



Board of Directors

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

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

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

Shri K.T. Ramachandran, B.E.

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

Shri M.G. Balasubramanian, I.A.S. (Retd.)

Dr. A. Ramakrishna, B.E., M.Sc.

Shri S. A. Bhima Raja, B.E.
Whole Time Director

Bankers

Canara Bank
HDFC Bank Limited
IDBI Bank Limited
Indusind Bank Limited
Indian Bank
Kotak Mahindra Bank Limited
State Bank of India
State Bank of Indore
State Bank of Mauritius Limited
State Bank of Travancore
Tamilnad Mercantile Bank Limited
The Karur Vysya Bank Limited

Auditors

M/s. M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
27, Premier Flats, Karur Bypass Road
TIRUCHIRAPALLI – 620 002, Tamil Nadu

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

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

Factories

I. Building Products Division

Arakkonam, Tamil Nadu

Karur, Karnataka

Maksi, Madhya Pradesh

Silvassa, Union Territory of Dadra & Nagar Haveli

Kharagpur, West Bengal

Vijayawada, Andhra Pradesh

Sinugra, Gujarat

II. Textile Division (Cotton Yarn)

Rajapalayam, Tamil Nadu

Subsidiary Companies

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

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Rs. in lakhs

FINANCIAL HIGHLIGHTS	2003-04	2004-05	2005-06	2006-07	2007-08
Earnings					
Sales & Other Income	17271	20854	25978	33267	37437
Operating Profit	5072	5881	7310	7702	8461
Cash Generation	4768	5141	6489	6108	6512
Net Profit (PAT)	2419	2884	3308	2432	2548
Assets Employed					
Net Fixed Assets	9468	10670	20436	20109	24946
Investments	15824	16023	18048	19283	19283
Net Current Assets	3657	4143	7477	8463	9984
TOTAL	28949	30836	45961	47855	54213
Financed By:					
A. Shareholders' Funds					
a. Equity Shareholders' investment	100	100	100	100	100
b. Bonus Shares	333	333	333	333	333
Reserves and Surplus	15377	17785	20370	22069	24161
Deferred Tax Liability	1782	1807	2707	2802	3214
Total Shareholders' funds (A)	17592	20025	23510	25304	27808
B. Borrowed Funds					
Short Term Borrowings including working capital	5882	4005	8504	11517	8336
Term Loans	5475	6806	13947	11034	18069
Total Borrowings (B)	11357	10811	22451	22551	26405
TOTAL (A) + (B)	28949	30836	45961	47855	54213
Book Value per Share (Rs.)	366	421	480	519	568
Earnings Per Share (Rs.)	56	67	76	56	59
Dividend %	75	100	150	150	150
Dividend Payout %	15	17	22	27	26
P/E Ratio as at 31st March [®]	5.36	10.75	19.16	13.91	12.42
Operating Profit Ratio %	29.37	28.20	28.14	23.14	22.60
Gross Fixed Assets per share (Rs.)	351	407	672	724	900
Market Price of Share (Rs.)					
a. As on 31st March* (Close)	300	720	1456	779	733
b. high**	407	758	1500	1900	1740
c. low**	120	250	670	632	545
Market Capitalisation [®] (Rs. in lakhs)	12999	31199	63091	33755	31762
Debt - Equity Ratio	0.72	0.59	1.08	1.00	1.07
Current Ratio	1.09	1.32	1.92	1.36	1.47

* NSE Quotations.

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

[®] Based on the market price as on 31st March at NSE.

NOTICE TO THE MEMBERS

Notice is hereby given that the 43rd Annual General Meeting of the Company will be held at **11.00 A.M.** on **Monday, the 11th August, 2008** at P.A.C.R. Centenary Community Hall, Sudharsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam 626 108 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2008 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year 2007-08.
3. To appoint a Director in the place of Dr. A. Ramakrishna, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri N.K. Shrikantan Raja, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

In this connection to consider and, if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants and M/s.CNGSN & Associates, Chartered Accountants be and are hereby jointly appointed as the Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.3,00,000/- (Rupees Three lacs only) each, exclusive of out-of-pocket expenses.”

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

RESOLVED THAT subject to the provisions of The Companies Act, 1956, Shri S.A. Bhima Raja be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the appointment of Shri S.A. Bhima Raja as Whole Time Director of the Company for a period of three years with effect from 31st January 2008 be and is hereby approved on the following terms and conditions:

a. Salary:

Rs.4,50,000/- per month.

The Annual Increments will be decided by the Remuneration Committee.

b. Allowances/Perquisites:

Shri S.A. Bhima Raja, Whole Time Director shall be entitled to Allowances of Rs.1,26,000/- per month.

He shall also be entitled to Perquisites such as Furnished Accommodation or HRA in lieu thereof, Personal Accident Insurance, Reimbursement of medical expenses incurred for self and family, Club Fees and provision of Car as per the Rules of the Company in force from time to time and any other perquisites, benefits, amenities and such other remuneration like Production Incentive, Leave Travel Assistance etc. which shall be as decided and approved by the Remuneration Committee from time to time.

c. Retirement Benefits:

Contribution to Provident Fund, Superannuation Fund, Gratuity and Encashment of Leave as per the Scheme/Rules of the Company in force from time to time.

d. General:

- (i) In the event of absence or inadequacy of Profits in any Financial Year, Shri S.A. Bhima Raja, Whole Time Director, shall be entitled to remuneration by way of Salary, Allowances, Perquisites, amenities,

facilities, retirement benefits etc. as may be determined by the the Remuneration Committee and the Board of Directors, which shall not, except with the approval of the Central Government, exceed the limits prescribed under the Schedule XIII to the Companies Act, 1956 or the Rules framed there-under or any Statutory modification or re-enactment thereof.

- (ii) Perquisites shall be valued in terms of actual expenditure incurred by the Company in providing the benefit to the Whole Time Director. However, in cases where the actual amount of expenditure cannot be ascertained with reasonable accuracy (including Car provided for official and personal purposes etc.) the Perquisites shall be valued as per the Income Tax Rules.
- (iii) Shri S.A. Bhima Raja, Whole Time Director, will not be entitled to any Sitting Fee for attending meetings of the Board or of any Committee thereof.
- (iv) Shri S.A. Bhima Raja, Whole Time Director, will be subject to all other existing Service Conditions of the Company.

2. To consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions if any, of The Companies Act, 1956 read with Schedule XIII thereto or any statutory modifications or enactment thereof, the re-appointment of Shri P.R. Venketrama Raja, as the Vice-Chairman and Managing Director of the Company for a further period of Five Years with effect from 28th June 2008 to manage the entire business and affairs of the Company subject to the superintendence, control and directions of the Board, be and is hereby approved.

RESOLVED FURTHER that in accordance with the provisions of Sections 198, 309, 311 and other applicable provisions of The Companies Act, 1956 read with the Schedule XIII thereto or any statutory modification or enactment thereof, Shri P.R. Venketrama Raja, Vice-Chairman and Managing Director (VCMD), be paid an over-all remuneration equivalent to 5% of the Net Profits of the Company, computed in the manner laid down in The Companies Act, 1956, by way of Monthly Salary, Allowances, other Perquisites / benefits and Commission.

RESOLVED FURTHER that in accordance with the provisions of Section III of the Part II of the Schedule XIII to the Companies Act, 1956, the total remuneration payable by the Company and M/s Ramco Systems Limited (RSL), of which also Shri P.R. Venketrama Raja is the Vice-Chairman and Managing Director, shall not exceed 5% of the Net Profits of the Company or the Net Profits of RSL whichever is higher.

RESOLVED FURTHER that where in any financial year during the currency of the tenure of the VCMD, the Company has no Profits or its Profits are inadequate, Shri P.R. Venketrama Raja, VCMD shall be paid remuneration as under:

- (i) The maximum remuneration payable under Section II of the Part II of Schedule XIII of The Companies Act, 1956 based on the Effective Capital of the Company and in accordance with the approval of the Remuneration Committee at the relevant point of time.
- (ii) Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the IT Act, 1961;
- (iii) Gratuity payable at a rate not exceeding half a month's salary for every completed year of service and
- (iv) Encashment of Leave at the end of the tenure.

RESOLVED FURTHER that the Remuneration Committee be and is hereby authorized to fix, alter, determine or vary from time to time the quantum and/or the composition of the Remuneration payable to the VCMD, including the modes of payment, in such manner and to such extent not exceeding the limits specified in The Companies Act, 1956 or Schedule XIII thereto or such other provisions as may be applicable in this regard, as in force from time to time.

Place: Chennai
Date : June 30, 2008

By Order of the Board
For RAMCO INDUSTRIES LIMITED
(P.R. RAMASUBRAHMANEYA RAJHA)
Chairman

NOTES

- (i) A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
- (ii) Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (iii) Additional information in respect of the Directors seeking re-appointment, as required under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.
- (iv) The Explanatory Statements pursuant to Section 173 (2) of The Companies Act, 1956 in respect of the two Special Business items are annexed hereto.
- (v) The Register of Members and the Share Transfer Books of the Company will remain closed from 5th August 2008 to 11th August 2008 (both days inclusive).
- (vi) The Final Dividend, on declaration, will be paid in respect of Shares held in physical form to the Shareholders whose names appear in the Register of Members as on 11th August 2008 and in respect of Shares held in electronic form to the Beneficial Owners whose names appear in the list furnished by the Depositories for this purpose as on 4th August 2008.
- (vii) The Securities and Exchange Board of India has made it mandatory for all Companies to use the Bank Account details furnished by the Depositories for depositing the Dividends through Electronic Clearing Service (ECS) to the Investors wherever ECS facility / Bank details are available. In the absence of ECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend.
- (viii) Under the provisions of Section 205 C of the Companies Act, 1956, Dividends remaining unpaid for a period of over 7 years will be transferred to the Investors' Education & Protection Fund (IEPF) of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the Members who have not en-cashed/claimed their Dividends relating to the Financial Year 2000-01 and thereafter may write to the Company for claiming the amount before it is so transferred to the IEPF. The details of due dates for transfer of such Un-claimed Dividends to the said Fund are given below:

Dividend for the Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming the Dividend Amount from the Company	Due Date for transfer to IEP Fund
31.03.2001	01.08.2001	31.07.2008	29.08.2008
31.03.2002	07.08.2002	06.06.2009	04.09.2009
31.03.2003	11.08.2003	10.08.2010	08.09.2010
31.03.2004 Interim Dividend Final Dividend	25.10.2003 28.07.2004	24.10.2010 27.07.2011	22.11.2010 25.08.2011
31.03.2005 I Interim Dividend II Interim Dividend Final Dividend	25.08.2004 28.01.2005 10.08.2005	24.08.2011 27.01.2012 09.08.2012	22.09.2011 25.02.2012 07.09.2012
31.03.2006 I Interim Dividend II Interim Dividend Final Dividend	29.10.2005 30.01.2006 27.07.2006	28.10.2012 29.01.2013 26.07.2013	26.11.2012 27.02.2013 24.08.2013
31.03.2007 I Interim Dividend II Interim Dividend Final Dividend	30.10.2006 30.01.2007 27.07.2007	29.10.2013 29.01.2014 26.07.2014	27.11.2013 27.02.2014 24.08.2014

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statements pursuant to Section 173(2) of The Companies Act, 1956 (hereinafter referred to as "the said Act") set out all the material facts relating to the two Special Business items mentioned in the Notice dated 30th June 2008 convening the 43rd Annual General Meeting (AGM).

For the Special Business item no: 1

Subject: **Appointment of Shri S.A. Bhima Raja as the Whole Time Director of the Company**

Shri S A Bhima Raja was co-opted as an Additional Director of the Company by the Board of Directors at the Board Meeting held on 31st January, 2008, pursuant to provisions of Section 260 of the Companies Act, 1956. In terms of the provisions of the said section, Shri S.A. Bhima Raja holds the office of the Director until the date of the ensuing AGM. The Company has received a notice from a Member pursuant to provisions of Section 257 of the Companies Act, 1956, along with the requisite deposit proposing the appointment of Shri S A Bhima Raja, as a director of the Company. Accordingly, the Resolution seeking the approval of the Members by way of Ordinary Resolution, for appointment of Shri S A Bhima Raja as a Director of the Company is placed before the Members.

Further, the Board of Directors, in their meeting held on 31st January, 2008, have appointed Shri S A Bhima Raja as the Wholetime Director of the Company for a period of 3 years with effect from 31st January, 2008, on the terms and conditions detailed in the resolution placed in this regard.

Shri S.A. Bhima Raja, 65 years, is a graduate in Chemical Engineering. He has been in the services of the Company for the past 4 decades since April 1968. Shri S A Bhima Raja, Wholetime Director, has served in various capacities in the Company at various levels. His several years of rich and varied experience in the Industry coupled with multifaceted insights in to the Company's business processes at various levels, would further strengthen the Business Objects of the Company. Accordingly, the Board of Directors, recommend the appointment of Shri S A Bhima Raja as a Director of the Company and further as the Whole Time Director of the Company as detailed in the Resolution.

Shri S A Bhima Raja, is a Director in M/s Ontime Transport Company Limited and M/s Sri Ramco Lanka (India) Private Limited. He is not a Member of any of the Statutory Committees.

As at the date of the notice, Shri S A Bhima Raja, does not hold any Share in the Company.

Interest of Directors:

None of the directors except Shri S A Bhima Raja, is concerned or interested in the resolution.

For the Special Business item no: 2

Subject: **Re-appointment of Shri P.R. Venketrama Raja as the Vice-Chairman and Managing Director of the Company**

Shri P.R. Venketrama Raja was re-appointed as the Vice-Chairman and Managing Director (VCMD) of the Company by the Board of Directors at the Board Meeting held on 29th January 2003 for a period of 5 years with effect from 28th June 2003. The said re-appointment along with the remuneration payable was also approved by the Members of the Company at the Extra-ordinary General Meeting (EGM) held on 21st March 2003.

With the approval of the Board of Directors and the Members of the Company at the EGM held on 9th December 2005, the total remuneration payable to VCMD both by the Company and by M/s. Ramco Systems Limited – (RSL) (for which also Shri P.R. Venketrama Raja is the VCMD) was fixed at 5% of the Net Profits of the Company or the Net Profits of RSL, whichever is higher, with effect from 1st April 2005 till 27th June 2008.

Shri P.R. Venketrama Raja, VCMD, 48 Years, holds a Bachelor's Degree in Chemical Engineering and a Masters in Business Administration from the University of Michigan, USA. Under the able administration and management of Shri P.R. Venketrama Raja, VCMD, the Company has achieved substantial overall growth both in terms of volume of business and also under the Financial Parameters viz., Total Income and Profits.

During the tenure of VCMD, production of Fibre Cement (F.C) products had increased from 2.44 Lakhs M.T in 2003-04 to 4.69 Lakhs M.T in 2007-08 registering a growth of 92 %. The Company's total income had more than doubled during the said period (ie.) from Rs.172.71 Crores in 2003-04 to Rs. 374.37 Crores in 2007-08. Similarly Operating Profit had registered considerable improvement from Rs.50.73 Crores in 2003-04 to Rs. 84.61 Crores in 2007-08.

Besides successfully expanding the production capacities of F.C Sheets at the existing Factories, three new Factories for production of F.C Sheets had been commissioned at Kharagpur in West Bengal, Vijayawada in Andhra Pradesh and at Anjar in Gujarat.

The Company has also diversified into new lines of production viz., manufacture of Calcium Silicate Boards, Clinker Cement grinding and Plastic Storage Containers.

Further expansion programmes are also being contemplated for implementation in the near future.

In order to reduce the Power Cost by way of captive consumption and also to get the tax benefits by way of accelerated / higher depreciation, 14 Nos of Wind Mills had been installed with an aggregate Electricity generation capacity of 16.40 MW.

With the steady growth of the Company aided by the expansion / diversification programmes, as mentioned above, RAMCO INDUSTRIES LIMITED is now occupying a place of pride in the Industry with consistent product quality and profitability.

Accordingly, with the recommendations of the Remuneration Committee, the Board of Directors at the Board Meeting held on 30th June 2008 have re-appointed Shri P.R. Venketrama Raja as the VCMD for a further period of five years with effect from 28th June 2008 with the remuneration as detailed in the Resolution and recommends the same for approval by the Members.

Additional information about Shri P.R. Venketrama Raja, VCMD are as under :

As at the date of the Notice, Shri P.R. Venketrama Raja holds 2,64,250 Equity Shares of Rs.10 each accounting for 6.10% of paid up Equity Share Capital of the Company.

Following are the details of other Directorships / Committee Memberships of Shri P.R. Venketrama Raja, VCMD:

Directorships held in other companies	Memberships/ Chairmanships of committees across public companies
<p>Ramco Systems Ltd Madras Cements Ltd Rajapalayam Mills Ltd The Ramaraju Surgical Cotton Mills Ltd Sri Vishnu Shankar Mill Ltd Sandhya Spinning Mill Ltd Thanjavur Spinning Mill Ltd Sudharsanam Investments Ltd Sri Sandhya Farms (India) Pvt Ltd Sri Saradha Deepa Farms Pvt Ltd Ramamandiram Agricultural Estate Pvt Ltd Nalina Agricultural Farms Pvt Ltd Nirmala Shankar Farms & Estates Pvt Ltd RCDC Securities and Investments Pvt Ltd Sri Nithyalakshmi Farms Pvt Ltd Ram Sandhya Farms Pvt Ltd Sri Harini Textiles Ltd Rajapalayam Spinners Pvt Ltd Ramco Systems Corporation, USA Ramco Systems Limited, Switzerland Ramco Systems Sdn Bhd., Malaysia Ramco Systems Pte.Ltd., Singapore RSL Enterprise Solutions (Pty) Ltd., S. Africa Ramco Systems Australia Pty Ltd Sri Ramco Lanka (Private) Ltd., Srilanka</p>	<p><u>Audit Committee</u> Madras Cements Ltd</p> <p><u>Investor Grievances Committee</u> Madras Cements Ltd Ramco Industries Ltd Rajapalayam Mills Ltd</p> <p><u>ShareTransfer/ Debenture Committee</u> Madras Cements Ltd Ramco Industries Ltd Rajapalayam Mills Ltd</p>

The terms and conditions of re-appointment of Shri.P.R.Venketrama Raja, as set out in the Notice together with the Explanatory Statement, annexed thereto, shall be deemed to be an abstract of the terms and conditions of appointment of Managing Director under Section 302 of the Companies Act, 1956.

Interest of Directors:

Shri P.R.Venketrama Raja is interested in the Resolution. Shri.P.R.Ramasubrahmaneya Rajha, Chairman being related to Shri P.R.Venketrama Raja is deemed to be concerned or interested in the Resolution. No other Director is deemed to be concerned or interested in the Resolution.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING

1. Dr. A. Ramakrishna

Dr. A. Ramakrishna, aged 68 years, holds a B.E (Civil Engineering), M.Sc. (Structural Engineering) and also a Honorary Degree of Doctorate of Sciences from Andhra University. Dr. Ramakrishna had served in various capacities like President, Deputy Managing Director and Advisor of L & T. With his specialized knowledge in Structural Engineering – pre-cast and pre-stressed concrete and industrialized methods of construction - he had provided leadership for construction of scores of Cement Plants, Steel Plants, Power projects, Bridges, Harbors, Airports and Nuclear Power Plants in and outside India.

He was first appointed as a Director of the Company in June 2006. He is a Member of the Audit Committee of the Board of Directors of the Company as an Independent Director.

He is presently a Director on the Boards of the following Companies also:

- i. Madras Cements Ltd
- ii. GVK Jaipur-kishangarh expressway Limited
- iii. KCP Limited
- iv. Andhra Sugars Limited
- v. Taj GVK Hotels and Resorts Limited
- vi. Spel Semiconductor Limited
- vii. GVK Industries Limited
- viii. GVK Power & infrastructure Limited
- ix. Gautami Power Limited
- x. Teesta Urja Limited
- xi. International Infrastructure Consultants Private Limited
- xii. Mumbai International Airport Private Limited
- xiii. Brigade Enterprises Limited

He does not hold any Share in the Company.

2. Shri N.K. Shrikantan Raja

Shri N.K. Shrikantan Raja, aged 59 years, is a graduate in Commerce. He was first appointed as a Director of the Company in 1986. He continues to be a Director in the Board extending valuable guidance. He is also a Director in the following Companies:

1. The Ramaraju Surgical Cotton Mills Limited
2. Sri Yennarkay Servicers Limited
3. Ramco Systems Limited
4. Sandhya Spinning Mill Limited
5. Sudharsanam Investments Limited
6. Sri Vishnu Shankar Mill Limited
7. N.R.K. Construction Systems (P) Ltd.
8. Sri Harini Textiles Limited

He holds in his name, 6,007 Shares in the Company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 43rd Annual Report and the Audited Accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS

	For the Year ended 31.03.2008 (Rs in Lakhs)	For the Year ended 31.03.2007 (Rs in Lakhs)
Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)	8461	7756
Less : Interest and Finance charges	1949	1648
Profit before Depreciation and Tax (PBDT)	6512	6108
Less : Depreciation	2820	2778
Profit before Tax (PBT)	3692	3330
Less: Provision for		
- Current Tax	695	770
- Deferred Tax	412	95
- Fringe Benefit Tax	37	33
Profit after Tax (PAT)	2548	2432
Add : Balance Profit from last year	363	478
Surplus for Appropriation	2911	2910
Appropriations :		
Transfer to General Reserve	1800	1800
1 st Interim Dividend-50% (P.Y.-50%)	217	217
2 nd Interim Dividend-50% (P.Y.-50%)	217	217
Final Dividend on 43,33,153 Equity Shares of Rs.10/- each @ 50% (P.Y.-50%)	216	216
Tax on Dividends	110	97
Balance carried over to Balance Sheet	351	363
TOTAL	2911	2910

DIVIDEND

Your Directors have pleasure in recommending a final dividend of Rs.5/- per Share (P.Y. Rs.5.00 per Share) on the Equity Capital. Together with the 1st Interim dividend of Rs.5.00 per Share (P.Y. Rs.5.00 per Share) and 2nd Interim dividend of Rs.5.00 per Share (P.Y. Rs.5.00 per Share) paid during the year, the total dividend for the year 2007-08 is Rs.15 per Share (P.Y. Rs.15.00 per Share).

TAXATION

An amount of Rs.695 Lakhs towards Current Year Income-Tax, Rs.412 Lakhs towards Deferred Tax, Rs.37.50 Lakhs towards Fringe Benefit Tax and Rs.110.46 lakhs towards Dividend Tax have been provided for the year 2007-08.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

REVIEW OF OPERATIONS AND CURRENT TRENDS

A. BUILDING PRODUCTS DIVISION

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER Rs. in Lakhs	
	31.03.08	31.03.07	31.03.08	31.03.07	31.03.08	31.03.07
Fibre Cement Sheets	4,68,858	4,29,670	4,79,454	4,22,156	26,855	23,316
Calcium Silicate Boards	14,177	11,910	11,598	10,166	2,053	1,635

(a) Fibre Cement Sheets

Production of Fibre Cement Sheets (FC Sheets) for the year 2007-08 increased by 39,188 M.T. showing a growth of 9.12 % over the previous year. Quantitative Sales during the year increased by 57,298 M.T. registering a growth of 13.57 %. Turnover in terms of Value has increased by 15.18 % during 2007-08.

Due to higher realization and better control over the cost of raw materials, the Sheet Division had improved the profitability during the year under review.

The Company is confident of further increasing its Production and Sales volumes, thereby improving the market share and also profitability during the current year 2008-09.

(b) Fibre Cement Pressure Pipes

In the Pressure Pipes Division, which is being operated by M/s. Kanoria Sugar and General Manufacturing Co. Limited, under the Licence Agreement, an amount of Rs.193 Lakhs has been received as Licence Fee during the year under review from M/s. Kanoria Sugar and General Manufacturing Company Limited, the Licensee, for the production of 42,511 M.T. (previous year - Rs.170 Lakhs for a production of 38,932 M.T.).

(c) Calcium Silicate Boards

Production of Calcium Silicate Boards continued to show good growth during the year under review. The Production improved to 14,177 M.T. from 11,910 M.T. and the Sales increased to 11,598 M.T. from 10,166 M.T. Turnover for the year was Rs.2053 Lakhs as against Rs.1635 Lakhs during the previous year registering a growth of 25.57%.

With the increased efforts on marketing, there has been considerable improvement in the demand for the Calcium Silicate Boards and higher volume of Production and Sales is expected further during the current year also.

It is also proposed to commence a new Plant for the manufacture of Calcium Silicate Boards at the Industrial Area in Village Keshwana Rajput, Kotputli, Jaipur District, Rajasthan during the Year 2008-09. Lease hold Lands have already been acquired for the purpose and a Bhoomi Puja had also been performed at the site on 6th June 2008.

(d) Cement Clinker Grinding Plant at Kharagpur, West Bengal

During the year 2007-08, the Unit produced 6,668 M.T of Cement, out of which 6,122 M.T was consumed in the FC Sheet Division. Due to non-availability of Clinker, the production of Cement was lower in 2007-08.

(e) Plastic Storage Containers

During 2007-08, the Plastic Storage Containers Unit at Silvassa produced Containers with capacities aggregating 23,33,845 Litres and sold Containers with total capacities 19,45,940 Litres.

A new Unit for producing Plastic Storage Containers had been commissioned at the Company's Maksi Plant during the last quarter of 2007-08 and production and sales of Containers at this new Unit were respectively for 48,000 Litres and 25,000 Litres.

B. WIND MILLS

During the Financial Year 2007-08, one more Wind Mill with a Capacity of 1.50 M.W was commissioned taking the total number of Wind Mills to 14.

Position regarding Wind Mills was as follows :-

Total Capacity Installed	:	16.40 MW
Total Units generated	:	311 Lakh Units (P.Y: 330 Lakh Units)
Income earned (by generation of power)	:	Rs.1041 Lakhs (P.Y: Rs.1067 Lakhs)

C. TEXTILES DIVISION (COTTON YARN) - SRI RAMCO SPINNERS

Production and Sales

During the year 2007-08 the Unit produced 26.78 Lakh Kgs. of Cotton Yarn as compared to 20.87 lakh Kgs. produced during the previous year. The Unit's sale of Yarn during the year was 25.75 Lakh Kgs as against 20.72 lakh Kgs in 2006-07. The value of exports for the year was Rs.3264 Lakhs compared to Rs.3,067 Lakhs in the previous year.

The Project to further increase the capacity of the Cotton Yarn Unit by adding 16,800 Spindles comprising Rieter K44 Ring Frames to produce compact yarn with Savio Link Coner with complete back process by Rieter, a state-of-art Spinning Mill, had been completed in December 2007. With this, the Capacity of the Mill is 43,296 Spindles.

Outlook for 2008-09

Though the Cotton prices are presently higher, with higher realizations expected during the current year the Unit is expected to be in a position to achieve satisfactory results.

The Board of Directors thank M/s. Mitsubishi Corporation and M/s. Doko Spinning Company Ltd., Japan for their continued support.

D. OVERSEAS OPERATIONS - SRI RAMCO LANKA (PRIVATE) LIMITED, SRI LANKA

The production at the FC Sheet Plant of the Company's Wholly Owned Subsidiary in Sri Lanka, was 107,844 M.T. during the year ended 31st March 2008 as against 1,07,124 M.T. during the corresponding previous year. The Subsidiary sold 107,370 M.T. during 2007-08 as compared to 1,12,113 MT during 2006-07. The Net Sales was SLR 20,494 Lakhs (INR 7,454 Lakhs) as against SLR 18,008 Lakhs (INR 7,733 Lakhs) during the corresponding previous year.

The Sri Lankan Subsidiary has commenced work on another State of the Art Plant in the nearby Kaluthara District, in the vicinity of Colombo with a Production Capacity of 1.00 Lac M.T. The Subsidiary has already received the requisite Government's clearances. This Project is expected to go on stream during December 2008.

TAXES AND DUTIES

During the year under review, Customs/Central Excise duties paid on the Company's products amounted to Rs.3292 Lakhs. Together with Sales tax and other taxes, the Company's contribution to the Public Exchequer was Rs.6871 Lakhs.

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

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

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, though not given in this Report, is available for inspection by the Members at the Registered/Corporate office of the Company during the working hours, as per the proviso (b)(iv) to Section 219(1) of the Companies Act, 1956. Any Member interested in obtaining a copy of the said particulars may write to the Corporate Office of the Company.

RESEARCH AND DEVELOPMENT EFFORTS

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

DIRECTORS

Shri S. Arjuna Raja, who was a Director of the Company since June, 1965, expired on 3rd January 2008 at the age of 89 years. The Board of Directors placed on record the valuable services rendered by Shri Arjuna Raja for the growth and development of the Company.

The Board of Directors at the Board Meeting held on 31st January 2008 appointed Shri S.A. Bhima Raja as the Additional Director/ Wholtime Director with effect from 31st January 2008. Shri S.A. Bhima Raja was earlier working as President. Further details have been furnished in the Notice convening the 43rd Annual General Meeting (AGM) of the Company.

The Board of Directors at their Meeting held on 30th June 2008, have re-appointed Shri P.R. Venketrama Raja as the Vice-Chairman & Managing Director with effect from 28th June 2008 and the Share holders' approval for his re-appointment is being sought at the ensuing 43rd AGM of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Dr.A. Ramakrishna and Shri N.K. Shrikantan Raja are the Directors who will be retiring by rotation at the ensuing AGM and are eligible for re-election.

PUBLIC DEPOSITS

The Total Deposits from the general public outstanding with the Company as on 31st March 2008 were Rs.58.55 Lakhs including the Deposits renewed in accordance with Section 58A of the Companies Act, 1956. This also includes seven Deposits with Maturity Values aggregating to Rs.5.52 lakhs which had matured for payment on or before 31st March, 2008 but not claimed by the Depositors from whom disposal instructions are yet to be received. Out of the above Unclaimed Deposits, one Fixed Deposit for Rs.10,000/- had been remitted to Central Government for credit of Investors' Education and Protection Fund on 17th May 2008.

SHARES

The Company's Equity Shares continue to be listed in the three Stock Exchanges viz., The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

AUDITORS

M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s. CNGSN & Associates, Chartered Accountants, Auditors of the Company retire at the end of the 43rd Annual General Meeting and are eligible for re-appointment.

SUBSIDIARIES

Government of India, Ministry of Company Affairs, vide their letter No: 47/202/2008/CL III dated 4th April 2008, have conveyed their approval under Section 212(8) of the Companies Act, 1956 exempting the Company from attaching the full text of the Financial Statements of the Company's two Subsidiaries viz., Sri Ramco Lanka (Private) Limited, Sri Lanka and M/s. Sudharsanam Investments Limited, India, along with the Company's accounts for the year ended 31st March 2008.

However, as required under the said approval, necessary disclosures have been made in respect of the two Subsidiary Companies, in the Statements (furnished in this Report) pursuant to Sec. 212 of the Companies Act, 1956.

The Annual Accounts of the two Subsidiaries and any other information will be made available to the Investors of the Company/ Subsidiaries seeking such information at any point of time. The Annual Accounts of the Subsidiary Companies will also be kept for inspection by any Investor at the Corporate Office of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the two Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31st March 2008 along with the Auditors' Report thereon are annexed hereto and the same form part of this Annual Report.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that –

- In the preparation of the annual accounts for the year ended 31st March 2008, the applicable Accounting Standards had been followed ;
- The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- The Annual Accounts were prepared on a going concern basis.

ACKNOWLEDGEMENT

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

Place : Chennai
Date : June 30, 2008

On behalf of the Board of Directors
for RAMCO INDUSTRIES LIMITED
P.R. RAMASUBRAHMANEYA RAJHA
Chairman

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH 2008

In terms of Section 217(1) of the Companies Act (as amended) and the Disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31st March 2008.

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	Energy saving devices have been installed and energy consumption is constantly monitored.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	—
(c)	Impact of measures at (a) and (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods	There has been savings in energy cost due to the above measures taken.
(d)	Total energy consumption per unit of production of goods	Particulars given in Form A (pertaining to Cotton Yarn Division)

B. TECHNOLOGY ABSORPTION

(e)	Efforts made in Technology Absorption	Particulars given in Form B
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C. FOREIGN EXCHANGE EARNINGS AND OUTGO (pertaining to Cotton Yarn Division)

(f)	(i) Activities relating to Exports	The Company has exported a major portion of the Cotton yarn of value Rs.3,264.12 Lakhs (FOB) during 2007-08.
	(ii) Initiatives taken to increase exports	Efforts to increase Exports to European Countries and to penetrate American markets are underway. To achieve this, the Company has obtained "Oeko" Certificates indicating that the Company's Yarn is free from harmful substances that affect human body.
	(iii) Development of new export markets for products and service	
	(iv) Export plans	
(g)	(i) Total foreign exchange used	Rs. 3,345.12 Lakhs
	(ii) Total foreign exchange earned	Rs. 2,974.76 Lakhs

Form-A (See rule – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION (Pertaining to Cotton Yarn Division)

	Year ended 31.03.2008	Year ended 31.03.2007
1. ELECTRICITY		
(a) Purchased from TNEB		
Units	1,71,30,046	1,48,30,068
Total amount	Rs. 7,53,72,344	Rs. 6,56,27,489
Rate/unit	Rs. 4.40	Rs. 4.43
(b) Own Generation		
(i) Through Diesel Generator		
Units	5,56,177	1,49,639
Units per ltr. of diesel oil	3.59	3.23
Cost/Unit	Rs. 9.41	Rs. 10.60
(ii) Through HFO Generator		
Units	10,95,290	6,74,000
Units per ltr. of furnace oil	3.64	3.57
Cost/Unit	Rs. 5.94	Rs. 5.52
(iii) Through Steam turbine/ generator		
Units	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/Unit	-	-
2. COAL	-	-
3. OTHERS	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION

Standards (if any)	Current Year 2007-08	Previous Year 2006-07
<u>Products (with details)</u>		
100% Cotton Yarn		
Unit per Kg.	-	-
Electricity	Rs. 4.98	Rs. 5.53
Furnace Oil	-	-
Coal (Specify quality) %	-	-
Others (Specify)	-	-

Form – B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY RESEARCH AND DEVELOPMENT (R & D)

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

In Building Products Division :

Different combinations of Fibres were developed to yield more economic fibre furnishes.
Use of Pozolonic Material – Fly Ash in the manufacture of Fibre Cement Sheets.
Usage of Cellulose for part substitution of Asbestos Fibre.
Recycling of broken waste in the production process.
Development of Non Asbestos Calcium Silicate Boards.

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

Cost of production reduced without affecting the quality of the Product.

3. FUTURE PLAN OF ACTION

Use of alternative Fibres in the production of Sheets.
Development of Poly Propylene strip reinforced Sheets.
Development of different formulations of asbestos-free Flat Boards for different applications.
Development of sandwich panels.
Development of coated sheets.

4. Expenditure on R & D

Recurring expenditure	:	Rs.9.28 lakhs
Capital Expenditure	:	Nil
Total	:	Rs.9.28 lakhs
R&D expenditure as a percentage of total turnover of FC Sheets	:	0.04%

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

1. Efforts, in brief, made towards technology Absorption, adaptation and innovation	}	New Rieter Project with K44 Compact Ring Frames with Link Coner of capacity 16,800 Spindles has been commissioned with latest technology and innovation.
	}	Rieter Blow Room with Rieter C – 60 Cards have been installed to ensure consistent quality.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.	}	High quality product being offered to Indian and International Yarn Markets.
3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished (a)Technology Imported; (b) Year of Import; (c) Has technology been fully absorbed (d) If not, areas where this has not taken place, reason therefore & future plans of action.	}	Not Applicable

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, Ramco Industries Limited is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the Stakeholders of the Company viz., Shareholders, Creditors, Customers and Employees. It strives to achieve these objectives through 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 lays great emphasis on team building and motivation. A contented and well developed worker 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. Ramasubrahmaneya Rajha. Shri P.R. Venketrama Raja is the Vice-Chairman and Managing Director. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering etc. The Board has 8 Directors out of which 6 Directors are Non-Executive, including the 4 Independent Directors. Non-executive Independent Directors constitute 50% of the total strength of the Board of Directors as required under the Code of Corporate Governance. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

During the year under review, four Board Meetings were held, one each on 30th May 2007, 27th July 2007, 23rd October 2007 and 31st January 2008.

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	% of Meetings attended during the year
1.	Shri P.R.Ramasubrahmaneya Rajha (Chairman – Non-Executive)	PD	4	100
2.	Shri P.R. Venketrama Raja (Vice-Chairman & Managing Director)	PD	4	100
3.	Shri S.S. Ramachandra Raja	NED	4	100
4.	Shri N.K. Shrikantan Raja	NEID	3	75
5.	Shri K.T. Ramachandran	NEID	3	75
6.	Shri M.G.Balasubramanian	NEID	4	100
7.	Dr. A. Ramakrishna	NEID	3	75
8.	Shri. S.A. Bhima Raja (Whole Time Director) - (w.e.f. 31st January 2008)	WTD	1	25
9.	Shri. S. Arjuna Raja (till 2nd January 2008)	NED	3	75

PD – Promoter Director; NED – Non-Executive Director; NEID – Non-Executive Independent Director; WTD - Whole Time Director

The previous Annual General Meeting of the Company was held on 27th July, 2007 at Rajapalayam. The following Directors attended the Annual General Meeting:

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

CODE OF CONDUCT

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

A) FOR DIRECTORS

A Director being a Trustee of the Shareholders shall –

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

B) FOR SENIOR MANAGEMENT PERSONNEL

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

A Senior Management personnel shall –

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

The Code of Conduct has also been posted on the Company's Website www.ramcoindltd.com

The Declaration from Shri P.R. Venketrama Raja, Vice-Chairman and Managing Director regarding affirmation of the compliance of the Code of Conduct by the Members of the Board and the Senior Management Personnel for the year ended 31st March 2008 is enclosed to this Report.

3. COMMITTEES OF THE BOARD OF DIRECTORS

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

a) AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

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

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed under Corporate Governance requirements and The Companies Act, 1956 from time to time.

The Audit Committee consists of the following Directors. Other details are as under:

Sl.No.	Name of the Director	No. of Meetings attended
1.	Shri M.G. Balasubramanian Chairman of the Committee	4
2.	Shri K.T. Ramachandran	4
3.	Dr. A. Ramakrishna	3

No. of Meetings held during the year : 4

Date of Meetings : 25th May 2007, 23rd July 2007, 19th October 2007 & 29th January 2008

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

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

b) REMUNERATION COMMITTEE

Sl.No.	Name of the Director	No. of Meetings attended
1.	Shri M.G. Balasubramanian Chairman of the Committee	4
2.	Shri S. Arjuna Raja (till 2nd January 2008)	2
3.	Shri K.T. Ramachandran	4

No. of Meetings held during the year 2007-08 : 4

Dates of the meetings : 27th July 2007, 23rd October 2007, 31st January 2008
& 27th February 2008

REMUNERATION OF DIRECTORS:

The details of remuneration paid to the Managing Director and the Whole Time Director are given in Item No.11 of the Notes on Accounts attached to the Balance Sheet/Profit & Loss Account.

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

c) INVESTOR GRIEVANCES COMMITTEE

Sl.No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri P.R. Venketrama Raja, Vice-Chairman & Managing Director
3.	Shri S. Arjuna Raja (till 2nd January 2008)

The Company Secretary is the Compliance Officer.

One meeting was held on 27th March 2008 where the Committee reviewed the Complaints received during 2007-08 and their redressal. During the F.Y 2007-08, eight Complaints were received and redressed. There was no unresolved Complaint pending as on 31st March 2008.

d) SHARE TRANSFER COMMITTEE

Sl.No.	Name of the Director
1.	Shri P.R. Ramasubrahmaneya Rajha, Chairman
2.	Shri P.R. Venketrama Raja, Vice-Chairman & Managing Director
3.	Shri S. Arjuna Raja (till 2nd January 2008)
4.	Shri K.T. Ramachandran

During the year under review, two meetings were held to consider transfer and transmission of Shares.

All the above Committees meet as and when necessity arises.

4. BOARD PROCEDURE

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

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

DISCLOSURE OF SHAREHOLDINGS OF NON - EXECUTIVE DIRECTORS

Following are the details of Shareholdings of the Non-Executive Directors in the Company, in their names, as on 31st March 2008 :

Sl. No.	Name of the Non-Executive Director	No. of Shares held as on 31st March 2008	% to Paid-up Capital
1.	Shri P.R. Ramasubrahmaneya Rajha	2,73,402	6.31%
3.	Shri S.S. Ramachandra Raja	20,384	0.47%
4.	Shri N.K. Shrikantan Raja	6,007	0.14%
5.	Shri K.T. Ramachandran	11,000	0.25%

Other two Non-Executive Directors are not holding any Share in the Company.

5. MANAGEMENT

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

6. SHAREHOLDERS

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

OTHER SHAREHOLDER INFORMATION

Registered Office :	47, P.S.K. Nagar Rajapalayam 626 108 (Tamil Nadu)
Corporate Office :	"Auras Corporate Centre", VI Floor 98-A, Dr. Radhakrishnan Road Mylapore, Chennai 600 004

PLANT LOCATIONS

(a) Building Products Division : (i) Fibre Cement Sheet Units :	<ol style="list-style-type: none"> Arakkonam, Tamil Nadu Karur, Karnataka Maksi, Madhya Pradesh Silvassa, Union Territory of Dadra & Nagar Haveli Kharagpur, West Bengal Ibrahimpattanam, Vijayawada, Andhra Pradesh Sinugra Village, Gujarat
(ii) Fibre Cement Pressure Pipes Unit	Maksi , Madhya Pradesh
(iii) Calcium Silicate Board Unit	Arakkonam , Tamil Nadu
(iv) Cement Clinker Grinding Unit	Kharagpur , West Bengal
(v) Plastic Storage Containers Unit	Silvassa , Union Territory of Dadra & Nagar Haveli
(b) Textile Division : Cotton Yarn Spinning Units	Rajapalayam , Tamil Nadu
(c) Windfarm Division:	<ol style="list-style-type: none"> Tirunelveli and Coimbatore Districts, Tamil Nadu Chitradurga District, Karnataka Kutch District, Gujarat

Person to be contacted for shareholder enquiries:

S. KRISHNAN
 Company Secretary (Compliance Officer)
 Ramco Industries Limited
 "Auras Corporate Centre", VI Floor
 98-A, Dr.Radhakrishnan Road
 Mylapore, CHENNAI – 600 004
 Phone: 28478585; Fax: 28478597; E Mail : sk@ril.co.in

Share Transfer Documents are to be sent to the Company's Registrar for both Electronic Connectivity and physical Share Transfers viz., **M/s. Cameo Corporate Services Limited**, Subramanian Buildings, No: 1, Club House Road, **CHENNAI – 600 002**. (Their Telephone No. : 044-2846 0390 ; Fax No. : 044-2846 0129).

LISTING ON STOCK EXCHANGES

The Company's Shares continue to be listed on The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing Fees for the year 2008-09 have been paid to all the three Stock Exchanges

STOCK CODE

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

GENERAL MEETINGS

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

Year ended	Date	Time	Venue
31.03.2005	10.08.2005	11.30 A.M.	P.A.C.R.Centenary Community Hall Sudharsan Gardens P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2006	27.07.2006	11.30 A.M.	- do -
31.03.2007	27.07.2007	11.15 A.M.	- do -

At the 41st AGM held on 27th July 2006, one Special Resolution under Section 149(2A) for commencement of new business was passed. No Special Resolution / Resolution requiring Postal Ballot was passed at the last AGM (2007).

ENSUING ANNUAL GENERAL MEETING

DATE	TIME	VENUE
11.08.2008	11.00 A.M.	P.A.C.R.Centenary Community Hall Sudharsan Gardens, P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)

FINANCIAL CALENDAR: (For the Financial Year April 2007 to March 2008)

Board Meeting for consideration of Accounts and recommendation of Dividend	30.06.2008
Posting of Annual Report	On or before 18.07.2008
Book Closure dates	05.08.2008 to 11.08.2008 (Both days inclusive)
Last date for receipt of Proxy forms	09.08.2008
Date of the 43 rd AGM	11.08.2008
Date of Final Dividend Payment	On or after 11.08.2008 but within 30 days

TENTATIVE FINANCIAL CALENDAR FOR 2008-09

1. Unaudited results for Q.E. 30.06.2008	Between 15th & 31st July, 2008
2. Unaudited results for Q.E. 30.09.2008	Between 15th & 31st October, 2008
3. Unaudited results for Q.E. 31.12.2008	Between 15th & 31st January, 2009
4. Audited results for Quarter/Year ended 31.03.2009	Between 15th & 31st May, 2009
5. AGM for the year ending 31.03.2009	July / August 2009

MEANS OF COMMUNICATION

The Un-audited Quarterly Financial Results and Audited Annual Results were published in English in Financial Express (All editions) and in Tamil in Maalai Murasu (Chennai and Madurai editions). All the Financial Results were faxed immediately to the three Stock Exchanges where the Shares of the Company are listed and also displayed on the Company's website www.ramcoindltd.com.

The Financial Results and other specified information are also being filed on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatic Centre for information to the Investors / General Public.

DEPOSITORY SYSTEM

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

As per SEBI directive, the Company has retained the services of M/s. Cameo Corporate Services Limited, "Subramanian Building", No: 1, Club House Road, Chennai - 600 002 (Their Phone No: 044 - 2846 0390 ; Fax No: 044 - 2846 0129) for the Depository Services relating to both NSDL and CDSL and also for the Share Registry Services in respect of Shares held in Physical form. As on 31st March 2008, 87.90 % of the Shares have been dematerialized.

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

They have the choice to open account with Depository Participants of either of the Depositories by quoting the Company's ISIN No.INE 614A01010.

SHARES HELD IN ELECTRONIC FORM

Shareholders holding Shares in electronic form may please note that :

- (i) all instructions regarding bank details which they wish to be incorporated in their dividend warrants will have to be submitted to their Depository Participants. As per the Regulations of NSDL and CDSL, the Company is obliged to print the Bank details on the Dividend Warrants as furnished by these Depositories to the Company;
- (ii) instructions already given by them in respect of Shares held in physical form will not be applicable to the Dividend payable on Shares held in electronic form and the Company will not entertain any request for deletion/change of Bank details already printed on Dividend Warrants as per information received from the concerned Depositories;
- (iii) all instructions regarding change of address, Bank Account, nomination, power of attorney etc. should be given directly to their Depository Participants and the Company will not entertain any such request directly from the Shareholders.

REDRESSAL OF GRIEVANCES

There was no pending Share Transfer as on 31st March 2008.

Complaints from Shareholders with regard to Non-receipt of Certificates after transfer, Non-receipt of Dividend, Non-receipt of Annual Reports, etc. are being acted upon by the Company immediately on receipt. The Company has taken steps to redress the grievances received during the year except in cases where, in the opinion of the Company, the matter is to be referred to Court or have already been referred to Courts.

Any Shareholder who is having grievance may kindly send e-mail to investors_grievances@ril.co.in

DISCLOSURES

- (i) The Company has no Related Party Transactions that may have potential conflict with the interests of the Company at large. The Audit Committee reviews the details of the significant Related Party Transactions. A summary of the significant Related Party Transactions have been disclosed under "Notes on Accounts".
- (ii) There has been no penalty/stricture imposed on the Company by Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years.

- (iii) Mandatory requirements have been complied with. Non-mandatory aspects wherever complied with have been incorporated in this Corporate Governance Report.
- (iv) As required under Clause 49 (V) of the Listing Agreement, Certificate from the Head of Finance / Whole Time Director / Vice Chairman & M.D regarding Financial Statements /Accounts had been submitted to the Board of Directors.

SOCIAL COMMITMENTS

During the year 2007-08, the Company's contribution for various Charitable causes, including renovation of temples and other social causes amounted to Rs 41 Lakhs.

DECLARATION BY CEO REGARDING CODE OF CONDUCT:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2008.

Place : Chennai
Date : June 30, 2008

For RAMCO INDUSTRIES LIMITED
P. R. VENKETRAMA RAJA
Vice-Chairman & Managing Director

AUDITORS' CERTIFICATE

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

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**
Chartered Accountants

For **CNGSN & ASSOCIATES**
Chartered Accountants

K. SRINIVASAN
Partner
Membership No. 21510

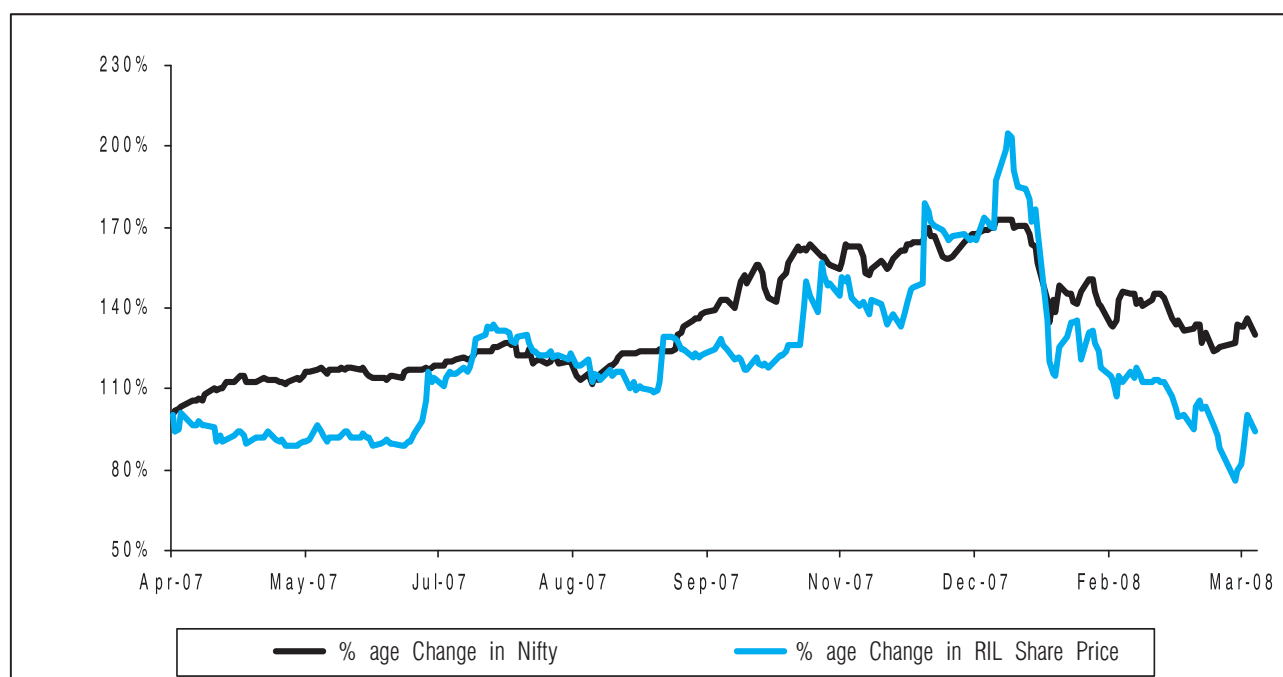
C.N. GANGADARAN
Partner
Membership No. 11205

Place : Chennai
Date : June 30, 2008

STATISTICAL DATA
Share Price - High & Low / Volume
(During April 2007 to March 2008 in NSE & BSE)

Month	National Stock Exchange of India Ltd			Bombay Stock Exchange Ltd		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April 2007	800	680	21,496	800	675	17,884
May	781	687	6,727	830	680	26,222
June	949	665	21,452	941	690	28,947
July	1050	806	29,307	1060	850	34,306
August	994	855	9,057	999	850	29,428
September	1125	830	16,548	1060	830	18,211
October	1171	900	48,685	1174	882	63,646
November	1291	1000	46,946	1317	900	71,517
December	1480	1018	66,203	1465	1028	82,896
January 2008	1740	855	52,888	1699	851	85,721
February	1070	816	46,391	1034	810	63,156
March	888	545	44,082	878	543	68,092

**Relative Performance of the Share Prices of the Company
with NSE's NIFTY**



Pattern of Shareholding as on 31st March 2008

Description	Total Share holders	%	No. of Shares held	% to Capital
A. PROMOTERS HOLDING				
Promoters & Promoter Group	20	0.46	21,67,986	50.03
B. NON-PROMOTERS HOLDING				
1. Mutual Funds & UTI	3	0.07	450	0.01
2. F.Is / Banks	5	0.11	3,63,893	8.40
3. Central/State Govt/s; VCF; Ins. Coys	-	-	-	-
4. Foreign Institutional Investors	2	0.05	950	0.02
5. Bodies Corporate	221	5.04	1,83,075	4.22
6. Individual Shareholders holding nominal Share Capital :				
a. Up to Rs.1.00 Lac	3,914	89.26	8,44,212	19.48
b. In excess of Rs.1.00 Lac	33	0.75	6,84,817	15.80
7. Others–HUF/NRI/Clearing Members etc	187	4.26	87,770	2.04
Grand Total	4,385	100.00	43,33,153	100.00

Distribution of Shareholding as on 31st March 2008

Range (No. of Shares)	Total Share holders	%	Total Shares	%
Upto - 500	3,994	91.09	2,80,164	6.46
501 to 1000	131	2.99	97,878	2.26
1001 to 2000	113	2.58	1,72,567	3.98
2001 to 3000	37	0.84	89,288	2.06
3001 to 4000	14	0.32	47,456	1.10
4001 to 5000	8	0.18	36,740	0.85
5001 to 10000	37	0.84	2,67,884	6.18
10001 & above	51	1.16	33,41,176	77.11
Total	4,385	100.00	43,33,153	100.00

Category of Shareholding as on 31st March 2008

Category	Total Share holders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	2,946	67.19	28,77,353	66.40
CDSL	989	22.55	9,31,549	21.50
Physical Form	450	10.26	5,24,251	12.10
Total	4,385	100.00	43,33,153	100.00

AUDITORS' REPORT TO SHAREHOLDERS

1. We have audited the attached Balance Sheet of **Ramco Industries Limited, Rajapalayam** as at 31st March, 2008 and the Profit and Loss account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we have annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. As per representation made by the Company and its Directors, no Director is disqualified from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - ii. in so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date; and in so far it relates to the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**
Chartered Accountants
K. SRINIVASAN
Partner
Membership No. 21510
Place : Chennai
Date : June 30, 2008

For **CNGSN & ASSOCIATES**
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No. 11205

ANNEXURE TO THE AUDITORS' REPORT

With reference to paragraph 3 of our report to the shareholders of Ramco Industries Limited of even date, in our opinion and to the best of our knowledge and belief and as per the information and explanations given to us and the books and records examined by us in the normal course of audit, we report that:

- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The management at reasonable intervals has physically verified the fixed assets of the company and no material discrepancies were noticed on such verification.
 - c. The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
- ii.
 - a. The management has conducted physical verification at reasonable intervals in respect of its inventory.
 - b. The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. The Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- iii.
 - a. The Company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act, 1956 and consequently we are not commenting on the related clauses.
 - b. The Company has not taken any loans from parties covered in the register maintained under section 301 of the Companies Act, 1956.

- iv. The Company has an internal control system which is adequate and is commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. There are no major weaknesses in internal controls system.
- v.
 - a. Particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered in the register maintained for such purpose.
 - b. These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the Rules framed there under where applicable have been complied with.
- vii. The Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under clause (a) of sub-section (1) of section 209 of the Companies Act, 1956.
- ix.
 - a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
 - b. The disputed statutory dues aggregating to Rs.1.91 crores that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the statute	Forum where dispute is pending	Amount (Rs. In crores)
1	Income-tax Act	Appellate authorities	0.73
2	Sales-tax Acts	Appellate authorities	0.25
		Appellate Tribunal	0.04
		High Court	0.89
		Total	1.91

- x. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi. The Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- xii. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund or a nidhi / mutual benefit fund or society. Therefore clause 4(xiii) is not applicable to the company.
- xiv. The Company is not dealing or trading in shares or securities, debentures and other investments. Therefore clause 4(xiv) is not applicable to the Company.
- xv. The terms and conditions of the guarantee given by the Company for loans taken by others from banks or financial institutions are not prima facie prejudicial to the interests of the Company.
- xvi. The new term loans during the year were applied for the purposes for which these were raised.
- xvii. The funds raised on short term basis have not been used for long term investment during the year.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised any money by way of public issues during the year.
- xxi. No fraud on or by the Company has been reported or noticed during the year.

For **M.S. JAGANNATHAN & N. KRISHNASWAMI**
 Chartered Accountants
K. SRINIVASAN
 Partner
 Membership No. 21510
 Place : Chennai
 Date : June 30, 2008

For **CNGSN & ASSOCIATES**
 Chartered Accountants
C.N. GANGADARAN
 Partner
 Membership No. 11205

BALANCE SHEET AS AT 31st MARCH 2008

	Schedule	As at 31st March 2008		As at 31st March 2007	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
1 SHAREHOLDERS' FUNDS					
(a) Share Capital	1	4,33,31,530		4,33,31,530	
(b) Reserves & Surplus	2	<u>2,41,61,04,041</u>	2,45,94,35,571	<u>2,20,72,94,529</u>	2,25,06,26,059
2 LOAN FUNDS					
(a) Secured Loans	3	2,33,16,65,505		1,62,18,39,081	
(b) Unsecured Loans	4	<u>30,88,66,442</u>	2,64,05,31,947	<u>63,32,92,743</u>	2,25,51,31,824
3 DEFERRED TAX LIABILITY			32,13,55,594		28,01,55,594
TOTAL (I)			<u>5,42,13,23,112</u>		<u>4,78,59,13,477</u>
APPLICATION OF FUNDS					
1 FIXED ASSETS	5				
Gross Block		3,88,59,66,050		3,08,68,54,847	
Less: Depreciation		<u>1,40,72,10,475</u>		<u>1,12,68,52,617</u>	
Net Block		2,47,87,55,575		1,96,00,02,230	
Add: Capital works in progress		<u>1,58,69,041</u>	2,49,46,24,616	<u>5,08,70,675</u>	2,01,08,72,905
2 INVESTMENTS	6		1,92,82,71,487		1,92,82,71,487
3 CURRENT ASSETS					
LOANS AND ADVANCES					
a) Interest accrued on Investments & Deposits		1,14,404		88,635	
b) Inventories	7	68,37,38,685		59,29,30,401	
c) Sundry Debtors	8	27,29,47,041		23,99,04,560	
d) Cash & Bank Balances	9	15,01,40,059		5,79,56,847	
e) Loans & Advances	10	<u>37,61,88,211</u>		<u>35,32,64,919</u>	
		1,48,31,28,400		1,24,41,45,362	
Less: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	11	38,61,54,409		29,21,33,574	
Provisions	12	<u>9,85,97,862</u>		<u>10,56,47,863</u>	
		48,47,52,271		39,77,81,437	
4 NET CURRENT ASSETS			99,83,76,129		84,63,63,925
5 MISCELLANEOUS EXPENDITURE			50,880		4,05,160
TOTAL (II)			<u>5,42,13,23,112</u>		<u>4,78,59,13,477</u>
Significant Accounting Policies	21				
Notes on Accounts	22				
The Schedules referred to above form part of the accounts					

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director
S.A. BHIMA RAJA
Whole Time Director

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2008

	Schedule	For the year ended 31.03.2008 Rs.	For the year ended 31.03.2007 Rs.
INCOME			
Sales	13	3,34,02,85,352	2,93,10,55,099
Power generated from Windmills		10,40,57,458	10,67,01,431
Other Income	14	29,93,60,760	29,43,96,338
Increase / (decrease) in stock	20	3,46,65,124	5,79,77,029
		<u>3,77,83,68,694</u>	<u>3,39,01,29,897</u>
EXPENDITURE			
Raw Materials consumed		2,00,94,38,262	1,74,47,64,393
Cost of Resale Materials		1,39,36,075	2,24,41,448
Stores consumed		9,66,81,000	9,87,10,428
Power and Fuel		27,15,00,696	23,69,76,666
Salaries, Wages, Bonus etc.	15	19,83,95,943	16,82,14,787
Managerial remuneration		1,96,79,206	1,62,24,677
Rates and Taxes		1,20,01,673	1,49,84,642
Interest and Finance charges	16	19,49,03,692	16,48,28,536
Repairs and Maintenance	17	9,70,78,406	8,48,00,130
Selling expenses	18	8,73,01,265	10,95,71,103
Administrative and Other expenses	19	12,20,55,521	11,37,02,247
Depreciation		28,19,88,843	27,77,74,825
Donations		41,10,193	40,94,155
Provision for Taxation			
Current Tax		6,95,00,000	7,70,00,000
Deferred Tax		4,12,00,000	95,00,000
Fringe Benefit Tax		37,50,000	33,00,000
		<u>3,52,35,20,775</u>	<u>3,14,68,88,037</u>
PROFIT FOR THE YEAR		25,48,47,919	24,32,41,860
Balance brought forward from previous year		3,62,96,413	4,78,11,193
Balance available for Appropriation		<u>29,11,44,332</u>	<u>29,10,53,053</u>
Appropriated as :			
Transfer to General Reserve		18,00,00,000	18,00,00,000
Equity Dividend -Interim		4,33,31,530	4,33,31,530
Tax on Interim Equity Dividend		73,64,196	60,77,248
Equity Dividend -Final		2,16,65,765	2,16,65,765
Tax on Final Equity Dividend		36,82,097	36,82,097
Balance carried over to Balance Sheet		<u>3,51,00,744</u>	<u>3,62,96,413</u>
		<u>29,11,44,332</u>	<u>29,10,53,053</u>
Earnings per share			
Basic and Diluted earnings per share of Rs.10 each		59	56

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director
S.A. BHIMA RAJA
Whole Time Director

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2008

		As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1	SHARE CAPITAL		
	Authorised:		
	50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000
	Issued, Subscribed and Paid-up :		
	43,33,153 Equity Shares of Rs.10/- each fully paid up	4,33,31,530	4,33,31,530
	(Of the above 33,35,000 equity shares were allotted as fully paid Bonus Shares by capitalisation of General Reserve)		
2	RESERVES AND SURPLUS		
	Share Premium	2,09,53,206	2,09,53,206
	General Reserve:		
	As per Last Balance Sheet	2,15,00,44,910	2,15,00,44,910
	Transfer during the year	18,00,00,000	
		2,33,00,44,910	2,15,00,44,910
		2,35,09,98,116	2,17,09,98,116
	Less: Charge on account of Transitional Provisions under Accounting Standard 15 revised (see item no.16 of schedule 22)	49,57,975	-
		234,60,40,141	2,17,09,98,116
	State Investment Subsidy (see item no.18 of Schedule 22)	3,49,63,156	-
	Balance in Profit & Loss Account	3,51,00,744	3,62,96,413
	TOTAL	241,61,04,041	220,72,94,529
3	SECURED LOANS		
	(see item no.13 of schedule 22)		
	Rupee Term Loans from Banks	180,69,21,689	110,34,65,219
	Working Capital Loan from Banks	52,47,43,816	51,83,73,862
	TOTAL	233,16,65,505	162,18,39,081
4	UNSECURED LOANS		
	FIXED DEPOSITS		
	From Directors	30,11,517	11,27,674
	From Others	58,54,925	73,94,925
	SHORT TERM LOANS		
	FCNR (B) Loans from Banks	-	47,47,70,144
	Rupee Loans from Banks	30,00,00,000	15,00,00,000
	TOTAL	30,88,66,442	63,32,92,743

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2008

5. FIXED ASSETS

(In Rupees)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2007	Additions	Withdrawals	As at 31.03.2008	Upto 31.03.2007	For the year	Withdrawals	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
LAND	7,60,76,993	9,58,29,607	-	17,19,06,600	-	-	-	-	17,19,06,600	7,60,76,993
LAND-LEASEHOLD	6,28,549	-	-	6,28,549	1,58,725	6,349	-	1,65,074	4,63,475	4,69,824
BUILDINGS	46,09,02,673	10,64,95,972	-	56,73,98,645	11,65,24,318	2,50,38,902	-	14,15,63,220	42,58,35,425	34,43,78,355
RAILWAY SIDINGS	20,68,254	-	-	20,68,254	19,21,633	27,111	-	19,48,744	1,19,510	1,46,621
PLANT & MACHINERY	230,43,89,036	56,18,04,039	8,57,868	286,53,35,207	88,35,23,236	23,66,26,344	4,46,406	111,98,03,174	174,55,32,033	142,07,65,800
ELECTRICAL MACHINERY	16,69,86,013	3,20,63,039	-	19,90,49,052	9,16,50,881	1,52,07,182	-	10,68,58,063	9,21,90,989	7,53,35,132
FURNITURE AND OFFICE EQUIPMENTS	3,73,37,693	4,37,909	1,81,263	3,75,94,339	1,82,61,236	19,41,147	53,745	2,01,48,638	1,74,45,701	1,90,76,457
VEHICLES	2,82,04,095	52,47,401	17,27,633	3,17,23,863	1,28,15,570	25,67,162	11,30,834	1,42,51,898	1,74,71,965	1,53,88,525
AIRCRAFT @	1,02,61,541	-	-	1,02,61,541	18,97,018	5,74,646	-	24,71,664	77,89,877	83,64,523
TOTAL	308,68,54,847	80,18,77,967	27,66,764	388,59,66,050	112,68,52,617	28,19,88,843	16,30,985	140,72,10,475	247,87,55,575	196,00,02,230

@ Represents 1/8th share in a jointly owned Aircraft

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
6 INVESTMENTS		
I. Quoted		
Shares in Madras Cements Ltd: 23,90,621 Nos. Equity shares of Rs.10/- each fully paid-up	48,36,89,131	48,36,89,131
Shares in Rajapalayam Mills Ltd: 4,23,680 Nos. Equity Shares of Rs.10/- each fully paid-up	4,11,08,780	4,11,08,780
Shares in Indian Bank 1,391 Nos. Equity Shares of Rs.91/- each fully paid up	1,26,581	1,26,581
Shares in HDFC Ltd: 62,040 Nos. Equity Shares of Rs.10/- each fully paid-up	8,26,970	8,26,970
Shares in HDFC Bank Ltd: 1,100 Nos. Equity Shares of Rs.10/- each fully paid-up	11,000	11,000
Shares in Ramco Systems Ltd: 48,22,215 Nos. Equity shares of Rs.10/- each fully paid up	1,22,16,19,454	1,22,16,19,454
Shares in Vysya Bank Housing Finance Ltd 30,000 Nos. Equity Shares of Rs.10/- each fully paid up	3,00,000	3,00,000
TOTAL	1,74,76,81,916	1,74,76,81,916
II. Unquoted		
National Savings Certificates	52,000	52,000
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	2,500	2,500
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur	2,500	2,500
50,000 Nos. Shares of Rs.10/- each in OnTime Transport Co. Ltd	5,00,000	5,00,000
2 Nos. Shares of Rs.100/- each of Simandhar Shopping Centre Owners Association	200	200
1,00,000 units of Rs.10/- each in HDFC Balanced Fund	10,00,000	10,00,000
TOTAL	15,57,200	15,57,200
III. Investments in Subsidiaries (Unquoted):		
42,50,000 Equity Shares of Rs.10/- each in Sudharsanam Investments Limited	4,25,00,000	4,25,00,000
2,30,00,000 Equity Shares of SLR 10/- each in Sri Ramco Lanka (Private) Ltd, Sri Lanka	13,65,32,371	13,65,32,371
TOTAL	17,90,32,371	17,90,32,371
GRAND TOTAL	1,92,82,71,487	1,92,82,71,487
Aggregate amount of quoted investments :		
At cost	1,74,76,81,916	1,74,76,81,916
At Market value	9,01,57,93,581	7,43,59,24,739
Aggregate amount of unquoted investments at cost	18,05,89,571	18,05,89,571

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
7 INVENTORIES		
Stores and Spares	5,88,28,838	4,29,95,433
Raw Materials	16,56,01,964	12,52,62,853
Finished Goods	43,51,62,929	40,76,04,940
Stock in process	2,41,44,954	1,70,67,175
TOTAL	<u>68,37,38,685</u>	<u>59,29,30,401</u>
8 SUNDRY DEBTORS		
(See item no.08 of Schedule 22)		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	79,20,938	89,11,000
Considered doubtful	24,63,222	3,08,684
Less: Provision for Doubtful Debts	(24,63,222)	(3,08,684)
Other Debts, considered good	26,50,26,103	23,09,93,560
TOTAL	<u>27,29,47,041</u>	<u>23,99,04,560</u>
9 CASH & BANK BALANCES		
Cash on Hand	11,03,932	9,02,662
Bank Balances:		
With Scheduled Banks in Current Accounts	12,95,25,161	5,16,87,670
With Scheduled Banks in Short Term Deposit Accounts	1,70,79,854	30,53,854
With Scheduled Banks in Unpaid Dividend Accounts	24,31,112	23,12,661
TOTAL	<u>15,01,40,059</u>	<u>5,79,56,847</u>
10 LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or kind	26,32,66,982	24,29,30,145
Advance Income tax and Tax deducted at Source	7,84,74,242	7,69,94,748
Deposits with Govt. Departments and Others	3,20,48,442	2,70,55,580
Prepaid Expenses	23,98,545	62,84,446
TOTAL	<u>37,61,88,211</u>	<u>35,32,64,919</u>
11 CURRENT LIABILITIES		
For Sundry Creditors	26,55,86,928	17,46,41,371
For Other Liabilities	5,62,61,970	6,53,65,994
Trade Deposits	6,10,96,395	4,61,39,564
Interest accrued and not due on loans/deposits	7,78,004	36,73,984
Unclaimed Dividend	24,31,112	23,12,661
TOTAL	<u>38,61,54,409</u>	<u>29,21,33,574</u>
12 PROVISIONS		
Proposed Dividend	2,16,65,765	2,16,65,765
Tax on Dividend	36,82,097	36,82,098
Provision for Taxation	6,95,00,000	7,70,00,000
Fringe Benefit Tax	37,50,000	33,00,000
TOTAL	<u>9,85,97,862</u>	<u>10,56,47,863</u>

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

	For the Year ended 31.03.2008 Rs.	For the Year ended 31.03.2007 Rs.
13 SALES		
Gross Sales (Net of VAT & CST)	3,98,00,54,355	3,65,42,07,075
Less: Excise duty	(26,99,50,974)	(24,87,78,156)
Less: 1) Discounts, Rebates, Service Charges, etc.	(15,35,07,614)	(25,44,09,642)
2) Commission to Sole Selling Agents	(2,91,32,488)	(2,51,92,698)
3) Transportation	(18,71,77,927)	(19,47,71,480)
NET SALES	<u>3,34,02,85,352</u>	<u>2,93,10,55,099</u>
14 OTHER INCOME		
Interest received (TDS Rs.10,18,558/-)	62,76,509	18,06,665
Dividend received	10,34,32,252	8,83,67,277
Royalty received	7,45,15,110	7,73,23,796
Other Miscellaneous income	11,51,36,889	12,48,79,140
Profit on sale of assets	-	20,19,460
TOTAL	<u>29,93,60,760</u>	<u>29,43,96,338</u>
15 SALARIES, WAGES, BONUS ETC.,		
Salaries, Wages and Bonus	15,31,40,471	12,82,54,537
Gratuity & Superannuation Fund Contribution	1,37,89,947	1,15,86,141
Provident Fund Contribution	1,44,36,623	98,95,619
Workmen & Staff Welfare Expenses	1,70,28,902	1,84,78,490
TOTAL	<u>19,83,95,943</u>	<u>16,82,14,787</u>
16 INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	11,13,27,720	10,20,77,555
Interest on Others	8,35,75,972	6,27,50,981
TOTAL	<u>19,49,03,692</u>	<u>16,48,28,536</u>
17 REPAIRS & MAINTENANCE		
Plant & Machinery	8,00,01,423	7,37,40,399
Buildings	74,39,503	60,21,365
Others	96,37,480	50,38,366
TOTAL	<u>9,70,78,406</u>	<u>8,48,00,130</u>
18 SELLING EXPENSES		
Advertisement & Sales Promotion	3,64,32,721	7,35,87,248
Handling, Packing & Forwarding	4,69,47,875	3,59,83,855
Bad & Doubtful debts	39,20,669	-
TOTAL	<u>8,73,01,265</u>	<u>10,95,71,103</u>

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

	For the Year ended 31.03.2008 Rs.	For the Year ended 31.03.2007 Rs.
19 ADMINISTRATIVE & OTHER EXPENSES		
Rent	35,93,767	35,78,624
Insurance	86,12,548	1,05,33,390
Directors' Sitting fees	7,05,000	7,15,000
Postage, Telephone, Telegrams, Telex & Email charges	1,20,37,278	82,15,709
Travelling & Conveyance	2,54,96,368	2,28,65,063
Printing & Stationery	31,84,351	34,86,210
Vehicles / Aircraft Maintenance	94,88,036	82,46,591
Bank Charges	85,23,579	78,16,893
Audit, Accountancy & Legal Charges	1,25,21,133	1,75,61,199
Loss on sale of assets	6,24,735	19,959
Other Miscellaneous expenses	3,72,68,726	3,06,63,609
TOTAL	<u>12,20,55,521</u>	<u>11,37,02,247</u>
20 (INCREASE) / DECREASE IN STOCK		
Closing Stock of Finished Goods	43,51,62,928	40,76,04,940
Closing Stock of Process Stock	2,41,44,954	1,70,67,175
	<u>45,93,07,882</u>	<u>42,46,72,115</u>
Opening Stock of Finished Goods	40,76,04,940	34,64,21,276
Opening Stock of Process Stock	1,70,67,175	63,42,526
	<u>42,46,72,115</u>	<u>35,27,63,802</u>
(Increase) / Decrease	3,46,35,767	7,19,08,313
Excise duty on stock variance	29,357	(1,39,31,284)
(Increase) / Decrease	<u>3,46,65,124</u>	<u>5,79,77,029</u>

21. Significant Accounting Policies

A Basis of preparation of financial statements

- The Company generally follows mercantile system of accounting and recognizes significant items of Income and Expenditure on accrual basis.
- The financial statements are prepared under the historical cost convention and the accounts are prepared in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

B Sales

Sales is recognized net of Excise Duty, VAT and CST.

C Employee Benefits

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

- 2 Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the profit and loss account for the year in which the employees have rendered services. The company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. The company also contributes for Superannuation a sum equivalent to 15% of the employee's eligible annual basic salary to LIC annually. There are no other obligations other than the above defined contribution plans.

- 3 Defined Benefit Plan :

Gratuity :

The Company has its 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 of an amount equivalent to 15 Day's basic salary payable for each completed year of service. The company makes annual contributions to funds administered by Life Insurance Corporation of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using the projected unit credit method.

Leave Encashment:

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

D Fixed Assets

- 1 Fixed Assets are valued at historical cost.
- 2 Basis of Depreciation adopted:

The Company provides depreciation on all its assets as per Section 205(2)(b) of the Companies Act, 1956 under Straight Line Method applying rates prescribed in Schedule XIV of the Companies Act, 1956 under notification dated 15.12.1993, excepting those machineries and equipments and assets acquired and commissioned at the Fibre Cement Sheet Plants at Kharagpur, Vijayawada and Sinugra, Calcium Silicate Board Plant at Arakkonam, Clinker Grinding unit at Kharagpur, Plastic storage container units at Silvassa and Maksi and Wind Electric Generators on which depreciation is provided on Written Down Value method applying rates prescribed in Schedule XIV of the Companies Act, 1956.

E Valuation Of Inventories

- 1 Raw-materials, stores, spares and packing materials are valued at cost, including the cost incurred in bringing the inventories to their present location and condition or net realizable value whichever is lower.
- 2 Process Stock is valued at cost including the cost of conversion. The cost of conversion includes direct costs, including a systematic allocation of production and administration overheads.
- 3 Finished goods are valued at cost or net realizable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to its present location and condition. In accordance with the Accounting Standard (AS-2) excise and customs duty have been included in the valuation. This has no impact on the profits.

F Investments

Investments being long term in nature are stated at cost. No provision is made for temporary decline in the value of the investments.

G Contingent Liabilities

Contingent Liabilities are disclosed in the accounts by way of notes.

H Foreign Currency Transactions

- 1 Income and Expenditure incurred in foreign currency are accounted at the exchange rates prevailing on the date of transaction.
- 2 Current Assets and Liabilities in foreign currency are accounted at the rates prevailing as at the close of the accounting period or wherever forward contracts are booked, at the respective rates as per such forward contracts.
- 3 Gain / Loss on account of exchange rate difference on settlement or on translation is recognised in the Profit and Loss account

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

I Income from Windmill

1 Under wheeling and banking arrangement:

Units generated from windmills are adjusted against the consumption of power at our factories. The monetary value of the units so adjusted, calculated at the prevailing EB rates net of wheeling charges has been included in power & fuel. The value of unadjusted units as on the Balance Sheet date has been included under loans and advances.

2 Under Power purchase agreement:

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

J Lease

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

K Borrowing Costs

Specific borrowing costs incurred up to the date of commissioning for bringing the qualifying fixed assets into their present condition and location are capitalized.

L Earnings per Share

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

M Income Tax

The tax provision is considered as stipulated in AS 22 (Accounting for taxes on income) and includes both current and deferred tax liability.

N Segment Reporting

In terms of Accounting Standard (AS 17) relating to Segment reporting, the Company reports segment-wise turnover / Income, Profit before interest and tax and return on capital employed as part of the financial statements.

O Subsidies and Government Grants

Investment Subsidy/Grant received from the Government is treated as Capital Reserve or Revenue receipt based on the nature of subsidy/grant as per AS 12.

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

P Miscellaneous Expenditure

Compensation paid under Voluntary Retirement Scheme is expected to yield enduring benefits are held under Miscellaneous Expenditure and amortized over a period not exceeding five years.

22. NOTES ON ACCOUNTS:

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1. Contingent Liabilities not provided for:-		
a. Estimated amount of contracts remaining to be executed on Capital accounts	38,39,578	44,00,000
b. Bank Guarantees	2,66,28,522	3,41,73,117
c. Letters of Credit	63,80,693	11,42,80,506
d. Corporate Guarantee furnished by the company to AXIS Bank Ltd for Ramco Systems Limited to support their credit facilities	10,00,00,000	15,00,00,000
Corporate Guarantee furnished by the Company to The Karur Vysya Bank Ltd for Ramco Systems Limited to support their credit facilities	NIL	10,00,00,000
Corporate Guarantee furnished by the Company to IDBI Bank Ltd for Ramco Systems Limited to support their credit facilities	NIL	10,00,00,000

NOTES ON ACCOUNTS (Contd.)

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:		
Statutory Audit Fees	4,49,440	4,48,960
Tax Audit Fees	22,472	22,448
Fees for certification	33,300	21,124
Expenses of Audit	2,33,368	1,49,039
3. The break up of Deferred tax liability as at 31.03.2008 of Rs.3214 lacs is as under :		
	Rs. in Lacs	
Timing differences on account of:		
Tax effect on difference between book depreciation and depreciation under the Income-tax Act, 1961	3292	
Tax effect of transitional liability for Employee benefits	(78)	
Deferred tax liability (Net)	3214	
4. The Company provides depreciation on all its Plant & machineries under Straight Line Method as per the rates prescribed in Section 205(2) (b) of the Companies Act, 1956, excepting those machineries & equipments acquired and commissioned at Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Sinugra, Calcium Silicate Board Plant at Arakkonam, Clinker Grinding unit at Kharagpur, Plastic storage containers units at Silvassa and Maksi and Wind Electric Generators, on which depreciation is provided under Written Down Value method applying rates prescribed in Schedule XIV of the Companies Act, 1956.		
5. The Company has not utilized Short Term Loans for Long Term purposes.		
6. Income Tax assessment has been completed upto the Accounting year 2004 – 2005 (i.e. Assessment year 2005-06). Demand raised by the Department amounting to Rs. 72.75 lacs (Previous year Rs.67 lacs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.		
7. Sales Tax demands amounting to Rs. 1.18 crores (previous year Rs.4.92 crores) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.		
8. Sundry Debtors include Dues from Overseas Subsidiary Company viz., Sri Ramco Lanka (Private) Ltd., Sri Lanka to the extent of Rs.1,99,22,336/- - Maximum amount due during the year - Rs. 4,62,99,487/-.		
9. Current Liabilities:-		
There are no dues to Micro and Small Enterprises as at 31-3-2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
10. The Company's Shares are listed on Madras Stock Exchange, National Stock Exchange of India Ltd and The Stock Exchange, Mumbai and the listing fees in respect of all the three exchanges for the Financial year 2008 – 2009 have been paid.		

NOTES ON ACCOUNTS (Contd.)

11. Computation of Profits as per the provisions of section 349 of the Companies Act, 1956, for the purpose of determining remuneration to Vice Chairman and Managing Director for the year ended 31.03.2008

	Rs.	Rs.
Net Profit After Tax as per Profit And Loss Account		25,48,47,919
Add:		
Provision for Current Tax	6,95,00,000	
Provision for Deferred Tax	4,12,00,000	
Provision for Fringe Benefit Tax	37,50,000	
Directors Sitting Fees	7,05,000	
Remuneration of VCMD and Whole Time Director	1,96,79,206	
		<u>13,48,34,206</u>
Profit for the year		38,96,82,125
Remuneration to Vice Chairman and Managing Director at 5% of the Net Profit		1,94,84,106
Remuneration payable to Whole Time Director		<u>14,69,500</u>
		2,09,53,606
Less: Remuneration received from Ramco Systems Limited in which the Vice Chairman and Managing Director is CEO and Managing Director		12,74,400
Remuneration payable to Managing Director and Whole Time Director in accordance with the provisions of Schedule XIII of Companies Act, 1956		<u>1,96,79,206</u>

Break up of remuneration:

	Vice Chairman & Managing Director	Whole Time Director (with effect from 31/01/2008)	Total
Salary including allowance	11,52,000	11,70,581	23,22,581
Contribution to PF	86,400	1,09,742	1,96,142
Contribution to Superannuation	1,08,000	1,37,177	2,45,177
Medical reimbursement	32,100	-	32,100
Rent	-	52,000	52,000
Commission	1,68,31,206	-	1,68,31,206
	<u>1,82,09,706</u>	<u>14,69,500</u>	<u>1,96,79,206</u>



RAMCO INDUSTRIES LIMITED

NOTES ON ACCOUNTS (CONTD.)

12. Additional Information as required in Schedule VI of the Companies Act, 1956:

(a) Capacities, Production and Stocks	Fibre Cement Sheets, Accessories & Fittings		Fibre Cement Pressure Pipes & Pipe Accessories		Calcium Silicate Board		Cotton yarn		Cement Clinker Grinding		Plastic Storage Tank	
	For the year ended 31.03.08 MT	For the year ended 31.03.07 MT	For the year ended 31.03.08 MT	For the year ended 31.03.07 MT	For the year ended 31.03.08 Spindles	For the year ended 31.03.07 Spindles	For the year ended 31.03.08 Spindles	For the year ended 31.03.07 Spindles	For the year ended 31.03.08 MT	For the year ended 31.03.07 MT	For the year ended 31.03.08 Litres	For the year ended 31.03.07 Litres
Installed Capacity	494000	494000	30000	30000	40000	40000	43296	26208	216000	216000		
Opening Stock	76253	68739	-	-	5505	3761	82318	67994	239	508	47000	-
Production for Sale	468858	429670	-	-	14177	11910	2678297	2086893	6,668	11219	2381845	52000
Closing Stock	65657	76253	-	-	8084	5505	185123	82318	785	239	457905	47000
Units generated from Windmills (KWH) 3,11,25,445 3,29,95,751												
(b) Turnover	For the year ended 31.03.2008											
	Quantity		Net Value Rs.		Quantity		Net Value Rs.		Quantity		Net Value Rs.	
Fibre Cement Sheets and Accessories (MT)	4,79,454		2,68,54,72,982		4,22,156		2,33,16,48,862					
Fibre Cement Pressure Pipes & Pipe Accessories (MT)												
Clinker grinding (MT) (including self consumption)	6,122		1,97,99,697		11,488		3,40,46,449					
Calcium Silicate Board (MT)	11,598		20,53,17,302		10,166		16,34,84,917					
Export of Machinery			81,47,502				2,13,85,454					
Cotton Yarn (Kgs)	25,75,492		41,77,46,134		20,72,569		38,04,74,717					
Plastic Tank (Litres)	19,70,940		38,01,735		5,000		14,700					
(c) Raw material consumed												
Fibre (MT)	44,567		94,23,82,974		38,094		85,85,68,163					
Cement (MT)	2,22,789		71,02,29,948		1,99,467		54,72,64,873					
Fly Ash (MT)	1,31,062		6,65,80,303		1,19,773		5,65,99,336					
Clinker (MT)	6,375		1,85,92,980		10,969		2,71,75,935					
Cotton (Kgs)	38,14,332		24,35,71,095		29,63,346		19,91,88,949					
Others (MT)	9,794		2,80,80,962		10,910		5,59,67,137					

NOTES ON ACCOUNTS (Contd.)

	Year ended 31.03.2008 Rs.		Year ended 31.03.2007 Rs.	
(d) CIF Value of Imports				
Raw Materials	86,56,25,815		87,26,66,014	
Spares	14,86,000		12,96,325	
Capital Goods	26,34,50,000		8,29,90,725	
(e) Expenditure in Foreign Currency on account of Travelling & Other matters	87,68,390		34,42,025	
(f) Number of Non-resident Shareholders	43		38	
(g) Amount remitted in Foreign currency on account of dividends	NIL		NIL	
	For the year ended 31.03.2008		For the year ended 31.03.2007	
	Value Rs.	Percentage	Value Rs.	Percentage
(h) Value of consumption of imported and indigenous raw materials and spares				
RAW MATERIALS:				
Imported	89,55,14,475	45%	89,47,16,988	51%
Indigenous	1,11,39,23,787	55%	85,00,47,405	49%
SPARES:				
Imported	25,40,502	3%	30,32,106	3%
Indigenous	9,41,40,498	97%	9,56,78,322	97%
(i) Earnings in Foreign Currency				
Export of Goods	33,00,87,532		33,20,01,605	
Royalty income	7,45,15,110		7,73,23,796	
Dividend from Srilankan Subsidiary	2,49,18,709		3,02,87,527	
13 a.	The Term Loan of Rs.820.40 lacs availed from Indian Bank under Technology Upgradation Fund Scheme is secured by an exclusive charge on the Assets procured under the scheme for the Windmill Division.			
b.	The Term Loan of Rs.2768.69 lacs availed from Indian Bank under Technology Upgradation Fund Scheme is secured by exclusive charge on the Assets procured under the scheme for Textile & Windmill Division.			
c.	The Term loan of Rs.3767.11 lacs availed from Canara Bank under Technology Upgradation Fund Scheme is secured by exclusive charge on the Fixed Assets of the Company for Textile Division.			
d.	The Term Loan of Rs.713.02 lacs availed from The Karur Vysya Bank Ltd under Technology Upgradation Fund Scheme is secured by first pari passu charge on fixed assets, excluding specifically charged assets, for Textile Division.			
e.	The Term loan of Rs.5000 lacs availed from State Bank of Indore is secured by a first pari passu charge on the fixed assets of the company excluding specifically charged assets.			
f.	The Term loan of Rs.1000 lacs availed from State Bank of Mauritius is secured by a first pari passu charge on the fixed assets of the company excluding specifically charged assets.			
g.	The Term loan of Rs.4000 lacs availed from State Bank of Travancore is secured by first pari passu charge on fixed assets of the company excluding specifically charged Assets.			
h.	The Working Capital Borrowings of the Company are secured by hypothecation of Stocks of raw materials, work-in-progress, stores, spares and finished goods and book debts.			
14	Expenditure on Voluntary Retirement Scheme is amortised over a period of five years. An amount of Rs.50,880/- unamortised is shown under Miscellaneous Expenditure in the Balance Sheet of the Company.			
15	Net Profit on account of difference in rate of exchange on foreign currency transaction amounting to Rs.52,40,148/- has been recognized in the Profit and Loss Account.			
16.	Consequent to the mandatory adoption of Accounting Standard 15 for employee benefits, an amount of Rs.75.11 lakhs (net of tax of Rs.49.58 lacs) has been adjusted towards difference in transitional liability against General reserve as at 1 st April 2007. As per Accounting Standard 15 (revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:			

NOTES ON ACCOUNTS (Contd.)

Defined Contribution Plan:	2007-08
Employer's Contribution to Provident Fund	Rs.
Employer's Contribution to Superannuation Fund	1,44,36,623
	27,96,947

Rs. in Thousands

	Gratuity (Funded)	Leave Encashment (Unfunded)
Reconciliation of opening and closing balances of defined benefit plan:		
Defined Benefit obligation as on 1-4-2007	48235	17545
Current Service Cost	3485	1352
Interest Cost	3644	1304
Actuarial (gain) / loss	9244	4124
Benefits paid	(5380)	(2480)
Defined Benefit obligation as on 31-3-2008	59228	21845
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 1-4-2007	46983	-
Expected return on plan assets	4674	-
Actuarial (gain) / loss	(92)	-
Employer contribution	11922	2480
Benefits paid	(5380)	(2480)
Fair value of plan assets as on 31-3-2008	58107	-
Actual Return of plan assets:		
Expected return on plan assets	4674	-
Actuarial (gain) / loss on plan assets	(92)	-
Actual return on plan assets	4582	-
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	58107	-
Present value of obligation	59228	21845
Difference	1121	21845
Unrecognized transitional liability	-	-
Unrecognized past service cost – non vested benefits	-	-
Amount recognized in Balance Sheet	1121	21845
Expense recognized during the year:		
Current Service Cost	3485	1352
Interest Cost	3644	1304
Expected return on plan assets	(4674)	-
Actuarial (gain) / loss	9336	4124
Transitional liability recognized in the year	-	6780
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
Net Cost	11791	6780

Investment Details as on 31-3-2008:

	Gratuity (Funded)	Leave Encashment (Unfunded)
GOI Securities	-	-
State Government Securities	-	-
High Quality Corporate Bonds	-	-
Funds with LIC	100%	-
Bank balance	-	-
Others	-	-
Actuarial assumptions:		
LIC 1994-96 Ultimate Table applied for service mortality rate	8%	8%
Discount rate p.a	9.30%	0%
Expected rate of return on plan assets p.a	6%	6%
Rate of escalation in salary p.a		

NOTES ON ACCOUNTS (Contd.)

17. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Revenue/Income from operations										
External Customers	2,988,164,412	2,628,527,326	448,671,908	402,953,812	109,664,803	117,738,702	197,202,447	183,013,388	3,743,703,570	3,332,233,228
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total Revenue	2,988,164,412	2,628,527,326	448,671,908	402,953,812	109,664,803	117,738,702	197,202,447	183,013,388	3,743,703,570	3,332,233,228
2. Results										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	357,449,213	261,886,273	(5,201,775)	31,120,414	15,959,296	23,079,986	195,994,877	181,794,784	564,201,611	497,881,454
Interest expenses									194,903,682	164,839,594
Interest Income/ Dividend income									69,500,000	77,000,000
Income Tax - Current									41,200,000	9,500,000
- Deferred									3,750,000	3,300,000
- Fringe Benefit Tax									254,847,919	243,241,860
Profit from Ordinary activities									-	-
Extraordinary Profit/Loss										
Net Profit									254,847,919	243,241,860
3. Other Information										
Segment Assets	1,977,252,284	1,929,049,593	1,116,910,626	648,821,597	534,872,656	516,344,292	2,276,779,413	161,207,945	5,905,814,979	3,255,423,427
Unallocated corporate assets										
Total Assets	1,977,252,284	1,929,049,593	1,116,910,626	648,821,597	534,872,656	516,344,292	2,276,779,413	161,207,945	5,905,814,979	3,255,423,427
Segment Liabilities	1,214,336,938	1,768,987,280	798,050,617	371,078,164	175,148,712	326,022,158	1,233,755,683	464,668,592	3,421,291,950	2,930,756,194
Unallocated corporate liabilities										
Total Liabilities	1,214,336,938	1,768,987,280	798,050,617	371,078,164	175,148,712	326,022,158	1,233,755,683	464,668,592	3,421,291,950	2,930,756,194
Capital Expenditure	191,973,563	170,164,325	480,753,473	101,704,544	91,382,531	-	-	7,331,615	764,109,567	279,200,484
Depreciation	124,242,768	116,957,329	62,834,162	49,292,934	84,430,780	91,531,759	10,481,133	19,992,803	281,988,843	277,774,825
Non-cash expenses other than depreciation			50,880	405,160					50,880	405,160

NOTES ON ACCOUNTS (Contd.)

18. The Company is eligible for Incentives under the "Kutch Development Scheme 2001" in respect of its 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. The Company had obtained a Legal Opinion on the manner of treatment of these subsidies. Accordingly a sum of Rs. 258.91 lacs is treated as Capital Receipt.

The Company is eligible for Incentives under the "West Bengal Incentive Scheme 2000" in respect of its Fibre Cement Plant and Clinker Grinding unit at Kharagpur in the State of West Bengal. A sum of Rs.200.17 lacs (Previous Year: Rs.253.46 lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account. A sum of Rs.90.73 lacs accrued as State Capital Investment Subsidy for the year (Previous Year: NIL) is treated as Capital Receipt.

19. Earnings Per Share

Particulars	For the year ended	
	31.03.2008	31.03.2007
	Rs.	Rs.
Net Profit after Tax (A)	25,48,47,919	24,32,41,860
No. of Shares (B)	43,33,153	43,33,153
Basic and Diluted earnings per share of Rs.10 each (A/B)	59	56

20. Related Party Disclosure

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

- a. Subsidiary Companies:
 1. Sudharsanam Investments Ltd
 2. Sri Ramco Lanka (Private) Ltd., Sri Lanka
- b. Key Management Personnel and relatives:

P.R. Ramasubrahmaneya Rajha
P.R. Venketrama Raja
- c. Enterprises over which the above persons exercise significant influence and with which the Company has transactions during the year.

Rajapalayam Mills Ltd.
Madras Cements Ltd
Ramco Systems Ltd
The Ramaraju Surgical Cotton Mills Ltd
Sri Vishnu Shankar Mill Ltd
Sandhya Spinning Mill Ltd
Thanjavur Spinning Mill Ltd
Sri Harini Textiles Ltd
Rajapalaiyam Spinners P Ltd

The Company's transactions with the above related parties are given below:

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2008 (Rs.)	Dr./Cr.
i.	Export of Machinery and Spares: Sri Ramco Lanka (Private) Ltd Machinery / Spares	81,47,502	NIL	
ii.	Service income: Sri Ramco Lanka (Private) Ltd Royalty Income	7,45,15,110	* 1,99,22,336	Dr

NOTES ON ACCOUNTS (Contd.)

Sl.No.	Name of the party	Value (Rs.)	Outstanding as on 31.03.2008 (Rs.)	Dr. / Cr.
iii.	Sale of Goods:			
	Rajapalayam Mills Limited			
	- Waste Cotton	1,30,36,599	NIL	
	- Cotton	58,31,339	NIL	
	- Conversion Charges	6,40,172	NIL	
	- Building Products	19,43,695	NIL	
	Sandhya Spinning Mill Ltd			
	- Waste Cotton	74,57,226	NIL	
	- Building Products	15,27,067	NIL	
	The Ramaraju Surgical Cotton Mills Ltd			
	- Conversion charges	9,20,503	NIL	
	- Waste Cotton	96,10,346	NIL	
	- Building Products	27,35,979	NIL	
	Sri Vishnu Shankar Mill Ltd			
	- Conversion Charges	8,98,416	NIL	
	- Cotton	42,30,505	NIL	
	- Building Products	15,25,474	NIL	
	Rajapalayam Spinners P Ltd			
	- Building Products	20,27,463	NIL	
	Thanjavur Spinning Mill Limited			
	- Building Products	2,21,992	NIL	
	Madras Cements Limited			
	- Building Products	1,61,486	NIL	
	Sri Harini Textiles Ltd			
	- Building Products	11,24,922	NIL	
iv.	Purchase of Goods:			
	Madras Cements Ltd			
	- Cement	46,29,21,686	NIL	
	- Clinker	2,39,64,480	NIL	
	- Fly Ash	5,29,058	NIL	
	Rajapalayam Mills Limited			
	- Cotton	28,88,398	NIL	
	- Gassing charges	2,08,183	NIL	
	- Spares / Machinery	74,880	NIL	
	Sandhya Spinning Mill Ltd			
	- Cotton	47,688	NIL	
	Ramco Systems Limited			
	- Service expenses	37,09,019	4,00,000	Cr.
	Sri Vishnu Shankar Mill Ltd			
	- Machinery	10,83,341	NIL	
	- Yarn	9,57,600	NIL	
	- Cotton	32,85,510	NIL	

NOTES ON ACCOUNTS (Contd.)

Sl.No.	Name of the party	Value (Rs.)	Outstanding as on 31.03.2008 (Rs.)	Dr. / Cr.
v.	Corporate Guarantees Issued Ramco Systems Limited	10,00,00,000	10,00,00,000	
vi.	Short Term Borrowings : Shri. P.R. Venketrama Raja Shri. K.T. Ramachandran		29,11,517 1,00,000	Cr Cr
vii.	Intercompany Loans Given Sudharsanam Investments Limited		3,78,30,607	Dr

The above transactions were done in the ordinary course of business and at commercial rates.

No amount has been written off or written back in the accounts

* Amount outstanding net of Withholding tax

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

Name	Closing Balance as on 31.03.2008 inclusive of interest accrued	Interest Accrued
	(Rs.)	Rs.
Sri. P.R. Venketrama Raja	29,11,517	1,79,448
Sri. K.T. Ramachandran	1,00,000	7,000

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

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director
S.A. BHIMA RAJA
Whole Time Director

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

	Year Ended 31-Mar-2008	Year Ended 31-Mar-2007
A Cash flow from operating activities		
Net profit, after tax as per Profit and Loss Account	25,48,47,919	24,32,41,860
Adjusted for		
Provision for taxation		
- Current tax	6,95,00,000	7,70,00,000
- Deferred tax	4,12,00,000	95,00,000
- Fringe Benefit Tax	37,50,000	33,00,000
Loss on sale of assets	624,735	19,959
Depreciation	28,19,88,843	27,77,74,825
Dividend Income	(10,34,32,252)	(8,83,67,277)
Interest income	(62,76,509)	(18,06,665)
Interest paid	19,49,03,692	16,48,28,536
Profit on sale of assets/investments	-	(76,44,460)
Royalty receipts	(7,45,15,110)	(7,73,23,796)
Operating profit before working capital changes	66,25,91,318	60,05,22,982
Adjusted for		
Trade and other receivables	(5,41,57,768)	(14,86,97,891)
Inventories	(9,08,08,284)	4,65,91,444
Trade payables	8,90,62,860	(2,87,47,295)
Cash generated from operations	60,66,88,126	46,96,69,240
Taxes paid	(8,17,79,494)	(9,72,40,451)
Net cash from operating activities	52,49,08,632	37,24,28,789
B Cash flow from Investing activities		
Purchase of fixed assets	(76,68,76,333)	(27,92,00,484)
Sale of fixed assets	5,11,044	3,61,88,621
Interest income	62,76,509	18,06,665
Dividend income	10,34,32,252	8,83,67,277
Purchase of Investments	-	(13,39,60,646)
Sale of Investments	-	1,61,25,000
State subsidy receipts	3,49,63,156	-
Royalty receipts	7,45,15,110	7,73,23,796
Net cash used in operating activities	(54,71,78,262)	(19,33,49,771)
C Cash flow from financing activities		
Proceeds from long term borrowing	70,34,56,470	66,81,03,219
Repayment of long term borrowings	-	(77,53,40,000)
Short term borrowings, net	(32,44,26,301)	(21,71,22,261)
Working capital changes	63,69,954	33,43,26,986
Dividend paid	(7,60,43,589)	(7,47,56,639)
Interest paid	(19,49,03,692)	(16,48,28,536)
Net cash from financing activities	11,44,52,842	(22,96,17,231)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008

	Year Ended 31-Mar-2008	Year Ended 31-Mar-2007
Net increase / (decrease) in cash and cash equivalents	9,21,83,212	(5,05,38,213)
Opening balance of cash and cash equivalents	5,79,56,847	10,84,95,060
Closing balance of cash and cash equivalents	15,01,40,059	5,79,56,847

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director

S.A. BHIMARAJA
Whole Time Director
S. KRISHNAN
Company Secretary

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr. A. RAMAKRISHNA
Directors

Date : June 30, 2008
Place : Chennai,

AUDITORS' CERTIFICATE

To

The Board of Directors
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited. The Statement has been prepared by The Company in accordance with the requirements of Listing Agreements entered into with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 30th June, 2008 to the members of the Company.

For M/s. M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510
Chennai,
30th June, 2008

For M/s. CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. State Code
 Balance Sheet Date (Refer Code List)
 Date Month Year

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.thousands)

Public Issue
 Bonus Issue
 Rights Issue
 Private Placement

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

Total Liabilities Total Assets
 Sources of Funds:
 Paid up Capital
 Secured Loans
 Deferred Tax Liability
 Application of Funds:
 Net Fixed assets
 Net Current assets
 Accumulated Losses
 Reserves & Surplus
 Unsecured Loans
 Investments
 Misc. Expenditure

IV. PERFORMANCE OF COMPANY

Turnover and Other Income Total Expenditure
 Profit before Tax Profit After Tax
 Earnings Per share in Rs. Dividend rate %

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per Monetary terms)

Item Code No. (ITC Code)
 Product Description

 Item Code No. (ITC Code)
 Product Description

 Item Code No. (ITC Code)
 Product Description
 Item Code No. (ITC Code)
 Product Description

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

I Name of Subsidiary Company : **SUDHARSANAM INVESTMENTS LIMITED** (Wholly Owned Subsidiary)

- 1 The Company holds 42,50,000 shares of Rs.10/- each as on 31.03.2008
- 2 The Net Loss of Rs.3,92,051/- of the Subsidiary Company for the year ended 31.03.2008 has not been dealt with in the Company's account.
- 3 The Cumulative Net Profit of Rs.1,48,460/- for the previous financial years ended upto 31.03.2007 have not been dealt with in the Company's accounts.

II Name of Subsidiary Company: **SRI RAMCO LANKA (PRIVATE) LIMITED, SRI LANKA** (Wholly Owned subsidiary)

- 1 The Company holds 2,30,00,000 shares of SLR.10/- each as on 31.03.2008
- 2 The Net Profit of SLR.19,90,48,038/- after providing for Taxation of the Subsidiary Company for the year ended 31.03.2008 has not been dealt with in the Company's account.
- 3 The Cumulative Net Profit of SLR.37,56,52,227/- for the previous financial years ended upto 31.03.2007 have not been dealt with in the Company's accounts.

P.R. RAMASUBRAHMANEYA RAJHA

Chairman

P.R. VENKETRAMA RAJA

Vice Chairman & Managing Director

S.A.Bhima Raja

Whole Time Director

S.S. RAMACHANDRA RAJA

K.T. RAMACHANDRAN

N.K. SHRIKANTAN RAJA

M.G. BALASUBRAMANIAN

Dr.A. RAMAKRISHNA

Directors

Place : Chennai

Date : June 30, 2008

S. KRISHNAN

Company Secretary

DETAILS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2008

	Name of Subsidiary Company	Sudharsanam Investments Limited, Rajapalaiyam (in INR)	Sri Ramco Lanka (Private) Limited, Sri Lanka
1	Capital	4,25,00,000	SLR 23,00,02,020 INR 13,65,32,371
2	Reserves & Surplus	(2,43,591)	SLR 50,56,99,659 INR 16,63,24,218
3	Total Assets	8,03,30,607	SLR 78,01,27,753 INR 31,93,91,974
4	Total Liabilities	8,03,30,607	SLR 78,01,27,753 INR 31,93,91,974
5	Total Investments	7,96,77,267	SLR NIL INR NIL
6	Total Income	33,48,900	SLR 2,07,85,89,169 INR 75,57,75,022
7	Profit before Taxation	(3,92,051)	SLR 30,88,24,936 INR 10,94,21,262
8	Provision for Taxation	NIL	SLR 10,97,76,898 INR 4,08,58,962
9	Profits after Taxation	(3,92,051)	SLR 19,90,48,038 INR 6,85,62,300
10	Proposed Dividends	NIL	SLR 6,90,00,606 INR 2,49,18,709

Exchange rate as on 31.03.2008 1 Sri Lankan Rupee (SLR) = INR 0.3722

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF RAMCO INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of Ramco Industries Limited and its subsidiaries as at 31st March, 2008 and the Consolidated Profit and Loss Account for the year ended 31st March 2008.

These financial statements are the responsibility of the management of Ramco Industries Limited. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with identified financial reporting framework and are free from material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe our audit provides a reasonable basis for our opinion.

We did not audit the separate financial statements of the subsidiaries, Sudharsanam Investments Limited and Sri Ramco Lanka (Private) Limited. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion insofar as it relates to the amounts included in the respect of the subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21), on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Ramco Industries Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual financial statements of Ramco Industries Limited and its aforesaid subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting policies generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet of the consolidated state of affairs of Ramco Industries Limited and its subsidiaries as at March 31, 2008; and
- (b) In the case of the Consolidated Profit and Loss Account of the consolidated results of the operations of Ramco Industries Limited its subsidiaries for the year then ended.
- (c) In the case of the Consolidated Cash Flow statements of the Cash flows of Ramco Industries Limited and its subsidiaries for the year then ended.

For **M/s. M.S. JAGANNATHAN & N. KRISHNASWAMI**
Chartered Accountants

K. SRINIVASAN
Partner
Membership No.21510
Place : Chennai
Date : June 30, 2008

For **M/s. CNGSN & ASSOCIATES**
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No. 11205

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

BALANCE SHEET AS AT 31st MARCH, 2008

			As at 31.03.2008	As at 31.03.2007
	Schedule	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS				
1 SHAREHOLDERS' FUNDS				
(a) Share Capital	1	4,33,31,530	4,33,31,530	
(b) Reserves & Surplus	2	2,58,12,21,558	2,33,49,23,465	
			2,62,45,53,088	2,37,82,54,995
2 LOAN FUNDS				
(a) Secured Loans	3	2,33,54,31,825	1,62,18,39,081	
(b) Unsecured Loans	4	30,88,66,442	63,32,92,743	
				2,25,51,31,824
3 DEFERRED TAX LIABILITY			33,53,31,363	29,78,74,617
TOTAL (I)			5,60,41,82,718	4,93,12,61,436
II. APPLICATION OF FUNDS				
1 FIXED ASSETS	5			
Gross Block		4,13,99,87,884	3,32,68,68,690	
Less: Depreciation		1,54,61,32,464	1,24,89,02,335	
Net Block		2,59,38,55,420	2,07,79,66,355	
Add: Capital works in progress		2,03,83,110	5,47,50,856	
			2,61,42,38,530	2,13,27,17,211
2 INVESTMENTS	6		1,82,89,16,383	1,82,89,16,383
3 CURRENT ASSETS				
LOANS AND ADVANCES				
a) Interest accrued on Investments & Deposits		1,14,404	88,635	
b) Inventories	7	74,37,16,094	66,48,04,702	
c) Sundry Debtors	8	32,86,91,387	30,08,79,416	
d) Cash & Bank Balances	9	27,40,16,667	15,22,16,596	
e) Loans & Advances	10	35,45,28,726	32,20,55,863	
		1,70,10,67,278	1,44,00,45,212	
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	42,85,24,682	34,60,51,126	
Provisions	12	11,18,09,262	12,47,71,404	
		54,03,33,944	47,08,22,530	
4 NET CURRENT ASSETS			1,16,07,33,334	96,92,22,682
5 MISCELLANEOUS EXPENDITURE			2,94,471	4,05,160
TOTAL (II)			5,60,41,82,718	4,93,12,61,436
Contingent Liabilities as per note annexed				
Significant Accounting Policies	21			
Notes on Accounts	22			
The Schedules referred to above form part of the accounts				

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director
S.A. BHIMA RAJA
Whole Time Director

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

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

	Schedule	For the year ended 31.03.2008 Rs.	For the year ended 31.03.2007 Rs.
INCOME			
Sales	13	4,07,72,88,953	3,68,17,51,522
Power generated from Windmills		10,40,57,458	10,67,01,431
(Increase) / Decrease in stocks	20	3,21,80,903	4,73,00,998
Other Income	14	21,01,64,982	18,39,68,246
		<u>4,42,36,92,296</u>	<u>4,01,97,22,197</u>
EXPENDITURE			
Raw Materials consumed		2,48,68,38,694	2,22,12,68,128
Cost of resale materials		73,14,562	-
Stores consumed		10,53,03,237	11,12,32,848
Power and Fuel		28,96,65,506	25,76,77,912
Salaries, Wages, Bonus etc.	15	22,04,38,849	20,97,09,367
Managerial remuneration		1,96,79,206	1,62,24,677
Rates and Taxes		1,31,25,383	1,62,79,643
Interest and Finance charges	16	19,49,19,038	15,95,02,022
Repairs and Maintenance	17	11,33,91,817	8,12,94,280
Selling expenses	18	8,92,85,528	11,44,36,545
Administrative and Other expenses	19	12,88,37,904	12,36,04,287
Depreciation		29,88,61,114	29,51,37,239
Donations		41,49,025	41,31,594
Provision for Taxation			
Current Tax		11,41,02,215	12,01,65,779
Deferred Tax		3,74,56,747	70,89,078
Fringe Benefit Tax		37,50,000	33,00,000
		<u>4,12,71,18,825</u>	<u>3,74,10,53,399</u>
PROFIT FOR THE YEAR		29,65,73,471	27,86,68,798
Add: Balance in P&L Account B/F		18,03,87,795	15,70,71,700
		<u>47,69,61,266</u>	<u>43,57,40,498</u>
Balance available for appropriation			
Appropriated as :			
Transfer to General Reserve		18,00,00,000	18,00,00,000
Equity Dividend -Interim		4,33,31,530	4,33,31,530
Equity Dividend -Final		2,16,65,765	2,16,65,765
Tax on Dividend		1,10,46,293	1,03,55,408
Balance carried over to Balance Sheet		<u>22,09,17,678</u>	<u>18,03,87,795</u>
		<u>47,69,61,266</u>	<u>43,57,40,498</u>
Earnings per share		68	64
Basic and Diluted earnings per share of Rs.10/- each			

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
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M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1 SHARE CAPITAL		
Authorised:		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid-up		
43,33,153 Equity shares of Rs.10/- each fully paid up	4,33,31,530	4,33,31,530
(Of the above 33,35,000 equity shares were allotted as fully paid bonus shares		
2 RESERVES AND SURPLUS		
Share Premium	2,09,53,206	2,09,53,206
General Reserve:		
As per Last Balance sheet	2,13,35,82,464	
Add: Transfer during the year	18,00,00,000	
	2,31,35,82,464	
Less: Charge on account of transitional provisions under AS 15 (Revised)	49,57,975	
	2,30,86,24,489	
Less: Translation difference on account of consolidation	42,36,971	
	2,30,43,87,518	2,13,35,82,464
State Investment Subsidy	3,49,63,156	-
Balance in Profit & Loss Account	22,09,17,678	18,03,87,795
TOTAL	2,58,12,21,558	2,33,49,23,465
3 SECURED LOANS		
(see item No.10 of Schedule 22)		
TERM LOAN:		
Rupee Loan from Banks	1,80,69,21,689	1,10,34,65,219
Working Capital loan from Banks	52,85,10,136	51,83,73,862
TOTAL	2,33,54,31,825	1,62,18,39,081
4 UNSECURED LOANS		
FIXED DEPOSITS		
From Directors	30,11,517	11,27,674
From Others	58,54,925	73,94,925
SHORT TERM LOANS		
FCNR (B) Loans from Banks	-	47,47,70,144
Rupee Loans from Banks	30,00,00,000	15,00,00,000
TOTAL	30,88,66,442	63,32,92,743

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2008

5. Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	as at 01.4.2007	Additions	Withdrawals	as at 31.3.2008	up to 31.3.2007	For the year	Withdrawals	up to 31.3.2008	As at 31.3.2007
LAND	7,60,76,993	958,29,607	-	17,19,06,600	-	-	-	-	7,60,76,993
LAND - LEASEHOLD	12,65,991	-	-	12,65,991	2,42,599	17,955	-	2,60,554	10,23,392
BUILDINGS	52,13,54,810	10,92,27,724	-	63,05,82,534	12,90,51,607	2,66,80,787	-	15,57,32,394	39,23,03,204
RAILWAY SIDINGS	20,68,254	-	-	20,68,254	19,21,633	27,111	-	19,48,744	1,46,621
PLANT & MACHINERY	246,12,09,473	57,19,36,733	8,57,868	303,22,88,338	97,84,99,772	25,01,24,467	4,46,406	122,81,77,833	148,27,09,700
ELECTRICAL MACHINERY	17,90,49,986	3,22,85,409	-	21,13,35,395	9,98,85,551	1,61,31,328	-	11,60,16,879	7,91,64,435
FURNITURE AND OFFICE EQUIPMENTS	4,13,73,837	13,21,492	1,81,263	4,25,14,066	202,03,286	23,57,755	53,745	2,25,07,296	211,70,551
VEHICLES	3,42,07,805	52,84,993	17,27,633	3,77,65,165	172,00,869	29,47,065	11,30,834	1,90,17,100	1,70,06,936
AIR CRAFT@	1,02,61,541	-	-	1,02,61,541	18,97,018	5,74,646	-	24,71,664	83,64,523
TOTAL	332,68,68,690	81,58,85,958	27,66,764	413,99,87,884	124,89,02,335	29,88,61,114	16,30,985	154,61,32,464	207,79,66,355

@ Represents 1/8th share in jointly owned Aircraft

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
6 INVESTMENTS		
I QUOTED		
Shares in Madras Cements Ltd: 25,02,251 Nos. Equity shares of Rs.10/- each fully paid-up	56,33,66,398	56,33,66,398
Shares in Rajapalayam Mills Ltd: 4,33,680 Nos. Equity Shares of Rs.10/- each fully paid-up	4,11,08,780	4,11,08,780
Shares in HDFC Ltd: 62,040 Nos. Equity Shares of Rs.10/- each fully paid-up	8,26,970	8,26,970
Shares in HDFC Bank Ltd: 1,100 Nos. Equity Shares of Rs.10/- each fully paid-up	11,000	11,000
Shares in Indian Bank: 1391 Nos. Equity Shares of Rs. 10 each fully paid up	1,26,581	1,26,581
Shares in Ramco Systems Ltd: 48,22,215 Nos. Equity shares of Rs.10/- each fully paid up	1,22,16,19,454	1,22,16,19,454
Shares in Vysysa Bank Housing Finance Ltd 30,000 Nos. Equity Shares of Rs.10/- each fully paid up	3,00,000	3,00,000
TOTAL	1,82,73,59,183	1,82,73,59,183
II UNQUOTED		
National Savings Certificates	52,000	52,000
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	2,500	2,500
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur	2,500	2,500
Shares Simandhar Shopping Centre Owners Association - 2 Nos.	200	200
1,00,000 units of Rs.10/- each in HDFC Balanced Fund	10,00,000	10,00,000
5000 Nos. Shares of Rs.10/- each in OnTime Transport Co. Ltd	5,00,000	5,00,000
TOTAL	15,57,200	15,57,200
Total Investments	1,82,89,16,383	1,82,89,16,383
Aggregate amount of quoted investments :		
At cost	1,82,73,59,183	1,82,73,59,183
At Market value	9,38,96,75,940	7,71,90,12,838
Aggregate amount of unquoted investments at cost	15,57,200	15,57,200

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
7 INVENTORIES		
Stores and Spares	6,67,86,247	5,18,47,997
Raw Materials	17,78,67,442	14,60,45,847
Finished Goods	47,49,17,451	44,98,43,683
Stock in process	2,41,44,954	170,67,175
TOTAL	74,37,16,094	66,48,04,702
8 SUNDRY DEBTORS		
(Unsecured, Considered good)		
(a) Debts outstanding for a period exceeding six months	79,20,938	89,11,000
(b) Other Debts	32,07,70,449	29,19,68,416
TOTAL	32,86,91,387	30,08,79,416
9 CASH & BANK BALANCES		
Cash on Hand	14,32,890	12,59,290
Bank Balances:		
With Scheduled Banks in Current Accounts	17,04,41,500	6,53,47,098
With Scheduled Banks in Short Term Deposit Accounts	9,97,11,165	8,32,97,547
With Scheduled Banks in Unpaid Dividend Accounts	24,31,112	23,12,661
TOTAL	27,40,16,667	15,22,16,596
10 LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or kind	24,14,68,910	21,15,94,383
Advance Income tax and Tax deducted at Source	7,86,00,948	7,71,21,454
Deposits with Govt. Departments and Others	3,20,48,442	2,70,55,580
Prepaid Expenses	24,10,426	62,84,446
TOTAL	35,45,28,726	32,20,55,863
11 CURRENT LIABILITIES		
For Sundry Creditors	29,22,15,084	1970,33,817
For Other liabilities	7,09,43,486	9,59,52,510
Trade Deposits	6,21,56,996	4,70,78,154
Interest accrued and not due on loans/deposits	7,78,004	36,73,984
Unclaimed Dividend	24,31,112	23,12,661
TOTAL	42,85,24,682	34,60,51,126
12 PROVISIONS		
Proposed Dividends	2,16,65,765	2,16,65,765
Tax on Dividend	36,82,097	36,82,098
Provision for Taxation	8,64,61,400	9,94,23,541
TOTAL	11,18,09,262	12,47,71,404

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	For the year ended 31.03.2008	For the year ended 31.03.2007
13 SALES		
Gross Sales (Net of Sales Tax)	4,71,80,14,172	4,40,67,49,985
Less: Excise duty	26,99,50,974	24,87,78,156
Less: Discounts, Rebates, Service Charges, etc.	15,35,07,614	25,47,27,139
Less: Commission to Sole Selling Agents	2,91,32,488	2,51,92,698
Less: Transportation	18,81,34,143	19,63,00,470
NET SALES	4,07,72,88,953	3,68,17,51,522
14 OTHER INCOME		
Interest received from Banks (TDS Rs.10,18,558)	1,57,79,348	21,38,417
Dividend received	8,18,62,443	5,84,91,035
Other Miscellaneous income	11,25,23,191	12,13,19,334
Profit on sale of assets	-	2,019,460
TOTAL	21,01,64,982	18,39,68,246
15 SALARIES, WAGES, BONUS ETC.,		
Salaries, Wages and Bonus	16,92,58,494	16,44,19,867
Gratuity & Superannuation Fund Contribution	1,43,85,342	1,22,00,114
Provident Fund Contribution	1,56,42,893	1,10,06,484
Workmen & Staff Welfare Expenses	2,11,52,120	2,20,82,902
TOTAL	22,04,38,849	20,97,09,367
16 INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	11,13,27,720	10,20,77,555
Interest on Others	8,35,91,318	5,74,24,467
TOTAL	19,49,19,038	15,95,02,022
17 REPAIRS & MAINTENANCE		
Plant & Machinery	9,53,92,791	6,94,58,070
Buildings	81,94,743	67,06,218
Others	98,04,283	51,29,992
TOTAL	11,33,91,817	8,12,94,280
18 SELLING EXPENSES		
Advertisement & Sales Promotion	3,74,33,854	7,59,00,490
Handling, Packing & Forwarding	4,79,31,005	3,75,18,578
Bad and Doubtful debts	39,20,669	10,17,477
TOTAL	8,92,85,528	11,44,36,545

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	For the year ended 31.03.2008	For the year ended 31.03.2007
19 ADMINISTRATIVE & OTHER EXPENSES		
Rent	38,63,558	27,41,426
Insurance	94,68,267	1,16,46,277
Directors' Sitting fees	7,05,000	7,15,000
Postage, Telephone, Telegrams, Telex & Email charges	1,29,02,036	92,19,406
Travelling & Conveyance	2,72,04,582	2,40,68,965
Printing & Stationery	33,87,199	37,93,713
Motor Car Maintenance	97,34,157	66,32,755
Bank Charges	95,06,991	88,22,931
Audit, Accountancy & Legal Charges	1,30,13,310	1,77,94,272
Loss on sale of assets	624,735	19,959
Other Miscellaneous expenses	3,84,28,069	3,81,49,583
TOTAL	12,88,37,904	12,36,04,287
20 DECREASE IN STOCK		
Closing Stock of Finished Goods	49,90,62,405	46,69,10,858
Opening Stock of Finished Goods	46,69,10,858	40,56,78,576
 (Increase) / Decrease	 (3,21,51,547)	 (6,12,32,282)
Excise duty on stock variance	(29,356)	1,39,31,284
 (Increase) / Decrease	 (3,21,80,903)	 (4,73,00,998)

21 STATEMENT OF ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements are prepared under the historical Cost convention and the accounts are prepared in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.

b) PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to Sudharsanam Investments Ltd., the Wholly Owned Subsidiary and Sri Ramco Lanka Private Ltd., the Wholly Owned Subsidiary.

The Consolidated Financial Statements have been prepared on the following basis.

The Financial Statements of the Subsidiaries have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealized profits or losses.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions or other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

c) OTHER SIGNIFICANT ACCOUNTING POLICIES

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

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
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Vice-Chairman & Managing Director
S.A. BHIMA RAJA
Whole Time Director

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

22 NOTES ON ACCOUNTS :

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
1	Contingent Liabilities not provided for:-	
a.	Estimated amount of contracts remaining to be executed on Capital accounts	44,00,000
b.	Bank Guarantees	3,41,73,117
c.	Letters of Credit	11,42,80,506
d.	Corporate Guarantee furnished by the Company to UTI Bank Ltd for Ramco Systems Limited to support their credit facilities	15,00,00,000
	Corporate Guarantee furnished by the Company to The Karur Vysya Bank Limited for Ramco Systems Limited to support their credit facilities	10,00,00,000
	Corporate Guarantee furnished by the Company to IDBI Bank Ltd for Ramco Systems Limited to support their credit facilities	10,00,00,000
2	Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:	
	Statutory Audit Fees	5,41,710
	Tax Audit Fees	22,448
	Fees for certification	21,124
	Expenses of Audit	1,49,039
3	The Deferred tax liability as on 31.03.2008 consists of :	
		Rs. in lacs
	Timing differences on account of :	
	Tax effect on difference between book depreciation and depreciation under the Income-tax Act, 1961	3431
	Tax effect of transitional liability for Employee benefits	(78)
	Deferred tax liability (Net)	3353
4	The Parent Company provides depreciation on all its Plant & machineries under Straight Line Method as per the rates prescribed in Section 205(2) (b) of the Companies Act, 1956, excepting those machineries & equipments acquired and commissioned at Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Sinugra, Calcium Silicate Board Plant at Arakkonam, Clinker Grinding unit at Kharagpur, Plastic storage containers units at Silvassa and Maksi and Wind Electric Generators, on which depreciation is provided under Written Down Value method applying rates prescribed in Schedule XIV of the Companies Act, 1956. The Subsidiary Company in Sri Lanka provides depreciation on all assets under Straight Line Method as per rates prescribed under the laws of that country.	
5	The Company has not utilized Short Term Loans for Long Term purposes.	
6	Income Tax assessment has been completed upto the Accounting year 2004 – 2005 (i.e. Assessment year 2005-06). Demand raised by the Department amounting to Rs. 72.75 lacs (Previous year Rs.67 lacs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.	
7	Sales Tax demands amounting to Rs. 1.18 Crores (previous year Rs.4.92 crores) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

8 Current Liabilities:-

There are no dues to Micro and Small Enterprises as at 31-3-2008. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

9 The Parent Company's Shares are listed on Madras Stock Exchange, National Stock Exchange of India Ltd and The Stock Exchange, Mumbai and the listing fees in respect of all the three exchanges for the Financial year 2008 – 2009 have been paid.

10 a. The Term Loan of Rs.820.40 lacs availed from Indian Bank under Technology Upgradation Fund Scheme is secured by an exclusive charge on the Assets procured under the scheme for the Windmill Division.

b. The Term Loan of Rs.2768.69 lacs availed from Indian Bank under Technology Upgradation Fund Scheme is secured by exclusive charge on the Assets procured under the scheme for Textile & Windmill Division.

c. The Term loan of Rs.3767.11 lacs availed from Canara Bank under Technology Upgradation Fund Scheme is secured by exclusive charge on the Fixed Assets of the Company for Textile Division.

d. The Term Loan of Rs.713.02 lacs availed from The Karur Vysya Bank Ltd under Technology Upgradation Fund Scheme is secured by first pari passu charge on fixed assets, excluding specifically charged assets, for Textile Division.

e. The Term loan of Rs.5000 lacs availed from State Bank of Indore is secured by a first pari passu charge on the fixed assets of the company excluding specifically charged assets.

f. The Term loan of Rs.1000 lacs availed from State Bank of Mauritius is secured by a first pari passu charge on the fixed assets of the company excluding specifically charged assets.

g. The Term loan of Rs.4000 lacs availed from State Bank of Travancore is secured by first pari passu charge on fixed assets of the company excluding specifically charged Assets.

h. The Working Capital Borrowings of the Company are secured by hypothecation of Stocks of raw materials, work-in-progress, stores, spares and finished goods and book debts.

11 Expenditure on Voluntary Retirement Scheme is amortised over a period of five years. An amount of Rs.50,880/- unamortised is shown under Miscellaneous Expenditure in the Balance Sheet of the Company.

12 Net Profit on account of difference in rate of exchange on foreign currency transaction amounting to Rs.52,40,148 /- has been recognized in the Profit and Loss Account.

13 Earnings Per Share

Particulars	For the year ended	
	31.03.2008 (Rs.)	31.03.2007 (Rs.)
Net Profit after Tax (A)	29,65,73,471	27,86,68,798
No. of Shares (B)	43,33,153	43,33,153
Basic and Diluted earnings per share of Rs.10 each (A/B)	68	64

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

14. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

As required under Accounting Standard (AS-17) the Segment wise Revenue, Results and Capital employed are furnished below:-

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Revenue/Income from operations										
External Customers	3,725,168,013	3,268,715,297	448,671,908	402,953,812	109,664,803	117,738,702	108,006,669	183,013,388	4,391,511,393	3,972,421,199
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total Revenue	3,725,168,013	3,268,715,297	448,671,908	402,953,812	109,664,803	117,738,702	108,006,669	183,013,388	4,391,511,393	3,972,421,199
2. Results										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	539,874,942	423,730,493	(5,201,775)	31,120,414	15,959,296	23,079,986	96,169,008	81,694,784	646,801,471	568,725,677
Interest expenses									194,919,038	159,502,022
Interest Income/ Dividend income										
Income Tax - Current									114,102,215	120,165,779
- Deferred									37,456,747	7,089,078
- Fringe Benefit Tax									3,750,000	3,300,000
Profit from Ordinary activities									296,573,471	278,668,798
Extraordinary Profit/Loss									-	-
Net Profit									296,573,471	278,668,798
3. Other Information										
Segment Assets	2,236,413,652	1,929,049,593	1,116,910,626	648,821,597	534,872,656	516,344,292	2,229,172,085	161,207,945	6,117,369,019	5,449,594,770
Unallocated corporate assets										
Total Assets	2,236,413,652	1,929,049,593	1,116,910,626	648,821,597	534,872,656	516,344,292	2,229,172,085	161,207,945	6,117,369,019	5,449,594,770
Segment Liabilities	1,273,684,931	1,768,987,280	798,050,617	371,078,164	175,148,712	326,022,158	1,233,755,683	464,668,592	3,480,639,943	3,023,828,969
Unallocated corporate liabilities										
Total Liabilities	1,273,684,931	1,768,987,280	798,050,617	371,078,164	175,148,712	326,022,158	1,233,755,683	464,668,592	3,480,639,943	3,023,828,969
Capital Expenditure	206,615,444	170,164,325	480,753,473	101,704,544	91,382,531	-	-	7,331,615	778,751,448	242,226,913
Depreciation	139,484,054	116,957,329	62,834,162	49,292,934	84,430,780	91,531,759	10,481,133	19,992,803	297,230,129	277,293,052
Non-cash expenses other than depreciation			50,880	405,160					50,880	405,160

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

15. Related Party Disclosure

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

- a. Key Management Personnel and relatives:
P.R. Ramasubrahmaneya Rajha
P.R. Venketrama Raja
- b. Enterprises over which the above persons exercise significant influence and with which the company has transactions during the year.
Rajapalayam Mills Ltd.
Madras Cements Ltd
Ramco Systems Ltd
The Ramaraju Surgical Cotton Mills Ltd
Sri Vishnu Shankar Mill Ltd
Sandhya Spinning Mill Ltd
Thanjavur Spinning Mill Ltd
Sri Harini Textiles Ltd
Rajapalayam Spinners P Ltd

The Company's transactions with the above related parties are given below:

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2008 (Rs.)	Dr./Cr.
i.	Sale of Goods:			
	Rajapalayam Mills Limited			
	- Waste Cotton	1,30,36,599	NIL	
	- Cotton	58,31,339	NIL	
	- Conversion Charges	6,40,172	NIL	
	- Building Products	19,43,695	NIL	
	Sandhya Spinning Mill Ltd			
	- Waste Cotton	74,57,226	NIL	
	- Building Products	15,27,067	NIL	
	The Ramaraju Surgical Cotton Mills Ltd			
	- Conversion charges	9,20,503	NIL	
	- Waste Cotton	96,10,346	NIL	
	- Building Products	27,35,979	NIL	
	Sri Vishnu Shankar Mill Ltd			
	- Conversion Charges	8,98,416	NIL	
	- Cotton	42,30,505	NIL	
	- Building Products	15,25,474	NIL	
	Rajapalayam Spinners P Ltd			
	- Building Products	20,27,463	NIL	
	Thanjavur Spinning Mill Limited			
	- Building Products	2,21,992	NIL	
	Madras Cements Limited			
	- Building Products	1,61,486	NIL	
	Sri Harini Textiles Ltd			
	- Building Products	11,24,922	NIL	
ii.	Purchase of Goods:			
	Madras Cements Ltd			
	- Cement	46,29,21,686	NIL	
	- Clinker	2,39,64,480	NIL	
	- Fly Ash	5,29,058	NIL	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2008 (Rs.)	Dr./Cr.
	Rajapalayam Mills Limited			
	- Cotton	28,88,398	NIL	
	- Gassing charges	2,08,183	NIL	
	- Spares / Machinery	74,880	NIL	
	Sandhya Spinning Mill Ltd			
	- Cotton	47,688	NIL	
	Ramco Systems Limited			
	- Service expenses	37,09,019	4,00,000	Cr.
	Sri Vishnu Shankar Mill Ltd			
	- Machinery	10,83,341	NIL	
	- Yarn	9,57,600	NIL	
	- Cotton	32,85,510	NIL	
iii.	Corporate Guarantees Issued Ramco Systems Limited	10,00,00,000	10,00,00,000	
iv.	Short Term Borrowings : Shri. P.R. Venketrama Raja Shri. K.T. Ramachandran		29,11,517 1,00,000	Cr Cr
v.	Intercompany Loans Given Sudharsanam Investments Limited		3,78,30,607	Dr

The above transactions were done in the ordinary course of business and at commercial rates.

No amount has been written off or written back in the accounts

* Amount outstanding net of Withholding tax

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

Name	Closing Balance as on 31.03.2008 inclusive of interest accrued	Interest Accrued
	(Rs.)	Rs.
Sri. P.R. Venketrama Raja	29,11,517	1,79,448
Sri. K.T. Ramachandran	1,00,000	7,000

17. Previous year's figures have been regrouped/restated wherever necessary so as to make them comparable with that of the current year.

18. Figures have been rounded off to the nearest rupee.

As per our Report Annexed

For M/s.M.S.JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director
S.A. BHIMA RAJA
Whole Time Director

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr.A. RAMAKRISHNA
Directors

Place : Chennai
Date : June 30, 2008

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit, after tax as per Profit and Loss Account	29,65,73,471	27,86,68,798
<u>Adjusted for:</u>		
Provision for taxation		
- Current tax	11,41,02,215	12,01,65,779
- Deferred tax	3,74,56,747	70,89,078
- Fringe Benefit Tax	37,50,000	33,00,000
Loss on sale of assets	6,24,735	19,959
Depreciation	29,88,61,114	29,51,37,239
Bad Debts	-	10,17,477
Misc Expenditure written off	1,10,689	14,09,756
Dividend Income	(8,18,62,443)	(5,84,91,035)
Interest income	(1,57,79,348)	(21,38,417)
Interest paid	19,49,19,038	15,95,02,022
Profit on sale of Assets	-	(20,19,460)
Profit on sale of Investments	-	(56,25,000)
Operating profit before working capital changes	84,87,56,218	79,80,36,196
<u>Adjusted for:</u>		
Trade and other receivables	(6,03,10,603)	(14,17,27,767)
Inventories	(7,89,11,392)	6,76,50,327
Trade payables	6,95,11,413	(5,24,09,690)
Cash generated from operations	77,90,45,636	67,15,49,066
Taxes paid	(11,78,52,215)	(10,25,97,530)
Net cash from operating activities	66,11,93,421	56,89,51,536
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(77,87,51,448)	(29,69,18,162)
Sale of fixed assets	(22,55,720)	3,94,76,228
Interest income	1,57,79,348	21,38,417
Dividend income	8,18,62,443	5,84,91,035
State subsidy receipts	3,49,63,156	-
Purchase of Investments	(42,36,971)	(17,39,83,411)
Sale of Investments		1,61,25,000
Provn for AS 15	(4,957,975)	-
Net cash used in operating activities	(65,75,97,167)	(35,46,70,893)

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	77,67,11,121	66,81,03,219
Repayment of long term borrowings	(7,32,54,651)	(77,53,40,000)
Short term borrowings, net	(32,44,26,301)	(21,71,22,261)
Working capital changes	1,01,36,274	33,43,26,986
Dividend paid	(7,60,43,588)	(7,47,09,229)
Interest paid	(19,49,19,038)	(15,95,02,022)
Net cash from financing activities	11,82,03,817	(22,42,43,307)
Net increase / (decrease) in cash and cash equivalents	12,18,00,071	(99,62,664)
Opening balance of cash and cash equivalents	15,22,16,596	16,21,79,260
Closing balance of cash and cash equivalents	27,40,16,667	15,22,16,596

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
P.R. VENKETRAMA RAJA
Vice-Chairman & Managing Director

S.A. BHIMARAJA
Whole Time Director
S. KRISHNAN
Company Secretary

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
M.G. BALASUBRAMANIAN
Dr. A. RAMAKRISHNA
Directors

Date : June 30, 2008
Place : Chennai,

AUDITORS' CERTIFICATE

To

The Board of Directors
Ramco Industries Limited
Chennai-4.

We have examined the above Consolidated Cash Flow Statement of Ramco Industries Limited and its subsidiaries. The Statement has been prepared based on and in agreement with the corresponding Consolidated Profit and Loss account and Balance Sheet of Ramco Industries Limited and its Subsidiaries covered by our report of 30.06.2008 to the members of the Company.

For **M/S. M.S.JAGANNATHAN & N. KRISHNASWAMI**

Chartered Accountants

K.SRINIVASAN

Partner

Membership No. 21510

Place : Chennai

Date : June 30, 2008

For **M/S.CNGSN & ASSOCIATES**

Chartered Accountants

C.N. GANGADARAN

Partner

Membership No.11205