for expenses towards Gratuity to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>26A BREAKUP OF PROVISION FOR TAXATION</b>		
Opening balance	5,430.03	6,716.59
<b>Additions</b>		
Current year provisions	5,661.87	5,291.24
Additional provision for Previous year (Net)	116.15	(12.67)
MAT Credit availment	(1,661.92)	(1,764.19)
Exchange Difference	(246.71)	(64.28)
<b>Adjusted during the current year</b>		
Adjusted due to assessment completion	(4,918.96)	(4,736.66)
<b>Closing Balance</b>	<u>4,380.46</u>	<u>5,430.03</u>
<b>27 REVENUE FROM OPERATIONS</b>		
Sales Revenue	1,45,495.80	1,20,771.92
<b>Other operating revenue</b>		
Industrial Promotion Assistance	44.95	11.70
Income from Wind power generation {Net of inter-divisional transfer of ₹ 1212.58 lakhs (PY ₹ 1304.51 lakhs)}	176.54	150.93
	<u>1,45,717.29</u>	<u>1,20,934.55</u>

(a) As per the Guidance Note on Division II, Ind AS Schedule III to the Companies Act, 2013 issued by ICAI, Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they have been excluded from revenue.

(b) Industrial Promotion Assistance from:

- Government of Rajasthan- ₹ 35.18 lakhs [PY - ₹ NIL]
- Deferred Grant recognised as income -₹ 9.77 lakhs [PY-₹ 11.70 lakhs]

(c) Out of 231.95 lakhs units [PY - 238.69 lakhs units] generated by our windmills, 50.99 lakhs units [PY - 46.46 lakhs units] were sold to concerned state Electricity Board, 180.12 lakhs units [PY - 193.78 lakhs units] were consumed at our plant and 3.74 lakhs units [PY - 2.90 lakhs units] remain unadjusted.

(d) The Company's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point of time. Revenue from windmills is recognised upon transmission of energy to the grids of state electricity boards. The revenue from project contract is recognised on using percentage of completion method.

**28 OTHER INCOME**

Dividend Income	45.10	1,623.15
Profit on Sale of Assets	20.69	150.83
Other Miscellaneous Income	717.94	367.33
Carbon Credit	26.86	-
	<u>810.59</u>	<u>2,141.31</u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>29 OTHER FINANCE INCOME</b>		
Interest Income	347.10	309.45
	<u>347.10</u>	<u>309.45</u>
<b>30 COST OF MATERIAL CONSUMED</b>		
Material consumed for Building Products	64,468.51	53,531.08
Material consumed for Textile Products	12,435.73	7,577.14
	<u>76,904.24</u>	<u>61,108.22</u>
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS</b>		
Closing Stock of Finished Goods	7,789.12	8,252.81
Closing Stock of Process Stock	5,683.35	2,924.10
	<u>13,472.47</u>	<u>11,176.91</u>
Opening Stock of Finished Goods	8,252.82	10,570.07
Opening Stock of Process Stock	2,924.10	2,497.56
	<u>11,176.92</u>	<u>13,067.63</u>
<b>(Increase) / Decrease</b>	<u>(2,295.55)</u>	<u>1,890.72</u>
<b>32 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	10,676.78	9,951.56
Contribution to and provision for		
- Provident Fund	564.16	522.22
- Gratuity Fund	163.88	211.49
- Superannuation Fund	33.67	28.49
- Employees Stock Option Expenses	78.04	-
- Staff welfare	951.26	657.13
	<u>12,467.79</u>	<u>11,370.89</u>
<b>33 FINANCE COSTS</b>		
Interest on Bank borrowings	602.65	694.08
Others	261.72	262.42
	<u>864.37</u>	<u>956.50</u>

a. Others includes Interest on Security deposit from Customers.

b. Refer Note No. 46 for information about risk profile of Finance Cost under Financial Risk Management



CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>34 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Stores Consumed	3,096.11	2,580.44
Power & Fuel (net off power from Wind Mills)	6,592.67	4,924.09
Repairs & Maintenance - Building	291.76	525.43
Repairs & Maintenance - General	852.26	574.20
Repairs & Maintenance - Plant & Machinery	4,838.92	3,592.75
<b>Establishment Expenses</b>		
Repairs & Maintenance - Vehicle / Aircraft	693.64	426.82
Insurance	291.36	262.12
Travelling expenses	505.63	276.85
Rates & Taxes	424.44	387.92
Exchange fluctuation in foreign currency loss	2,292.17	157.59
Rent	197.02	200.59
Managing Director Remuneration	828.59	824.63
Printing & Stationery	49.06	39.63
Communication Expenses	65.38	61.35
Donation [ see Note : 34 (a)]	83.95	480.67
Corporate Social Responsibility [ see Note : 34 (b) & (c)]	205.78	181.41
Legal & Consultancy Expenses	454.88	350.09
Loss on Sale of Assets	71.45	219.58
Impairment Loss on Assets	14.63	16.01
Directors Sitting fees	49.60	30.00
Audit Fees & Expenses [ see Note : 36]	38.03	42.13
<b>Selling &amp; Distribution Expenses</b>		
Agency Commission	944.15	834.67
Advertisement Expenses	319.60	161.31
Impairment Allowance for Trade Receivables	110.04	-29.91
Bad Debts Written off	3.39	96.16
Transportation and Handling Expenses	12,131.19	9,246.08
Miscellaneous Expenses	921.65	812.97
	<u>36,367.35</u>	<u>27,275.58</u>
<b>34A DONATION</b>		
Donation to Educational Trust / Institutions	75.03	134.05
Donation to Political Parties	-	300.00
Donation to Chief Minister's Relief Fund	6.00	-
Donation to Trusts, promoting Arts, Culture, Education, sports	2.92	46.62
	<u>83.95</u>	<u>480.67</u>

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

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>34B CORPORATE SOCIAL RESPONSIBILITIES</b>		
Health Care	99.89	18.75
Art and Culture	37.17	128.47
Poverty, Hunger, Malnutrition	4.36	9.19
Training to Promote Sports	10.17	9.46
Rural Development Projects	8.29	3.38
Safe Drinking Water	-	0.06
Environmental Sustainability	17.45	2.20
Education	27.20	9.31
Livelihood enhancement projects	0.44	0.59
Socio-economic inequalities	0.61	-
Animal Welfare	0.20	-
	<u>205.78</u>	<u>181.41</u>

Details of CSR expenditure are furnished in Annexure VI of the Director's report.

**34C CORPORATE SOCIAL RESPONSIBILITIES**

(a) Amount Required to Spent during the year	190.85	149.53
(b) Shortfall/(excess) amount spent during previous year	(16.10)	-
(c) Amount of Expenditure incurred during the year	202.36	165.63
(d) Shortfall / (excess) at the end of the year	(27.61)	(16.10)
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	-	-
(g) Nature of CSR activities [see Note: 34 b]		
(h) Details of related party transactions	-	-
(i) Provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

**35 INCOME TAX EXPENSES**

**Reconciliation of Tax Expenses and Accounting Profit**

Accounting Profit before Income Tax	21,420.07	20,068.31
At India's statutory Income Tax Rate of 2021-22: 34.944% (2020-21 : 34.944%)	5,600.24	5,632.36
<b>Effects of</b>		
Tax effects on differences between book depreciation and depreciations under the Income Tax act ,1961	(759.03)	(480.21)
Profit/ (Loss) on sale of Property, Plant & Equipment	17.74	45.25
Dividend from Foreign Company	(755.40)	(894.21)
Utilisation of previously unrecognised tax losses	-	(26.59)
Other non-deductible expenses (timing difference)	160.04	276.77
Other deductions claimed	(158.75)	(444.76)
Net Effective income tax under regular method (A)	<u>4,104.84</u>	<u>4,108.61</u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

	2021-22 ₹ In Lakhs	2020-21 ₹ In Lakhs
<b>B. 115BBD Tax working (Spl Rate of Tax)</b>		
Dividend from Foreign Company - (2021-22: 17.472%) (2020-21: 17.472%)	2,161.75	2,558.99
Net effective income tax u/s 115BBD (B)	<u>377.70</u>	<u>447.11</u>
<b>Income Tax Under MAT</b>		
Accounting Profit before Income Tax	21,420.07	20,068.31
At India's statutory Income Tax Rate of 2021-22: 17.472% (2020-21: 17.472%)	2,800.12	2,802.89
At India's statutory Income Tax Rate of 2021-22: 15.60% (2020-21: 15.60%)	-	11.87
Adjustments as per Income Tax	20.50	(11.36)
Net effective income tax (C)	2,820.62	2,803.40
<b>Tax applicable higher of (A and B) or C</b>	4,482.54	4,567.59
Previous year tax adjustment	134.66	(14.53)
	4,617.20	4,553.06
Tax Amount for Srilankan Subsidiary	1,649.41	1,064.54
<b>Total</b>	<u>6,266.61</u>	<u>5,617.60</u>
<b>Deferred Tax Recognised in the statement of Profit and Loss</b>		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	754.94	504.00
Tax effect on Fair Value Measurement and other non deductible expenses	(30.86)	(80.78)
	<u>724.08</u>	<u>423.22</u>
Tax Amount for Srilankan Subsidiary	(384.25)	(124.10)
<b>Total</b>	<u>339.83</u>	<u>299.12</u>
<b>MAT Credit</b>		
Net effective income tax excluding interest	2,820.62	2,791.53
Income tax expenses under Regular Method	4,482.54	4,555.72
<b>MAT Credit Utilisation</b>	<u>1,661.92</u>	<u>1,764.19</u>

In respect of Ramco Industries Ltd. as per Section 115BAA in the Income Tax Act, 1961, the Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. The Company has not exercised this option for the financial year 2021-22 in view of the benefits available under the existing tax regime. With respect to Wholly Owned Subsidiary M/s.Sudarsanam Investments Ltd. due to tax advantage the company has opted for lower tax rate under Sec 115BAA

**36 AUDIT FEES AND EXPENSES**

**1. Statutory Auditors**

a. for statutory audit	19.76	20.16
b. for Taxation matters	6.38	5.05
c. for certification work and other related fee	3.34	7.41
d. for other fee and reimbursement of expenses	3.05	4.01

**2. Cost Auditor:**

a. for Cost audit	2.50	2.50
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**3. Secretarial Auditor**

a. for Secretarial Audit	3.00	3.00
	<u>38.03</u>	<u>42.13</u>

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

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

<b>37.</b>	<b>COMMITMENTS</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances)	7,820.67	4,181.35

₹ In Lakhs

<b>38.</b>	<b>CONTINGENT LIABILITIES</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
	Guarantees given by the bankers on behalf of Group	445.01	497.49
	Letters of Credit to the extent, bills not accepted	1,888.76	2,399.36
	Demands / Claims not acknowledged as Debts in respect of matters in appeals by		
	- Parent	2,460.24	2,207.36
	- Parent's share in Associates	29,357.80	19,061.56

<b>39.</b>	<b>FINANCIAL GUARANTEES</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
	Guarantees given to banks to avail loan facilities by Related parties:		
	- Sri Harini Textiles Limited	4,629.00	4,629.00

Notes:

- a. There were no fresh guarantees given on behalf of related parties during the year
- b. The loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Group are furnished below:

₹ In Lakhs

<b>FINANCIAL GUARANTEES</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>
- Sri Harini Textiles Limited	648.15	706.30

- c. The related party is prompt in servicing the above loan.

**40. DISCLOSURE OF INTERESTS IN SUBSIDIARY**

Name of the entity	Place of Business / Country of Incorporation	Principal activities of Business
Sudharsanam Investments Limited	India	Investments in Securities
Sri Ramco Lanka (Private) Ltd (SRL)	Srilanka	Manufacturer of Building products
Sri Ramco Roofing Lanka (Private) Ltd (SRRL)	Srilanka	Manufacturer of Building products

Particular	Sudharsanam	SRL	SRRL
As at 31-03-2022			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-
As at 31-03-2021			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-

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**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

The Summarised separate financial information of subsidiary is as below

**A. Sudharsanam Investments Limited**

₹ in Lakhs

Balance Sheet	As at 31-03-2022	As at 31-03-2021
Non -Current Assets	1,286.25	1,286.25
Current assets	1.32	12.40
Total Assets	1,287.57	1,298.65
Non-current liabilities	234.23	217.78
Current liabilities	0.43	12.27
Total Liabilities	234.66	230.05
Total Equity	1,052.91	1,068.59
Profit and Loss		
Revenue	-	89.48
Profit for the year	(15.68)	64.21
Other comprehensive income	-	-
Total comprehensive income	(15.68)	64.21
Summarised Cash flow		
Cash flows from operating activities	(16.47)	(25.74)
Cash flows from investing activities	-	89.48
Cash flows from financing activities	16.45	(63.99)
Net Increase / (Decrease) in cash and cash equivalents	(0.02)	(0.25)

**B. Sri Ramco Lanka (Private) Ltd**

₹ in Lakhs

Balance Sheet	As at 31-03-2022	As at 31-03-2021
Non -Current Assets	5,881.90	5,488.84
Current assets	6,469.20	6,366.41
Total Assets	12,351.10	11,855.25
Non-current liabilities	-	118.59
Current liabilities	3,729.75	2,721.05
Total Liabilities	3,729.75	2,839.64
Total Equity	8,621.35	9,015.61
Profit and Loss		
Revenue	16,651.56	13,054.93
Profit for the year	2,821.67	2,878.35

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Other comprehensive income	-	-
Total comprehensive income	2,821.67	2,878.35
Summarised Cash flow		
Cash flows from operating activities	2,040.92	2,411.63
Cash flows from investing activities	119.69	1,441.86
Cash flows from financing activities	(1,508.24)	(2,371.87)
Net Increase / (Decrease) in cash and cash equivalents	652.37	1,481.62

c. Sri Ramco Roofing Lanka (Private) Ltd

₹ in Lakhs

Balance Sheet	As at 31-03-2022	As at 31-03-2021
Non -Current Assets	1,150.71	1,400.52
Current assets	7,420.27	7,147.19
Total Assets	8,570.98	8,547.71
Non-current liabilities	-	226.75
Current liabilities	3,159.06	2,618.33
Total Liabilities	3,159.06	2,845.08
Total Equity	5,411.92	5,702.63
Profit and Loss		
Revenue	15,185.19	11,736.52
Profit for the year	2,461.38	1,712.39
Other comprehensive income	-	-
Total comprehensive income	2,461.38	1,712.39
Summarised Cash flow		
Cash flows from operating activities	3,051.72	2,574.50
Cash flows from investing activities	155.09	120.30
Cash flows from financing activities	(798.74)	(1,495.36)
Net Increase / (Decrease) in cash and cash equivalents	2,408.07	1,199.43

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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### 41. DISCLOSURE OF INTERESTS IN ASSOCIATES UNDER EQUITY METHODS

Name of the Associates	Location	Principal activities of Business
<b>Material Associates</b>		
The Ramco Cements Limited (TRCL)	India	Manufacturer of Cements
Ramco Systems Limited (RSL)	India	Software development
Rajapalayam Mills Limited (RML)	India	Manufacturer of Cotton yarn
Lynks Logistics Limited (LLL)	India	Goods transport services and retail distributor for FMCG products
<b>Immaterial Associates</b>		
Madurai Trans Carrier limited (MTCL)	India	Aircraft charter service
Ramco Industrial and Technology Services Limited	India	Manpower supply, Transportation of Goods by Road and Information Technology Services

Name of the Associates	% of ownership interest	
	31-03-2022	31-03-2021
The Ramco Cements Limited	22.62	22.41
Ramco Systems Limited	17.74	17.80
Rajapalayam Mills Limited	1.73	1.73
Ramco Industrial and Technology Services Limited	1.05	1.05
Madurai Trans Carrier Limited	17.17	17.17
Lynks Logistics Limited	25.71	23.78

% of ownership represents Direct holding and through Wholly Owned Subsidiaries

#### Summarised financial information of Associates

The summarised consolidated financial statements of the material associates are as below:

₹ In Lakhs

Balance sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
<b>As at 31-03-2022</b>						
The Ramco Cements Limited	11,18,187	26,962	1,70,737	3,75,048	2,78,269	6,62,569
Ramco Systems Limited	46,449	164	40,844	7,674	21,379	58,404
Rajapalayam Mills Limited	77,511	1,81,709	40,514	36,371	50,809	2,12,554
Lynk Logistics Limited	4,703	-	4,057	1,700	3,916	3,144
<b>As at 31-03-2021</b>						
The Ramco Cements Limited	9,71,692	27,909	1,45,891	3,29,754	2,41,937	5,73,801
Ramco Systems Limited	48,435	154	45,523	9,308	19,320	65,484
Rajapalayam Mills Limited	62,918	1,55,213	25,182	31,060	37,007	1,75,246
Lynk Logistics Limited	3,034	-	1,966	-	1,065	3,935

Note: The above financial information is appended to determine the share of interest in associates.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

₹ in Lakhs

Profit and Loss	TRCL		RSL		RML		LYNKs	
	31-03-22	31-03-21	31-03-22	31-03-21	31-03-22	31-03-21	31-03-22	31-03-21
Total Revenue	6,03,169	5,32,137	53,110	62,631	70,425.09	41,836	20,937.21	7,970
Profit before tax	80,344	1,14,350	(7,384)	10,792	5,722.04	(4,908)	(4,863.16)	(2,801)
Tax expenses	(8,941)	37,992	(38)	5,122	3,838.39	(1,171)	(1,259.17)	(728)
Profit after tax	89,285	76,358	(7,346)	5,667	1,883.65	(3,737)	(3,603.99)	(2,074)
Share of profit in Associate	(1,116)	2,006	10	3	14,728.60	107	-	-
OCI	(248)	(358)	260	(1,127)	16.36	70	-	(3)
TCI	87,921	78,006	(6,966)	4,543	16,628.61	(3,560)	(3,603.99)	(2,077)

OCI: Other Comprehensive Income; TCI: Total Comprehensive Income.

Share of contingent liabilities in respect of associates

₹ in Lakhs

Name of the Associates	31-03-2022	31-03-2021
The Ramco Cements Limited	27,420.34	17,318.42
Ramco Systems Limited	1,720.96	1,729.55
Rajapalayam Mills Limited	18.75	13.59
Lynks Logistics Limited	197.75	-

Reconciliation to the carrying amount of investment in associates as on 31.03.2022.

Profit & Loss	TRCL		RSL		RML		Lynks	
	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
Entity TCI	87,921.00	78,006.00	(6,966.00)	4,543.00	16,628.61	(3,560.25)	(3,603.99)	(2,076.90)
Entity Adjusted TCI	86,300.00	75,949.00	(6,966.00)	4,539.70	1,734.07	(2,484.84)	(3,603.99)	(2,076.90)
Effective Shareholding %	22.86	22.65	17.74	21.81	1.82	1.81	25.71	33.11
Associates Share of Profit / OCI	19,728.18	17,204.40	(1,235.77)	990.28	31.56	(44.94)	(926.59)	(687.68)
Less: Unrealised Profit on Inter company Transactions (net of tax)								
Amount recognised in P&L	19,728.18	17,204.40	(1,235.77)	990.28	31.56	(44.94)	(926.59)	(687.68)
Reconciliation								
Opening Carrying Cost	2,36,527.84	2,17,937.95	37,852.81	36,862.53	1,106.36	1,152.57	1,199.14	802.97
Less: Treasury Share Adjustment	-	-	-	-	-	-	-	-
Add: Fair Value of Corporate Guarantee Obligation given	-	-	-	-	-	-	-	-
Add: Associates share of Profit / OCI	19,728.18	17,204.40	(1,235.77)	990.28	31.56	(44.94)	(926.59)	(687.68)
Acquisition during the year	5,061.30	2,967.93	-	-	120.78	-	950.94	1,083.85
Less: Sales / Reversal of OCI Share	-	-	-	-	-	-	-	-
Less: Interest Received	-	-	-	-	-	-	(33.81)	-
Less: Dividend received	-	1,582.44	-	-	0.74	1.27	-	-
Net Carrying Amount	2,61,317.32	2,36,527.84	36,617.04	37,852.81	1,257.96	1,106.36	1,257.30	1,199.14

% of effective shareholding represents direct and indirect holding

\* Share of profit for current year acquisition arrived at Pro Rata basis



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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Note:

- Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealised profits
- Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associates are furnished below:

Aggregate amounts of Group's share of:	31-03-2022	31-03-2021
Profit after Tax	(307.98)	55.32
Other Comprehensive Income	(10.45)	(28.68)
Total Comprehensive Income	(318.43)	26.64

#### 42. EARNINGS PER SHARE

Particulars	31-03-2022	31-03-2021
Net profit after tax (A) [In Lakhs]	30,284.66	27,874.85
Weighted average number of Equity shares after adjusting treasury shares (B) [In Lakhs]	834.92	835.19
Nominal value per equity share (in ₹)	1.00	1.00
Basic & Diluted Earnings per share (A)/(B) in ₹	36.27	33.38

Treasury shares of 31.71 lakhs shares (Previous year 31.44 lakhs shares) compiled based on holdings through fellow associate

#### 43. INFORMATION ON NAMES OF RELATED PARTIES AND NATURE OF RELATIONSHIP AS REQUIRED BY IND AS 24 ON RELATED PARTY DISCLOSURES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022:

##### (a) Associates

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2022	31-03-2021
The Ramco Cements Limited	India	22.62	22.41
Ramco Systems Limited	India	17.74	17.80
Rajapalayam Mills Limited	India	1.73	1.73
Ramco Industrial and Technology Services Limited	India	1.05	1.05
Madurai Trans Carrier Limited	India	17.17	17.17
Lynks Logistics Limited	India	25.71	23.78

% of ownership represent Direct holding and through Wholly Owned Subsidiaries

##### (b) Key Management Personnel and Directors

Name of the Key Management Personnel and Directors	Designation
P.R. Venketrama Raja	Chairman
P.V. Abinav Ramasubramaniam Raja	Managing Director
Prem G Shanker	Chief Executive Officer
K. Sankaranarayanan	Chief Financial Officer
S. Balamurugasundaram	Company Secretary & Legal Head
S.S. Ramachandra Raja	Non-Executive & Non Independent Director

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**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

<b>Name of the Key Management Personnel and Directors</b>	<b>Designation</b>
N.K. Shrikantan Raja	Non-Executive & Non Independent Director
Suresh Subramaniam - from (20-09-2020 to 30.05.2021)	Independent Director
R.S. Agarwal	Independent Director
V. Santhanaraman	Independent Director
Smt. Justice Chitra Venkataraman (Retd.)	Independent Director
Ajay Bhaskar Baliga - from (27.07.2021)	Independent Director

**(c) Relative of Key Management Personnel**

<b>Name of the Relative of KMP</b>	<b>Relationship</b>
P.V. Abinav Ramasubramaniam Raja	Son of P.R. Venketrama Raja
P.V. Nirmala	Wife of P.R. Venketrama Raja
R. Sudarsanam	Mother of P.R. Venketrama Raja
P.V. Srisandhya Raju	Daughter of P.R. Venketrama Raja
Ramaraju	Son in Law of P.R. Venketrama Raja
Saradha Deepa	Sister of P.R. Venketrama Raja
Nalina Ramalakshmi	Sister of P.R. Venketrama Raja

**(d) Companies over which KMP/Relatives of KMP exercise significant influence**

Ramco Company	R. Sudarsanam & Co
Gowrihouse Metal Works LLP	Gowri Shankar Screws
Timeous, USA	Lotus Knitting Mills
Sudarasana Farms Private Limited	Rajapalayam Farms Private Limited
Ramco Private Limited	Sri Sandhya Farms (India) Private Limited
Ramamandiram Agricultural Estate Private Limited	Nalina Agricultural Farms Private Limited
Sri Saradha Deepa Farms Private Limited	Sri Nithyalakshmi Farms Private Limited
Nirmala Shankar Farms & Estates Private Limited	Ram Sandhya Farms Private Limited
RCDC Securities and Investments Private Limited	Ramco Management Private Limited
Ramco Agencies Private Limited	Barefoot Dance Company Private Limited
Sound Investment & Leasing Private Limited	Satmala Agro-Farms Private Limited
Bharani Bio-Tech Private Limited	Parimala Chemicals Private Limited
Pranahita Power Generation Private Limited	Barefoot Media & Entertainment Private Limited
The Ramco Cements Limited	Rajapalayam Mills Limited
The Ramaraju Surgical Cotton Mills Limited	Sri Vishnu Shankar Mills Limited

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Sandhya Spinning Mill Limited	Rajapalayam Textile Limited
Ramco Systems Limited	Lynks Logistics Limited
Vinvent Chemilab Private Limited	JKR Enterprises Limited
Shri Harini Media Limited	N.R.K.Herbotec Network
Sri Harini Textiles Limited	

(e) Employee Benefit Funds where control exists

Ramco Industries Limited Officers' Superannuation Fund
Ramco Industries Limited Employees' Gratuity Fund

(f) Other entities over which there is a significant influence

Smt. Lingammal Ramaraju Shastra Prathishta Trust	The Ramco Cements Limited Educational and Charitable Trust
PACR Sethurammammal Charity Trust	PACR Sethurammammal Charities
Ramco Welfare Trust	PAC Ramasamy Raja Education Charity Trust
Raja Charity Trust	Rajapalayam Rotary Trust
Sri Abhinava Vidyatheertha Seva Trust	Ramco Debate And Research Educational And Charitable Trust
Sastra Prakasika Trust	PAC Ramasamy Raja Centenary Trust
Thangavilas Estate	

44. DISCLOSURE IN RESPECT OF RELATED PARTY TRANSACTIONS (EXCLUDING REIMBURSEMENTS) DURING THE YEAR AND OUTSTANDING BALANCES INCLUDING COMMITMENTS AS AT THE REPORTING DATE:

a. Transactions during the year

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
1	Sale of Goods		
	<i>Associates</i>		
	The Ramco Cements Limited	13.87	24.61
	Rajapalayam Mills Limited	575.39	543.61
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	2,510.79	200.31
	The Ramaraju Surgical Cotton Mills Limited	208.97	471.71
	Sri Vishnu Shankar Mills Limited	773.38	247.09
	Sandhya Spinning Mill Limited	1,617.94	494.33
	Sri Harini Textiles Limited	278.72	294.32
	N.R.K.Herbotec Network	-	0.12
	Total	5,979.06	2,276.10

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S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
2	Sale of Machinery		
	<i>Associates</i>		
	Rajapalayam Mills Limited	4.17	153.45
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	-	58.76
	Sri Vishnu Shankar Mills Limited	-	188.85
	Sandhya Spinning Mill Limited	0.59	100.81
	Total	4.76	501.87
3	Purchase of Goods		
	<i>Associates</i>		
	The Ramco Cements Limited	1,492.97	1,093.34
	Rajapalayam Mills Limited	538.48	777.45
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	The Ramaraju Surgical Cotton Mills Limited	1181.25	522.90
	Sri Vishnu Shankar Mills Limited	1,871.30	1800.07
	Rajapalayam Textiles Limited	106.35	67.43
	Sandhya Spinning Mill Limited	708.29	397.66
	Vincent Chemilab Private Limited	48.59	21.24
	Gowrihouse Metal Works LLP	0.68	0.31
	<i>Other entities over which there is a significant influence</i>		
	PACR Sethurammam Charity Trust	47.24	19.25
	Total	5,995.15	4,699.65
4	Purchase of Machinery		
	<i>Associates</i>		
	Rajapalayam Mills Limited		0.89
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	-	19.26
	Total	-	20.15

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S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
5	<b>Receiving of Services</b>		
	<i>Associates</i>		
	Rajapalayam Mills Limited	169.18	17.29
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	8.76	-
	Sri Vishnu Shankar Mills Limited	62.07	0.65
	Sandhya Spinning Mill Limited	0.07	-
	<i>Other entities over which there is a significant influence</i>		
	Raja Charity Trust	1,114.10	834.67
	Total	1,354.18	852.61
6	<b>Services Rendered - Execution of Contract</b>		
	<i>Associates</i>		
	Rajapalayam Mills Limited	-	4.39
	Total	-	4.39
7	<b>Services Rendered</b>		
	<i>Associates</i>		
	Rajapalayam Mills Limited	147.20	56.23
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	0.22	1.29
	The Ramaraju Surgical Cotton Mills Limited	0.14	0.57
	Sandhya Spinning Mill Limited	86.72	3.34
	Sri Vishnu Shankar Mills Limited	51.32	1.57
	Total	285.60	63.00
8	<b>Services Received - Software Related Services</b>		
	<i>Associates</i>		
	Ramco Systems Limited	316.55	73.41
	Total	316.55	73.41
9	<b>Services Received - Advertisement</b>		
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Shri Harini Media Limited	4.78	4.04
	Total	4.78	4.04

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
10	Services Received - Manpower Supply		
	<i>Other entities over which there is a significant influence</i>		
	Raja Charity Trust	213.96	190.58
	Total	213.96	190.58
11	Services Received - Aircraft Charter Services		
	<i>Other entities over which there is a significant influence</i>		
	Madurai Trans Carrier Limited	413.55	343.70
	Total	413.55	343.70
12	Leasing Arrangements - Rent Received		
	<i>Associates</i>		
	The Ramco Cements Limited	12.74	12.78
	<i>Other entities over which there is a significant influence</i>		
	Sri Abhinava Vidhyatheertha Seva Trust	0.04	0.04
	JKR Enterprises	2.12	-
	Total	14.90	12.82
13	Leasing Arrangement - Rent Received on Spares		
	<i>Associates</i>		
	Rajapalayam Mills Limited	1.39	1.60
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	0.01	0.42
	The Ramaraju Surgical Cotton Mills Limited	0.01	-
	Sri Vishnu Shankar Mills Limited	0.34	6.97
	Sandhya Spinning Mill Limited	1.04	0.32
	Total	2.79	9.31
14	Leasing arrangement - Rent on Store Material Paid		
	<i>Associates</i>		
	Rajapalayam Mills Limited	8.94	8.17
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Rajapalayam Textile Limited	0.02	0.67
	Sandhya Spinning Mill Limited	0.08	0.34
	Sri Vishnu Shankar Mills Limited	11.15	0.40
	Total	20.19	9.58

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
15	Leasing Arrangements - Rent & Amenities Paid		
	<i>Associates</i>		
	The Ramco Cements Limited	20.96	20.96
	Total	20.96	20.96
16	Share of Expenses - Paid		
	<i>Associates</i>		
	The Ramco Cements Limited	50.63	4.78
	Rajapalayam Mills Limited	67.19	43.66
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Sandhya Spinning Mill Limited	18.98	-
	Total	136.80	48.44
17	Share of Expenses - Received		
	<i>Associates</i>		
	The Ramco Cements Limited	6.66	7.07
	Rajapalayam Mills Limited	0.48	0.66
	Ramco Systems Limited	11.25	-
	Total	18.39	7.73
18	Expenses Related to Carbon Credit		
	<i>Associates</i>		
	The Ramco Cements Limited	8.15	-
	Total	8.15	-
19	Carbon Credit Receipt		
	<i>Associates</i>		
	The Ramco Cements Limited	31.70	-
	Total	31.70	-
20	Dividend received		
	<i>Associates</i>		
	The Ramco Cements Limited	-	1,582.44
	Rajapalayam Mills Limited	0.74	1.27
	Total	0.74	1,583.71

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
21	<b>Dividend Paid</b>		
	<i>Associates</i>		
	The Ramco Cements Limited	-	133.73
	Rajapalayam Mills Limited	-	84.02
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	The Ramaraju Surgical Cotton Mills Limited	-	1.36
	RCDC Securities and Investments Private Limited	-	0.43
	Ramco Management Private Limited	-	18.99
	Ramco Industrial and Technologies Services Private Limited	-	0.90
	Ramco Private Limited	-	0.40
	Ramco Agencies Private Limited	-	0.22
	<i>Key Management Personnel (Other than Sitting Fees)</i>		
	P.R. Venketrama Raja, Chairman	-	62.21
	P.V. Abinav Ramasubramaniam Raja, Managing Director	-	0.40
	Prem G shanker	-	0.11
	Total	-	302.77
22	<b>Remuneration to Key Management Personnel (Other than Sitting Fees)</b>		
	P.V. Abinav Ramasubramaniam Raja, Managing Director	828.59	824.63
	Prem G Shanker, Chief Executive Officer	350.12	300.58
	K. Sankaranarayanan, Chief Financial Officer	85.61	79.06
	S. Balamurugasundaram, Company Secretary and Legal Head	39.80	36.35
	Total	1,304.12	1,240.62
23	<b>Directors' Sitting Fees</b>		
	<i>Key Management Personnel</i>		
	P.R. Venketrama Raja, Chairman	8.00	5.20
	P.V. Abinav Ramasubramaniam Raja	3.20	2.80
	S.S. Ramachandra Raja	3.20	2.00
	N.K. Shrikantan Raja	4.80	2.80
	K.T. Ramachandran	-	2.00
	R.S. Agarwal	8.80	5.60
	V. Santhanaraman	9.20	3.20
	Smt. Justice Chitra Venkataraman (Retd.)	7.60	4.80
	Suresh Subramaniam	0.80	1.60
	Ajay Bhaskar Baliga	4.00	-
	Total	49.60	30.00



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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2022	31-03-2021
24	<b>Interest Received</b>		
	<i>Associates</i>		
	Lynks Logistics Limited	33.81	-
	Total	33.81	-
25	<b>Interest Paid</b>		
	<i>Key Managerial Personnel</i>		
	P V Abinav Ramasubramaniam Raja, Managing Director	4.43	3.18
	Total	4.43	3.18
26	<b>Purchase of Shares</b>		
	<i>Associates</i>		
	Lynks Logistics Limited	950.94	1,083.85
	Rajapalayam Mills Limited - Rights issue	120.78	-
	Rajapalayam Mills Limited - Purchase of The Ramco Cements Ltd., Shares	1,001.98	-
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	The Ramaraju Surgical Cotton Mills Limited -Purchase of The Ramco Cements Ltd., Shares	-	2,967.93
	<i>Key Managerial Personnel</i>		
	Sri. P.R. Venketrama Raja - Purchase of The Ramco Cements Ltd., Shares	1,468.44	-
	<i>Relative of Key Managerial Personnel</i>		
	Smt. Sardha Deepa - Purchase of The Ramco Cements Ltd., Shares	2,590.88	-
	Total	6,133.02	4,051.78
27	<b>Contribution to Superannuation Fund / Gratuity Fund</b>		
	Employee Benefit Funds where Control Exists		
	Ramco Industries Limited Officers' Superannuation Fund	33.67	28.49
	Ramco Industries Limited Employees' Gratuity Fund	151.98	149.51
	Total	185.65	178.00

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

b. Outstanding balances including commitments

₹ in Lakhs

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2022	31-03-2021
1	<b>Trade Receivables</b>		
	<i>Associates</i>		
	The Ramco Cements Ltd	-	0.53
	Total	-	0.53
2	<b>Payables</b>		
	<i>Associates</i>		
	The Ramco Cement Limited	-	29.58
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Vincent Chemilab Private Limited	3.48	0.90
	<i>Other entities over which there is a significant influence</i>		
	Raja Charity Trust	156.00	101.08
	PACR Sethurammal Charity Trust	3.13	1.75
Total	162.61	133.31	
3	<b>Other Financial Liabilities</b>		
	<i>Associates</i>		
	The Ramco Cement Limited	5.34	5.41
	Key Managerial Person		
	P.V.Abinav Ramasubramaniam Raja, Managing Director	0.73	61.17
	Total	6.07	66.58
4	<b>Corporate Guarantees given to lenders of Related parties</b>		
	<i>Companies over which KMP / Relatives of KMP exercise significant influence</i>		
	Sri Harini Textiles Limited	4,629.00	4,629.00
	Total	4,629.00	4,629.00
5	<b>Loan Outstanding</b>		
	<i>Associates</i>		
	Lynks Logistics Limited	1,000.00	-
	Total	1,000.00	-

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2022	31-03-2021
6	<b>Maximum amount of loans and advances outstanding during the year</b>		
	<i>Associates - Loan</i>		
	Lynks Logistics Limited	1,033.81	-
	<i>Associates - Rent Advance Paid</i>		
	The Ramco Cements Limited	8.40	8.40
	<b>Total</b>	<b>1,042.21</b>	<b>8.40</b>

Note:

- The above figures are inclusive of all applicable taxes
- The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.

Disclosure of Key Management Personnel compensation in total and for each of the following categories: ₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Short - Term Benefits (1)		
Defined Contribution Plan (2)	1,307.32	1,243.42
Defined Benefit Plan / Other Long-term benefits(3)		
<b>Total</b>	<b>1,307.32</b>	<b>1,243.42</b>

- It includes bonus, sitting fees, and value of perquisites.
- It includes contribution to Provident fund and Superannuation fund
- As the liability for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, amounts accrued pertaining to key managerial personnel are not included above.

45. DISCLOSURE OF FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category ₹ in Lakhs

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>As at 31-03-2022</b>					
<b>Financial Assets</b>					
Other Investments	4,673.03	3.01	(195.03)	4,481.01	4,481.01
Loans and Advances	1,000.00	-	-	1,000.00	1,000.00
Trade Receivables	9,295.69	-	-	9,295.69	9,295.69
Cash and Bank Balances	9,014.82	-	-	9,014.82	9,014.82
Other Financial Assets	946.51	-	-	946.51	946.51
<b>Financial Liabilities</b>					
Borrowings	22,387.37	-	-	22,387.37	22,387.37
Trade Payables	7,086.59	-	-	7,086.59	7,086.59
Other Financial Liabilities	10,229.38	-	-	10,229.38	10,229.38

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
<b>As at 31-03-2021</b>					
<b>Financial Assets</b>					
Other Investments	3,042.46	9.99	1,620.58	4,673.03	4,673.03
Loans and Advances	-	-	-	-	-
Trade Receivables	9,398.70	-	-	9,398.70	9,398.70
Cash and Bank Balances	7,742.33	-	-	7,742.33	7,742.33
Other Financial Assets	933.95	-	-	933.95	933.95
<b>Financial Liabilities</b>					
Borrowings	15,185.69	-	-	15,185.69	15,185.69
Trade Payables	8,249.88	-	-	8,249.88	8,249.88
Other Financial Liabilities	8,822.99	-	-	8,822.99	8,822.99

**Fair value hierarchy**

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below: ₹ in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Instruments at FVTOCI</b>				
<b>Investments in listed equity securities</b>				
As at 31-03-2022	(195.03)	-	-	(195.03)
As at 31-03-2021	1,620.58	-	-	1,620.58
<b>Actuarial Values</b>				
As at 31-03-2022	-	-	(5.03)	(5.03)
As at 31-03-2021	-	-	(2.51)	(2.51)
<b>Financial Instruments at FVTPL</b>				
<b>Investment in mutual funds</b>				
As at 31-03-2022	3.01	-	-	3.01
As at 31-03-2021	9.99	-	-	9.99
<b>Foreign exchange forward contracts</b>				
As at 31-03-2022	-	(6.02)	-	(6.02)
As at 31-03-2021	-	-	-	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

**Valuation techniques used to determine the fair value**

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at 31 <sup>st</sup> March in Stock Exchange
Investment in Unlisted securities	Adjusted Net Assets	Net Assets plus Cost Savings in operations of business based on Discounted cash flow method
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker

**46. FINANCIAL RISK MANAGEMENT**

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Group’s risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Group. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Group’s activities. The Group through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Group’s risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

***Credit Risk***

Credit Risk is the risk of financial loss to the Group if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Group’s receivables, treasury operations and other operations that are in the nature of lease.

***Receivables***

The Group’s exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Group evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Group maintains adequate security deposits from its customers in case of wholesale and retail segment. The exposures with the Government are generally unsecured but they are considered as good. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group and where there is a probability of default, the Group creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

₹ In Lakhs

As at 31-03-2022	RIL	SRL <sup>#</sup>	TOTAL
Gross carrying amount	9,282.03	589.72	9,882.86
Expected Loss Rate	5.91%	6.43%	5.94%
Expected Credit Losses	548.56	27.51	576.07
Carrying amount of trade receivables net of impairment	8,733.48	562.21	9,295.69

₹ In Lakhs

As at 31-03-2021	RIL	SRL <sup>#</sup>	TOTAL
Gross carrying amount	8,731.03	1,144.55	9,875.58
Expected Loss Rate	5.02%	3.37%	4.83%
Expected Credit Losses	438.26	38.62	476.88
Carrying amount of trade receivables net of impairment	8,292.77	1,105.93	9,398.70

# SRL - Sri Ramco Lanka Private Limited and its subsidiary

#### **Financial Instruments and Cash deposits**

Investments of surplus funds are made only with the approved counterparties. The Group is presently exposed to counter party risk relating to short term and medium term deposits placed with banks, and also investments made in mutual funds. The Group places its cash equivalents based on the creditworthiness of the financial institutions.

#### **Liquidity Risk**

Liquidity Risks are those risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### **Fund Management**

Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Group has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

#### **Financial arrangements**

The Group has access to the following undrawn borrowing facilities:

₹ In Lakhs

Particulars	31-03-2022	31-03-2021
<b>Expiring within one year</b>		
Bank Overdraft and other facilities	30,918.01	44,351.28
Term Loans	-	361.53
<b>Expiring beyond year</b>		
Term Loans	-	-

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Maturities of Financial Liabilities

₹ in Lakhs

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
<b>As at 31-03-2022</b>				
Borrowings from Banks	20,915.33	1,472.04	-	22,387.37
Trade payables	7,086.59	-	-	7,086.59
Security Deposits payable	3,402.42	-	-	3,402.42
Other Financial Liabilities (Incl. Interest)	5,038.05	-	-	5,038.05
<b>As at 31-03-2021</b>				
Borrowings from Banks	12,830.52	2,355.17	-	15,185.69
Trade payables	8,249.88	-	-	8,249.88
Security Deposits payable	3,281.57	-	-	3,281.57
Other Financial Liabilities (Incl. Interest)	5,265.95	-	-	5,265.95

**Foreign Currency Risk**

The Group's exposure in USD and other foreign currency denominated transactions in connection with import of raw material, capital goods and spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Group has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Group's exposure to foreign currency risk (un-hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks	Foreign Currency Loan
<b>USD in Millions</b>				
As at 31-03-2022	3.86	3.46	-	3.59
As at 31-03-2021	3.18	3.00	0.26	1.30
<b>EUR in Millions</b>				
As at 31-03-2022	-	-	-	-
As at 31-03-2021	0.07	-	-	-

Risk sensitivity on foreign currency fluctuation

₹ in Lakhs

Foreign Currency	31-03-2022		31-03-2021	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	82.72	(82.72)	56.67	(56.67)
EUR	-	-	0.58	(0.58)

**Cash flow and fair value interest rate risk**

Interest rate risk arises from long term borrowings with variable rates which exposed the Group to cash flow interest rate risk. The Group's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Group is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/floating ratio of financial liabilities. The Group constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Group believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### Interest rate risk exposure

₹ In Lakhs

Particulars	31-03-2022	31-03-2021
Variable rate borrowings	19,737.69	11,783.77
Fixed rate borrowings	2,649.68	3,401.92

The Group does not have any interest rate swap contracts.

#### Sensitivity on Interest rate fluctuation

₹ in Lakhs

Total Interest Cost works out to	31-03-2022	31-03-2021
1% Increase in Interest Rate	435.04	545.59
1% Decrease in Interest Rate	283.81	379.76

#### 47. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholders' wealth.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Long Term Borrowings	1,472.04	2,355.17
Current maturities of Long term borrowings	1,177.64	1,046.75
Short Term Borrowings	19,737.69	11,783.77
Less: Cash and Cash Equivalents	9,014.55	7,742.33
<b>Net Debt (A)</b>	<b>13,372.82</b>	<b>7,443.36</b>
Equity Share Capital	866.63	866.63
Other Equity	3,75,019.24	3,47,530.68
<b>Total Equity (B)</b>	<b>3,75,885.87</b>	<b>3,48,397.31</b>
Total Capital Employed (C) = (A) + (B)	3,89,258.69	3,55,840.67
<b>Capital Gearing Ratio (A) / (C)</b>	<b>3.44%</b>	<b>2.09%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Group has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2022 and 31-03-2021.



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

**NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

**48. PROJECT REVENUE RECOGNITION**

Contract revenue from Project activity on fixed price contracts is recognized when the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on work certified by the customer.

**Disclosure as per Indian Accounting Standard - 11 in respect of projects in progress**

- [a] Contract Revenue during the year ₹ 217.02 Lakhs [PY: 129.74 Lakhs]
- [b] Aggregate amount of cost incurred ₹ 201.74 Lakhs [PY: 132.91 Lakhs] and recognised profit ₹ 15.28 Lakhs [PY: (4.32) Lakhs] (less recognised losses) to date
- [c] Advances received [Outstanding] ₹ 26.73 Lakhs [PY: 13.30 Lakhs]
- [d] Retention Money [Outstanding] ₹ 42.08 Lakhs [PY: 40.49 Lakhs]\*
- [e] Gross Amount due from Customers for Contract Work [including Retention at (d) above] ₹ 106.35 Lakhs [PY: 98.60 Lakhs]
- [f] Gross Amount due to Customers for Contract Work [other than advances at (c) above] - Nil
- [g] Unbilled revenue - Nil

\* Retention Money [Outstanding] is after adjusting amounts released against furnishing of Bank Guarantees.

Unbilled Revenue represents revenue recognised based on percentage of completion method over and above the amount due from the customers as per the agreed payment plans.

**49. ADDITIONAL REGULATORY INFORMATION AS REQUIRED UNDER COMPANIES ACT 2013 / INDIAN ACCOUNTING STANDARDS**

a. Trade Payables Ageing Schedule

Particulars	Outstanding from the due of payments					Total
	Not Due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
<b>As at 31-03-2022</b>						
(i) MSME	309.38	166.59	-	-	0.07	476.04
(ii) Others	3,828.52	2,761.38	0.06	0.79	19.80	6,610.55
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>4,137.90</b>	<b>2,927.97</b>	<b>0.06</b>	<b>0.79</b>	<b>19.87</b>	<b>7,086.59</b>
<b>As at 31-03-2021</b>						
(i) MSME	238.68	91.29	0.67	2.67	4.50	337.81
(ii) Others	5,726.89	2,068.12	26.23	18.73	72.10	7,912.07
(iii) Disputed Dues MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>5,965.57</b>	<b>2,159.41</b>	<b>26.90</b>	<b>21.40</b>	<b>76.60</b>	<b>8,249.88</b>

b. Capital Work-in-Progress Ageing Schedule

Particulars	Amount in CWIP for a period of				Total
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
<b>As at 31-03-2022</b>	<b>1,890.09</b>	<b>49.80</b>	<b>-</b>	<b>3.53</b>	<b>1,943.42</b>
<b>As at 31-03-2021</b>	<b>3,430.50</b>	<b>62.96</b>	<b>-</b>	<b>106.88</b>	<b>3,600.33</b>

**Note:** The Group do not have any projects whose activity has been suspended.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

c. Completion schedule for Capital Work-in-Progress whose completion is overdue or cost exceeded as per the original plan

Particulars	To be Completed in			
	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years
As at 31-03-2022				
Additional Line, Arakkonam Division	779.59	-	-	-
Modernization of Building Products Division	481.68	398.26	-	-
Modernization of Textile Division	75.67	-	-	-
Modernization of Building Products Division, Sri Ramco Lanka (Private) Ltd.	202.61	-	-	-
Modernization of Building Products Division, Sri Ramco Roofings Lanka (Private) Ltd.	2.07	3.53	-	-
Total	1541.62	401.80	-	-
As at 31-03-2021				
Additional Line, Arakkonam Division	2,282.12	119.27	-	-
Modernization of Building Products Division	803.05	48.92	-	-
Modernization of Textile Division	154.90	-	-	-
Modernization of Building Products Division, Sri Ramco Lanka (Private) Ltd.	84.57	-	-	-
Modernization of Building Products Division, Sri Ramco Roofings Lanka (Private) Ltd.	103.97	3.53	-	-
Total	3,428.61	171.72	-	-

d. Trade Receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 month - 1 Year	1 - 2 years	2 - 3 Years	> 3 Years	
As at 31-03-2022							
Undisputed Trade Receivables - Considered Good	8,315.17	709.21	46.37	224.93	-	-	9,295.69
Undisputed Trade Receivables - which has significant increase in Credit Risk	-	214.70	13.06	91.13	-	124.10	442.99
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which has significant increase in Credit Risk	-	-	6.77	53.10	34.51	38.71	133.08
Total	8,315.17	923.91	66.20	369.16	34.51	162.81	9,871.76

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 month - 1 Year	1 - 2 years	2 - 3 Years	> 3 Years	
<b>As at 31-03-2021</b>							
Undisputed Trade Receivables - Considered Good	8,115.50	865.68	282.84	134.68	-	-	9,398.70
Undisputed Trade Receivables - which has significant increase in Credit Risk	-	167.93	48.63	25.44	-	128.43	370.43
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - which has significant increase in Credit Risk	-	-	-	39.96	30.79	35.71	106.46
<b>Total</b>	<b>8,115.50</b>	<b>1,033.61</b>	<b>331.47</b>	<b>200.08</b>	<b>30.79</b>	<b>164.14</b>	<b>9,875.59</b>

e. **Unbilled Revenue Ageing Schedule**

The Group do not have any such transaction.

f. **Undisclosed Income**

The Group do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

g. **CSR Disclosure:**

Disclosure has been given in (Note no: 34 (b) & (c)) of note on accounts.

h. **Compliance with approved Scheme(s) of arrangements.**

The Group do not have any such approved Scheme(s) of arrangements.

i. **Relationship with Struck off Companies**

The Group did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Group.

j. **Details of Crypto Currency or Virtual Currency**

The Group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable

k. **Disclosure on loans / advance to directors / KMP / related parties:**

Disclosure has given in note on accounts (Note no:9 (a) & (b)) as per the Schedule III.

l. **Benami Property**

The Group did not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

m. **The Group has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall:**

- i. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or
- ii. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

### NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

- n. The amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress are given below:

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Pre-operative expenses included in CWIP as at the beginning of the year	-	-
Expenditure incurred during the year		
Finance Costs	-	68.03
Sub Total	-	68.03
Less: Capitalised during the year	-	68.03
Pre-operative expenses included in CWIP as the end of the year	-	-

- o. Events after the reporting period - Distribution made and proposed

₹ in Lakhs

Particulars	31-03-2022	31-03-2021
Cash Dividends on Equity Shares declared and paid		
Final dividend for the year ended 31 <sup>st</sup> March 2021: Nil (for the year ended 31 <sup>st</sup> March 2020: Nil)	-	-
Interim dividend for the year ended 31 <sup>st</sup> March 2022: Nil (for the year ended 31 <sup>st</sup> March 2021: ₹1 per share)	-	866.63
TDS on Dividends	-	-
<b>Proposed Dividends on Equity Shares</b>		
Final dividend for the year ended 31 <sup>st</sup> March 2022: ₹1 per share (for the year ended 31 <sup>st</sup> March 2021: Nil)	866.63	-

#### 50. THE CODE ON SOCIAL SECURITY, 2020 AND INDUSTRIAL RELATIONS CODE, 2020

The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 (“the codes”) in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees including post-employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognised post notification of relevant provisions

#### 51. IMPACT ON COVID 19 PANDEMIC

The second wave of COVID 19 has impacted the demand for the product as the pandemic is now affecting rural areas also. The Group is continuing its operations in compliance with the directives issued by the Government Authorities. The Group is monitoring the situation closely and is taking necessary steps to continue operations in due compliance with applicable regulations.

The Group has considered the possible effects that may result from the pandemic relating to COVID19 in the preparation of these consolidated financial statements including the recoverability of carrying amounts of financial and nonfinancial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group has, at the date of approval of these financial statements, used internal and external sources of information including economic forecasts and expects that the carrying amount of these assets will be recovered. However, the final impact may differ from the current estimates made as at the date of approval of the financial statements for the year ended 31-03-2022 considering the prevailing uncertainties.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

52. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in Lakhs

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

Particulars	Building Products		Textiles		Windmill		Others		TOTAL	
	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021	Year Ended 31.3.2022	Year Ended 31.3.2021
<b>1. Revenue/Income from operations</b>										
External Customers	1,25,197.87	1,07,604.37	20,342.88	13,179.25	1,389.12	1,455.44	3,035.08	2,293.09	1,49,964.95	1,24,532.15
Inter-segment	-	-	-	-	(4,247.66)	(3,597.60)			(4,247.66)	(3,597.60)
Total Revenue	1,25,197.87	1,07,604.37	20,342.88	13,179.25	(2,858.54)	(2,142.16)	3,035.08	2,293.09	1,45,717.29	1,20,934.55
<b>2. Results:</b>										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	14,333.86	14,660.81	3,421.27	349.71	774.18	843.43	18,997.93	18,324.84	37,527.24	34,178.79
Interest expenses									864.37	956.50
Interest Income/ Dividend income									45.10	1,623.15
Income Tax - Current (MAT)									6,266.61	5,617.60
- Deferred									339.83	299.12
- MAT credit entitlement									-	-
Profit from Ordinary activities									30,101.53	28,928.72
Exceptional items									-	-
Net Profit									30,228.40	28,914.19
<b>3. Other Information:</b>										
Segment Assets	90,273.55	85,545.57	22,604.86	16,459.57	1,518.02	1,370.16	3,17,758.13	2,93,450.23	4,32,154.56	3,96,825.53
Unallocated corporate assets										
Total Assets	90,273.55	85,545.57	22,604.86	16,459.57	1,518.02	1,370.16	3,17,758.13	2,93,450.23	4,32,154.56	3,96,825.53
Segment Liabilities	18,656.94	20,726.97	8,501.75	5,685.28	370.73	206.32	28,739.27	25,057.46	56,268.69	51,676.03
Unallocated corporate liabilities										
Total Liabilities	18,656.94	20,726.97	8,501.75	5,685.28	370.73	206.32	28,739.27	25,057.46	56,268.69	51,676.03
Capital Expenditure	6,937.14	1,638.55	1,149.70	2,761.16	-	-	377.85	132.40	8,464.69	4,532.11
Depreciation	2,603.29	2,654.70	551.82	492.01	111.19	113.90	0.29	0.29	3,266.59	3,260.90
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

Segmental Assets includes Tax Assets

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

53. The previous period figures have been re-grouped / restated wherever considered necessary.

As per our Report Annexed

For M/s. SRSV & Associates  
Chartered Accountants  
Firm Registration No.: 015041S  
G. CHELLA KRISHNA  
Partner  
Membership No.: 210474  
UDIN: 22210474AJELIA1804  
Place : Chennai  
Date : 18<sup>th</sup> May, 2022

For M/s. Ramakrishna Raja and Co.,  
Chartered Accountants  
Firm Registration No.: 005333S  
C. KESAVAN  
Partner  
Membership No.227833  
UDIN: 22227833AJEHHI3273

For and on behalf of the Board

P.R. VENKETRAMA RAJA  
Chairman  
P.V. ABINAV RAMASUBRAMANIAM RAJA  
Managing Director  
PREM.G.SHANKER  
Chief Executive Officer  
K. SANKARANARAYANAN  
Chief Financial Officer  
S. BALAMURUGASUNDARAM  
Company Secretary & Legal Head



  
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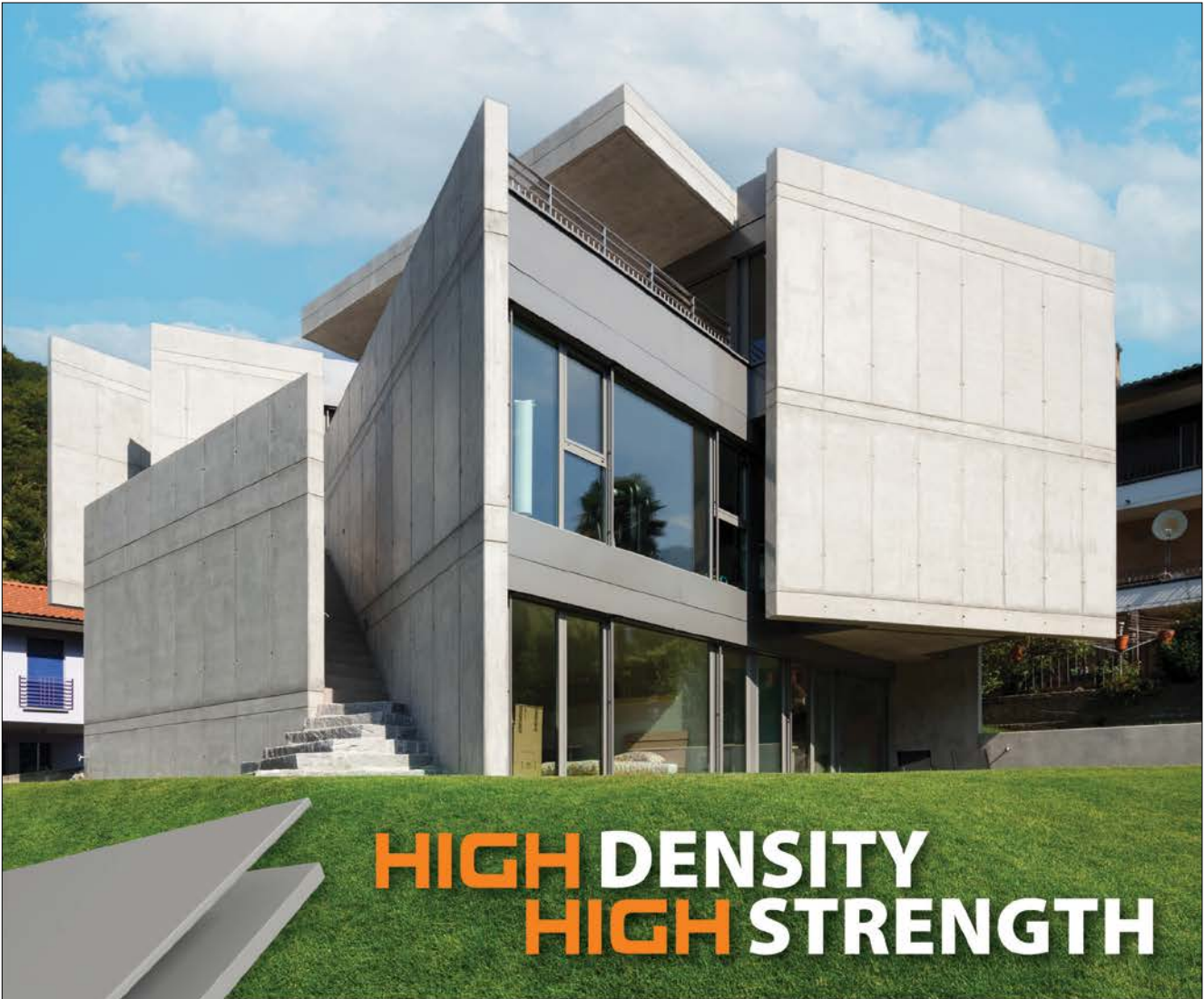
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