

Ramco Industries Limited

ANNUAL REPORT 2012 - 2013



A view of the Calcium Silicate Board Plant at Kotputli, Rajasthan



A view of the Fibre Cement Sheet Plant at Mathugama, Sri Lanka



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.

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

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

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

Website : www.ramcoindltd.com
www.ramcohilux.com

FACTORIES

I. Building Products Division

Arakkonam, Tamil Nadu

Bihiya, Bihar

Gangaikondan, Tamil Nadu

Karur, Karnataka

Kharagpur, West Bengal

Kotputli, Rajasthan

Maksi, Madhya Pradesh

Sinugra, Gujarat

Silvassa, Union Territory of Dadra & Nagar Haveli

Vijayawada, Andhra Pradesh

II. Textile Division (Cotton Yarn)

Sri Ramco Spinners, Rajapalayam, Tamil Nadu

Subsidiary Companies

Sudharsanam Investments Limited, India

Sri Ramco Lanka (Private) Limited, Sri Lanka

Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka

Bankers

Canara Bank

HDFC Bank Limited

DBS Bank Limited

IDBI Bank Limited

Indian Bank

Kotak Mahindra Bank Limited

State Bank of India

State Bank of Mauritius Limited

Tamilnad Mercantile Bank Limited

The Karur Vysya Bank Limited

Auditors

M/s. M.S. Jagannathan & N. Krishnaswami

Chartered Accountants

Unit - 5, Ground Floor, Abirami Apartments,

No.14, V.O.C. Road, Cantonment,

TIRUCHIRAPALLI – 620 001, Tamil Nadu

M/s. CNGSN & Associates

Chartered Accountants

20, Raja Street, T. Nagar

CHENNAI – 600 017, Tamil Nadu

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` in lacs

| FINANCIAL HIGHLIGHTS | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|---------|
| Earnings | | | | | | |
| Sales & Other Income | 40,268 | 47,069 | 54,297 | 57,788 | 70,676 | 80,457 |
| Operating Profit | 8,461 | 10,227 | 11,876 | 11,927 | 12,886 | 12,606 |
| Cash Generation | 6,512 | 7,701 | 9,754 | 9,858 | 10,624 | 9,787 |
| Net Profit (PAT) | 2,548 | 3,565 | 5,359 | 5,321 | 6,135 | 5,449 |
| Assets Employed | | | | | | |
| Net Fixed Assets | 24,946 | 23,513 | 24,335 | 25,577 | 27,491 | 35,174 |
| Investments | 19,283 | 20,262 | 20,262 | 20,262 | 20,262 | 20,316 |
| Other Net Assets net off other Liabilities | 9,984 | 12,832 | 15,710 | 17,776 | 21,737 | 32,577 |
| TOTAL | 54,213 | 56,607 | 60,307 | 63,615 | 69,490 | 88,607 |
| Financed By: | | | | | | |
| A. Shareholders' Funds | | | | | | |
| Share Capital | 100 | 100 | 100 | 100 | 100 | 100 |
| Bonus Shares | 333 | 333 | 767 | 767 | 767 | 767 |
| Reserves and Surplus | 24,161 | 27,315 | 32,037 | 36,505 | 41,531 | 45,873 |
| Deferred Tax | 3,214 | 2,939 | 2,638 | 2,408 | 2,289 | 2,019 |
| Total Shareholders, Funds (A) | 27,808 | 30,687 | 35,542 | 39,780 | 44,687 | 48,759 |
| B. Borrowed Funds | | | | | | |
| Short Term and Long Term | 26,405 | 25,920 | 24,766 | 23,835 | 24,803 | 39,308 |
| Total Borrowings (B) | 26,405 | 25,920 | 24,766 | 23,835 | 24,803 | 39,308 |
| TOTAL (A) + (B) | 54,213 | 56,607 | 60,308 | 63,615 | 69,490 | 88,067 |
| Book Value per Share (`) | 558 | 631 | 36.95 | 42.10 | 47.90 | 52.91 |
| Earnings Per Share (`) | 59 | 82 | 6.18 | 6.14 | 7.08 | 6.28 |
| Dividend Per Share (`) | 15 | 15 | 0.85 | 0.90 | 1.10 | 1.10 |
| Dividend Payout (` in Lacs) | 650 | 650 | 737 | 780 | 953 | 953 |
| Dividend Payout Ratio % | 25 | 18 | 14 | 15 | 16 | 18 |
| Operating Profit Ratio % | 21.01 | 21.73 | 21.87 | 20.64 | 18.23 | 15.67 |
| Gross Fixed Assets per Share (`) | 900 | 938 | 51.04 | 52.86 | 60.79 | 62.24 |
| Debt - Equity Ratio | 1.07 | 0.93 | 0.75 | 0.64 | 0.59 | 0.84 |
| Market Price of Share (`) | | | | | | |
| a. As on 31st March* (Close) | 733 | 375 | 57.40 | 45.95 | 44.75 | 52.70 |
| b. high** | 1,740 | 925 | 73.30 | 83.35 | 46.00 | 52.90 |
| c. low** | 545 | 346 | 48.60 | 41.60 | 44.10 | 50.10 |
| P/E Ratio as at 31st March@ | 12.46 | 4.55 | 9.29 | 7.49 | 6.32 | 8.39 |
| Market Capitalisation@ (` in lacs) | 31,762 | 16,249 | 49,744 | 39,822 | 38,782 | 45,671 |

* NSE Quotations.

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

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

From 2009-10, Figures relating to Shares are after Stock-Split (F.V. of each Share: ` 1/- w.e.f. 16-9-2009) and 1:1 Bonus Issue
Figures have been regrouped for comparison purposes.

NOTICE TO THE MEMBERS

Notice is hereby given that the 48th Annual General Meeting of the Company will be held at 11.45 a.m. on Monday the 29th July, 2013 at P.A.C.R. Centenary Community Hall, Sudharsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2013 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 2012-13.
3. To appoint a Director in the place of Shri P.R.Ramasubrahmaneya Rajha, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Dr.A. Ramakrishna, 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 Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.3,50,000/-(Rupees Three Lacs and fifty thousand 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 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 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 2013 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 be paid an overall 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 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 Vice Chairman and Managing Director, the Company has no profits or its profits are inadequate, Shri.P.R.Venketrama Raja, Vice Chairman and Managing Director shall be paid remuneration as under:

1. 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.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for every completed year of service and
4. Encashment of Leave at the end of the tenure.

RESOLVED FURTHER that 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 Vice Chairman and Managing Director 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 : 30.05.2013

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

NOTES

- (i) A member entitled to attend and vote at 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. Members / Proxies are requested to bring duly filled attendance slips sent herewith to attend the meeting.
- (iii) The Register of members and the Share transfer books of the Company will remain closed from 23rd July, 2013 to 29th July, 2013 (both days inclusive).
- (iv) 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 29th July, 2013 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 23rd July, 2013.
- (v) SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories for depositing the Dividends through National Electronic Clearing Service (NECS) to the Investors wherever NECS facility / Bank details are available. In the absence of NECS facilities, the Company will print the Bank account details, if available on the payment instrument for distribution of Dividend.
- (vi) None of the items listed in the Agenda require postal Ballot.
- (vii) Under the provisions of Section 205 C of the Companies Act, 1956, Dividends remaining unpaid for a period of over 7 years shall be transferred to the Investors' Education & Protection Fund (IEPF) of the Central Government from the date of declaration. 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 2005-06 and thereafter may write to the Registrar and Share Transfer Agent of the Company M/s Cameo Corporate Services Limited, "Subramanian Buildings" No.1, Club House Road, Chennai – 600 002 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 | Due Date for transfer to IEP Fund |
|--|--|---|--|
| 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 | 27.11.2012 28.02.2013 25.08.2013 |
| 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 | 28.11.2013 28.02.2014 25.08.2014 |
| 31.03.2008 I Interim Dividend II Interim Dividend Final Dividend | 23.10.2007 31.01.2008 11.08.2008 | 22.10.2014 30.01.2015 10.08.2015 | 21.11.2014 28.02.2015 08.09.2015 |
| 31.03.2009 I Interim Dividend II Interim Dividend Final Dividend | 23.10.2008 29.01.2009 05.08.2009 | 22.10.2015 28.01.2016 04.08.2016 | 21.11.2015 27.02.2016 03.09.2016 |
| 31.03.2010 Interim Dividend Final Dividend | 27.10.2009 02.08.2010 | 26.10.2016 01.08.2017 | 25.11.2016 31.08.2017 |
| 31.03.2011 Interim Dividend Final Dividend | 25.10.2010 10.08.2011 | 24.10.2017 09.08.2018 | 23.11.2017 08.09.2018 |
| 31.03.2012 Interim Dividend Final Dividend | 21.03.2012 02.08.2012 | 20.03.2019 01.08.2019 | 19.04.2019 31.08.2019 |
| 31.03.2013 Interim Dividend | 13.02.2013 | 12.02.2020 | 13.03.2020 |

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

The following explanatory statement 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 special business items mentioned in the notice dated 30th May, 2013 convening the 48th Annual General Meeting.

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 appointed as the Vice Chairman and Managing Director of the Company by the Members of the Company at the 43rd Annual General Meeting held on 11.08.2008 for a period of 5 years with effect from 28th June 2008. Shri P R Venketrama Raja , Vice Chairman and Managing Director, 53 years, holds a Bachelor's Degree in Chemical Engineering and a Master in Business Administration from the University of Michigan, USA.

During his tenure as Vice Chairman and Managing Director, the Company has expanded its business by opening new plants in Gangaikondan (Tamil Nadu), Bihiya (Bihar) and one more subsidiary company at Srilanka and the Company achieved substantial growth in volume of business, operations and profitability. Recognizing his valuable contributions and to accelerate the growth of the Company, the Board of Directors at their meeting held on 13.02.2013 on the recommendations of the Remuneration Committee, has re-appointed Shri.P.R.Venketrama Raja as the Vice Chairman and Managing Director for a further period of 5 years with effect from 28th June 2013 with the remuneration as detailed in the resolution and recommends the same for approval by the Members.

Following are the details of other Directorships of Shri.P R Venketrama Raja, Vice Chairman and Managing Director :

| | | |
|-----|---|-------------------------------------|
| 1. | Madras Cements Limited | Director |
| 2. | Rajapalayam Mills Limited | Director |
| 3. | Ramco Systems Limited | Vice Chairman and Managing Director |
| 4. | The Ramaraju Surgical Cotton Mills Limited | Director |
| 5. | Thanjavur Spinning Mill Limited | Director |
| 6. | Sri Vishnu Shankar Mill Limited | Director |
| 7. | Sandhya Spinning Mill Limited | Director |
| 8. | Sudharsanam Investments Limited | Director |
| 9. | Rajapalayam Spinners Limited | Director |
| 10. | Sri Harini Textiles Limited | Director |
| 11. | Sri Sandhya Farms (India) Private Limited | Director |
| 12. | Sri Saradha Deepa Farms Private Limited | Director |
| 13. | Ramamandiram Agricultural Estate Private Limited | Director |
| 14. | Nalina Agricultural Farms Private Limited | Director |
| 15. | Nirmala Shankar Farms & Estates Private Limited | Director |
| 16. | Sri Nithyalakshmi Farms Private Limited | Director |
| 17. | Ram Sandhya Farms Private Limited | Director |
| 18. | RCDC Securities and Investments Private Limited | Director |
| 19. | Ramco System Corporation USA | Director |
| 20. | Sri Ramco Lanka (Private) Limited, Sri Lanka | Director |
| 21. | Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka | Director |
| 22. | Deccan Renewable Wind Electrics Limited | Chairman |
| 23. | Ramco Systems Ltd., Switzerland | Director |
| 24. | Ramco Systems Sdn. Bhd., Malaysia | Director |
| 25. | Ramco Systems Pte. Ltd., Singapore | Director |
| 26. | RSL Enterprises Solutions (Pty.) Ltd., South Africa | Director |
| 27. | Ramco Systems Canada Inc., Canada | Director |
| 28. | Ramco Systems Fz-LLC | Director |
| 29. | Ramco Systems Australia Pty. Limited, Australia | Director |

Details of committee memberships of Shri.P R Venketrama Raja, Vice chairman and Managing Director:

| Name of the Company | Name of the Committee | Position Held |
|--|--|---------------|
| Madras Cements Limited | Investors Grievance Committee | Chairman |
| | Audit Committee | Member |
| | Share/Debenture Committee | Member |
| | Project Management Committee | Member |
| Ramco Industries Limited | Investor Grievances Committee | Member |
| | Share Transfer Committee | Member |
| Ramco Systems Limited | Shareholders Committee | Member |
| | Allotment Committee | Member |
| Rajapalayam Mills Limited | Investors Grievance Committee | Member |
| The Ramaraju Surgical Cotton Mills Limited | Shareholders / Investors Grievance Committee | Member |
| Rajapalayam Spinners Limited | Audit Committee | Member |

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

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. Shri P.R.RAMASUBRAHMANEYA RAJHA

Shri P.R.Ramasubrahmaneya Rajha, aged 77 years is a leading Industrialist, heading the RAMCO Group of Companies as the Chairman. The RAMCO Group with interests in the business of the Cotton Yarn, Cement,Fibre Cement Sheets and other Building Products, Software and Bio-Technology has a turnover of Rs.5500 Crores. Under the leadership of Shri P.R.Ramasubrahmaneya Rajha the RAMCO Group has increased its volume of Business manifold and is one of the most respected Industrial/Corporate Groups in the Country achieving international recognition for its quality products and services.

Shri.P.R. Ramasubrahmaneya Rajha has been on the Board of Ramco Industries Limited since inception. He is a member of the Investor Grievances Committee and the Share Transfer Committee of the Board of Directors of the Company.

He is a Director on the Board of the following Companies :

| | | |
|-----|--|------------------------------|
| 1. | Madras Cements Limited | Chairman & Managing Director |
| 2. | Rajapalayam Mills Limited | Chairman |
| 3. | Ramco Systems Limited | Chairman |
| 4. | The Ramaraju Surgical Cotton Mills Limited | Chairman |
| 5. | Thanjavur Spinning Mill Limited | Chairman |
| 6. | Sri Vishnu Shankar Mill Limited | Chairman |
| 7. | Sandhya Spinning Mill Limited | Chairman |
| 8. | Sudharsanam Investments Limited | Chairman |
| 9. | Madras Chipboard Limited | Chairman |
| 10. | Rajapalayam Spinners Limited | Chairman |
| 11. | Sri Harini Textiles Limited | Chairman |

| | | |
|-----|---|----------|
| 12. | Ramco Management Private Limited | Chairman |
| 13. | Sri Sandhya Farms (India) Private Limited | Director |
| 14. | Sri Saradha Deepa Farms Private Limited | Director |
| 15. | Ramamandiram Agricultural Estate Private Limited | Director |
| 16. | Nalina Agricultural Farms Private Limited | Director |
| 17. | Nirmala Shankar Farms & Estates Private Limited | Director |
| 18. | Sri Nithyalakshmi Farms Private Limited | Director |
| 19. | Ram Sandhya Farms Private Limited | Director |
| 20. | RCDC Securities and Investments Private Limited | Director |
| 21. | Ramco System Corporation USA | Director |
| 22. | Sri Ramco Lanka (Private) Limited, Sri Lanka | Director |
| 23. | Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka | Director |
| 24. | Shri Harini Media Private Limited | Director |
| 25. | Deccan Renewable Wind Electrics Limited | Director |

Details of committee memberships of Shri P R Ramasubrahmaneya Rajha, Chairman :

| Name of the Company | Name of the Committee | Position Held |
|--|--|---------------|
| Madras Cements Limited | Investors Grievance Committee | Member |
| | Share/Debenture Committee | Chairman |
| | Project Management Committee | Chairman |
| Ramco Industries Limited | Investor Grievances Committee | Chairman |
| | Share Transfer Committee | Chairman |
| Ramco Systems Limited | Shareholders Committee | Chairman |
| | Compensation Committee | Member |
| Rajapalayam Mills Limited | Investors Grievance Committee | Chairman |
| | Share Transfer Committee | Chairman |
| The Ramaraju Surgical Cotton Mills Limited | Shareholders / Investors Grievance Committee | Chairman |
| | Share Transfer Committee | Chairman |
| Rajapalayam Spinners Limited | Audit Committee | Chairman |
| Sandhya Spinning Mill Limited | Share Transfer Committee | Chairman |

He holds 28,82,621 shares of Re.1/- each in the Company.

2. Dr.A. RAMAKRISHNA :

Dr.A.Ramakrishna aged 73 years holds a B.E (Civil Engineering), M.Sc. (Structural Engineering) and also a Honorary Degree of Directorate of Sciences from Andhra University. Dr.Ramakrishna had served in various capacities like President, Deputy Managing Director and Advisor of L&T. With his specialised knowledge in Structural Engineering – precast and pre-stressed concrete and industrialised methods of construction – he had provided leadership for construction of scores of Cement Plants, Steel Plants, Power Projects, Bridges, Harbours, Airports and Nuclear Power Plants in and outside India.

Dr.A.Ramakrishna has been on the Board since June 2006. He is a member of the Audit Committee of Board of Directors of the Company as an Independent Director.

He is a Director on the Board of the following Companies:

| | | |
|-----|---|----------|
| 1. | Madras Cements Limited | Director |
| 2. | The Andhra Sugars Limited | Director |
| 3. | The Andhra Petrochemicals Limited | Director |
| 4. | Brigade Enterprises Limited | Director |
| 5. | Christiani & Nielson (Thai) Public Co.Ltd, Thailand | Director |
| 6. | GVK Energy Limited | Director |
| 7. | GVK Gautami Power Limited | Director |
| 8. | GVK Jaipur Expressway Private Limited | Director |
| 9. | GVK Power & Infrastructure Limited | Director |
| 10. | International Infrastructure Consultants Private Ltd. | Director |
| 11. | The KCP Limited | Director |
| 12. | Mumbai International Airport Private Limited | Director |
| 13. | Taj GVK Hotels and Resorts Limited | Director |
| 14. | Bangalore International Airport Limited | Director |
| 15. | GVK Industries Limited | Director |

Details of Committee memberships of Dr.A. Ramakrishna, Director :

| Name of the Company | Name of the Committee | Position Held |
|--|------------------------------|---------------|
| Madras Cements Limited | Audit Committee | Member |
| | Remuneration Committee | Member |
| | Project Management Committee | Member |
| Ramco Industries Limited | Audit Committee | Member |
| Christiani & Nielsen (Thai) Public Co. Limited, Thailand | Audit Committee | Member |
| GVK Gautami Power Limited | Audit Committee | Member |
| GVK Jaipur Expressway Private Limited | Audit Committee | Chairman |
| TAJGVK Hotels & Resorts Limited | Audit Committee | Chairman |
| GVK Power & Infrastructure Limited | Audit Committee | Member |
| | Remuneration Committee | Chairman |
| Mumbai International Airport Private Limited | Audit Committee | Member |
| The KCP Limited | Audit Committee | Member |
| Brigade Enterprises Limited | Audit Committee | Member |
| GVK Energy Limited | Audit Committee | Member |
| Bangalore International Airport Limited | Audit Committee | Member |
| The Andhra Petrochemicals Limited | Audit Committee | Member |

He does not hold any share in the Company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 48th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS

| | For the Year ended 31.03.2013 Rs. In lacs | For the Year ended 31.03.2012 Rs. In lacs |
|---|--|--|
| Operating Profit : Profit before interest, Depreciation and Tax (PBITD) | 12,605 | 12,885 |
| Less : Interest and Finance charges | 2,891 | 2,415 |
| Profit before Depreciation and Tax (PBDT) | 9,714 | 10,470 |
| Less : Depreciation | 3,317 | 3,339 |
| Add : Exceptional items | 72 | 153 |
| Profit before Tax (PBT) | 6,469 | 7,284 |
| Less: Provision for Taxation - Current | 1,290 | 1,270 |
| Deferred | (270) | (120) |
| Profit after Tax (PAT) | 5,449 | 6,134 |
| Add : Balance Profit from last year | 994 | 867 |
| Surplus for Appropriation | 6,443 | 7,001 |
| Transfer to General Reserve | 2,800 | 4,900 |
| Interim Dividend-Re.0.90 per Equity Share (P.Y: Re. 0.90 per Equity Share of Re.1/- each) | 779 | 779 |
| Final Dividend-Re.0.20 per Equity Share (P.Y: Re. 0.20 per Equity Share of Re.1/- each) | 174 | 173 |
| Tax on Dividend | 155 | 155 |
| Balance carried over to Balance Sheet | 2,535 | 994 |
| TOTAL | 6,443 | 7,001 |

DIVIDEND

Your Directors have pleasure in recommending a Final Dividend of Re. 0.20 per Equity Share of Re.1/- each. Together with the Interim Dividend of Rs.0.90 per Equity Share of Re.1/- each paid during the year, the total Dividend for the year 2012-13 is Re.1.10 per Equity Share of Re.1/- each. (During the Previous Year 2011-12, an Interim Dividend of Re.0.90 and a Final Dividend of Re. 0.20 per Equity Share of Re.1/- each were paid making a total Dividend of Re.1.10 per Equity Share).

TAXATION

An amount of Rs.1,290 Lacs towards Current year Income-Tax, and Rs.155 Lacs towards Dividend Tax have been provided for the year 2012-13. In respect of Deferred Tax, an amount of Rs.270 Lacs has been adjusted against liability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Review of Operations and Current Trends

A. BUILDING PRODUCTS DIVISION :

| PRODUCT | PRODUCTION Qty. in M.T. | | SALES Qty. in M.T. | | TURNOVER rsRs.in Lacs | |
|-------------------------|----------------------------|----------|-----------------------|----------|--------------------------|----------|
| | 31.03.13 | 31.03.12 | 31.03.13 | 31.03.12 | 31.03.13 | 31.03.12 |
| Fibre Cement Sheets | 5,65,189 | 5,65,026 | 5,39,844 | 5,50,026 | 55,929 | 49,270 |
| Calcium Silicate Boards | 13,297 | 13,375 | 12,733 | 14,603 | 2,862 | 3,001 |

(a) Fibre Cement (FC) Sheets :

During the year under review, the Production and Sale of Fibre Cement Sheets (FC Sheets) remained consistent. The Turnover was higher at Rs.55,929 lacs during the Financial Year under review as against Rs.49,270 lacs in the corresponding previous year.

(b) Calcium Silicate Boards (CSBs) :

The new State-of-the-Art Project for manufacture of Calcium Silicate Boards with an annual capacity of 48,000 M.T. at Kotputli, Rajasthan, is expected to commence its commercial production during the current year. During 2012-13, quantitative Production is consistent and Sale of CSBs was lower when compared to the previous year as indicated above, due to poor market.

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

The Unit recorded continuous improvement in its performance during the year under review. The Plant had produced 1,40,174 M.T. of Cement during the year under review as against 1,30,152 M.T. of Cement during the previous year, registering 8% growth.

Similarly, Sale of Cement also increased from 1,30,038 M.T during the last year to 1,40,033 M.T. during 2012-13. The drop in Profitability is due to the full utilization of the incentives of the Government of West Bengal.

(d) Fibre Cement Pressure Pipes :

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

B. WIND MILLS :

During the Financial Year 2012-13, 1 No. 330 KW Wind Mill was added and hence the total number of Wind Mills stands at 15.

Position regarding Wind Mills are as follows:-

| | | |
|-------------------------------|---|------------------------------------|
| Total Capacity Installed | : | 16.73 MW |
| Total Units generated | : | 333 Lac Units (P.Y: 302 Lac Units) |
| Income earned | : | Rs.1,727 Lacs (P.Y: Rs.1,224 Lacs) |
| (by generation/sale of power) | | |

C. COTTON YARN DIVISION - SRI RAMCO SPINNERS :

Production and Sales :

During the year 2012-13, the Unit had produced 33.40 Lac Kgs. of Cotton Yarn as compared to 24.65 Lac Kgs. produced during the previous year. The Unit had registered its sale of Yarn at 33.19 Lac Kgs. during the year under review as against 24.98 Lac Kgs. during 2011-12.

After a long spell of sluggishness, there was a sign of revival witnessed in Textile Industry. The cotton and yarn prices prevailed at a reasonable level.

The severe power cut in Tamil Nadu is still continuing. Timely decision to install Windmills in previous years and purchase of power from Third Party has helped the Company to tide over the power crisis to a greater extent. Still to meet the power short fall, we have to use Furnace Oil / Diesel Generator sets resulting in higher costs. The hike in electricity tariff rate by 30% by Government of Tamil Nadu and also hike in Wheeling and other charges imposed on Wind Mills have pushed up the cost of power very steeply.

In spite of spiraling wage cost, cost of power and logistics cost, through implementation of various cost reduction measures and production of flexible/value added count pattern have helped the Company to achieve improved results in the current market scenario.

The Company is maintaining high standards of yarn quality, cost effective production and stringent waste control measures. The Company is focusing on more automation with a view to utilize the skilled manpower more efficiently and also focusing on value added yarn. These measures have strengthened the Company to face the challenges in the current scenario.

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

The production of FC plant of Sri Ramco Roofings Lanka (Private) Limited (SRRLPL), which commenced commercial production on 30th March, 2012, was 45,869 M.T. and Sales was 42,149 M.T. during the year under review.

Due to sluggish market conditions, there was drop in Net Sales of Sri Ramco Lanka (Private) Limited, during the year under review. This was partially offset by supplies effected from Sri Ramco Roofings Lanka (Private) Ltd., The Net Sales were SLR 16,527 lacs (INR 815 lacs) as against SLR.32,839 Lacs (INR 13,990 Lacs) during the corresponding previous year.

TAXES AND DUTIES :

During the year under review, Customs/Central Excise Duties paid on the Company's products amounted to Rs.8,339.58 Lacs. Together with VAT and CST amounting to Rs.8,108.10 Lacs, the Company's total contribution to the Public Exchequer was Rs.16,447.68 Lacs say Rs.164.48 Crores.

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

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

INDUSTRIAL RELATIONS :

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

PARTICULARS OF EMPLOYEES :

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

RESEARCH AND DEVELOPMENT EFFORTS :

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

INTERNAL CONTROL SYSTEM :

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

DIRECTORS :

The Board of Directors at their meeting held on 13.02.2013 re-appointed Shri.P.R.Venketrama Raja as the Vice Chairman and Managing Director with effect from 28th June, 2013 and approval of members for his re-appointment and remuneration payable is being sought at the ensuing 48th Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956/Articles of Association, Shri P.R.Ramasubrahmaneya Rajha and Dr.A.Ramakrishna are the Directors who will be retiring by rotation and are eligible for re-election.

PUBLIC DEPOSITS :

The Total Deposits from the general public outstanding with the Company as on 31st March 2013 were Rs.14.90 Lacs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956.

SHARES :

The Annual Listing Fees have been paid to the three Stock Exchanges for the F.Y 2013-14.

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 48th Annual General Meeting and are eligible for re-appointment.

As per Orders issued by the Government of India, Ministry of Corporate Affairs, New Delhi, from the Financial Year commencing from 1st April, 2013, the Cost Audit is applicable to all divisions of the Company. Accordingly, the Board of Directors has appointed M/s. Geeyes & Co., Cost Accountants, Chennai, as the Cost Auditor for the Financial Year 2013-14.

SUBSIDIARY COMPANIES :

Government of India, Ministry of Corporate Affairs, vide their General Circular No: 2/2011 dated 08.02.2011, has granted general exemption under Section 212(8) of the Companies Act, 1956 to the Companies from attaching the full text of the Financial Statements of the Subsidiaries along with the Company's accounts / Annual Report subject to certain conditions being fulfilled. As required under the said general exemption Circular, the Consolidated Financial Statements have been presented in this Annual Report and the other required disclosures on the Company's three Subsidiaries namely (a) M/s. Sudharsanam Investments Limited, (b) Sri Ramco Lanka (Private) Limited, Sri Lanka and (c) Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka have also been made in this Report.

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

CONSOLIDATED FINANCIAL STATEMENTS :

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the three Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31.03.2013 along with the Auditors' Report thereon are annexed hereto and the same form part of this Annual Report.

CORPORATE GOVERNANCE :

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

DIRECTORS' RESPONSIBILITY STATEMENT :

The Directors confirm that :-

In the preparation of the annual accounts for the year ended 31st March 2013, the applicable Accounting Standards had been followed:

The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

The Annual Accounts were prepared on a going concern basis.

ACKNOWLEDGEMENT

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

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

CHENNAI
30.05.2013

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2013

In terms of Section 217(1) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2013.

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

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

B. TECHNOLOGY ABSORPTION

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

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

| | | |
|-----|--|---|
| (f) | (i) Activities relating to Exports | Exporting Cotton Yarn to Japan, Italy at minimum level. |
| | (ii) Initiatives taken to increase exports | At present export market is not encouraging. However, we are trying our level best to obtain Export orders. |
| | (iii) Development of new export markets for products and service | |
| | (iv) Export plans | |
| (g) | Total foreign exchange used | Rs.1,890.40 lacs |
| | Total foreign exchange earned | Rs.3,668.80 lacs |

Form A (See rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

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

| | | Year ended 31.03.2013 | Year ended 31.03.2012 |
|----------|--------------------|----------------------------------|--------------------------|
| 1 | ELECTRICITY | | |
| | Units Purchased | 2,19,28,670 | 2,07,67,488 |
| | Total amount | Rs.14,84,48,586 | Rs.10,50,16,602 |
| | Rate/unit | Rs.6.77 | Rs.5.06 |

| | | | |
|----------|--------------------------------|-----------|-----------|
| | Own Generation | | |
| (i) | Thro Diesel Generator | | |
| | Units | 5,75,158 | 10,64,088 |
| | Units per ltr. of diesel oil | Rs. 3.67 | Rs.3.63 |
| | Cost/Unit | Rs.11.97 | Rs.9.97 |
| (ii) | Thro HFO Generator | | |
| | Units | 20,62,550 | 9,72,430 |
| | Units per ltr. of furnace oil | 3.75 | 3.62 |
| | Cost/Unit | Rs.12.30 | Rs.11.52 |
| (iii) | Thro Steam Turbine Generator | | |
| | Units | - | - |
| | Units per ltr. of fuel oil/gas | - | - |
| | Cost/Unit | - | - |
| 2 | COAL | - | - |
| 3 | OTHERS | - | - |

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

| | Standards (if any) | Current year (2012-13) | Previous Year (2011-12) |
|--|--------------------|------------------------|-------------------------|
| Products (with details) | | | |
| 100% Cotton yarn 40's converted production | - | 40,41,185 | 38,46,681 |
| Unit per Kg. | | | |
| Electricity | - | 5.00 | 5.13 |
| Furnace Oil | - | - | - |
| Coal (Specify quality) % | - | - | - |
| Others (Specify) | - | - | - |

Form - B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY
A. RESEARCH AND DEVELOPMENT (R & D)
1. SPECIFIC AREAS IN WHICH R&D IS CARRIED OUT BY THE COMPANY
In Building Products Division :

Technology for development of alternative fibre reinforced Cement Sheets is being explored.

Different combinations of Fibres were developed to yield more economic Fibre furnishes.

New Substitutes for Asbestos Fibre are being tried with improved quality and reduction of cost.

Further 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 and also to overcome the reduction in availability of Asbestos Fibre.

3. FUTURE PLAN OF ACTION

Use of alternative fibres in the production of Sheets.

Development of different formulations of asbestos-free flat Boards for different applications.

4. Expenditure on R & D

Recurring expenditure : Rs.11.97 Lacs

Capital Expenditure : Nil

Total : Rs.11.97 Lacs

R&D expenditure as a % age of total turnover of FC Sheets : Negligible

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(pertaining to Cotton Yarn Division)

- | | | |
|----|---|--|
| 1. | Efforts, in brief, made towards technology Absorption, adaptation and innovation | } 1. In our 'A' unit, we have installed Aspire make Retrofit Autodoffer in 3 Ring frames to reduce manpower and doffing time. } } 2. In 'C' unit, we have installed sieger make Bobbin Transport System for our Ringframes and one simplex machine for easy transport of Bobbin from Simplex to Spinning machine without any disturbance to achieve excellent quality. } } 3. We have installed one Flat end milling machine model DKF-10 and one Flat Clipping machine specially for Rieter C60 Carding machine and also suitable for all type of carding machines with high technology to achieve excellent quality. } } 4. We have additionally installed soft package conversion kit for 168 drums in Savio Link Coners in our Rieter Project to increase for supply of soft package yarn to our corporate customers. } |
| 2. | Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. | } Improved product being offered for Indian and International Yarn market with less man power. } |
| 3. | In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished (a)Technology Imported; (b) Year of Import; (c) Had technology been fully absorbed (d) If not, areas where this had not taken place, reason therefor & future plans of action. | } Not Applicable } } } } } |

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good Corporate Governance inspires and strengthens investors' confidence. 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 7 Directors out of which 6 Directors are Non-Executive, including 4 Independent Directors. Independent Directors constitute more than 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 24.05.2012, 02.08.2012, 05.11.2012 and 13.02.2013.

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

| Sl. No | Name of the Director | Directorship* | No. of Board Meetings attended during the year | % of Meetings attended |
|--------|--|---------------|--|------------------------|
| 1. | Shri P.R.Ramasubrahmaneya Rajha (Chairman - Non-Executive) | PD | 4 | 100 |
| 2. | Shri P.R. Venketrama Raja (Vice-Chairman & Managing Director) | PD | 3 | 75 |
| 3. | Shri S.S. Ramachandra Raja | NED | 4 | 100 |
| 4. | Shri N.K. Shrikantan Raja | NEID | 4 | 100 |
| 5. | Shri K.T. Ramachandran | NEID | 3 | 75 |
| 6. | Dr. A. Ramakrishna | NEID | 4 | 100 |
| 7. | Shri R.S. Agarwal | NEID | 4 | 100 |

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

The previous Annual General Meeting of the Company was held on 2nd August, 2012 at Rajapalayam. The following Directors attended the Annual General Meeting :

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

CODE OF CONDUCT :

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

1. FOR DIRECTORS :

A Director being a Trustee of the Shareholders shall :-

- i. Act always in the best interest of the Shareholders.
- ii. Maintain a high standard of probity in his relations with the Company, its subsidiaries, employees, contractors, suppliers and customers.
- iii. Maintain confidentiality of the Company on matters that come to his knowledge as Director, both during his Directorship and thereafter as well.
- iv. Always conduct himself in a manner that befits his position.
- v. 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.
- vi. Not use this position in any manner to his personal advantage or that of his family or friends.

2. FOR SENIOR MANAGEMENT PERSONNEL :

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

A Senior Management personnel shall :-

- i. By his personal behaviour and conduct, set an example to his fellow employees.
- ii. Conduct himself in a manner that upholds his integrity, rectitude and fair name of the Company and give no occasion to the Management to explain his actions or behaviour.
- iii. Refrain his position for personal benefit from the employees, contractors, suppliers and customers of the Company.
- iv. Maintain the confidentiality of the Company's information that has come to his notice, except where disclosure is authorised in writing by the Management.
- v. Observe all prescribed safety and environmental related norms.
- vi. Not divulge to any member of the press or media any matter concerning the company unless authorised by the Management.
- vii. 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 compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2012-13 has been affirmed by the Vice Chairman and Managing Director.

3. COMMITTEES OF THE BOARD OF DIRECTORS :

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

A) AUDIT COMMITTEE :

The terms of reference of the Audit Committee include :

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

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

The Audit Committee consists of the following Directors :

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

No. of Meetings held during the year : Four

Date of Meetings : 23.05.2012, 24.07.2012, 04.11.2012 and 12.02.2013

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

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

B) REMUNERATION COMMITTEE

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

No. of Meeting held during the year : Two

Date of the Meeting : 23.05.2012 and 12.02.2013

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 |

No. of Meeting held during the year : One

Date of the Meeting : 12.02.2013

D) SHARE TRANSFER COMMITTEE

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

During the year under review, one meeting was held on 28.04.2012 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, legal action, quarterly results, market environment and all other aspects of the Company which are relevant for review by the Board of Directors are being given in a structured format at each meeting. The said information complies with the requirements of the Code of Corporate Governance with regard to the information to be placed before the Board of Directors.

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

5. REMUNERATION OF DIRECTORS :

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

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

6. DISCLOSURE OF SHAREHOLDINGS OF NON - EXECUTIVE DIRECTORS

Following are the details of Shareholdings of the Non-Executive Directors in the Company, in their names, as on 31.03.2013 :-

| Sl.No. | Name of the Non-Executive Director | No. of Shares held as on 31.03.2013 | % to Paid-up Capital |
|--------|------------------------------------|-------------------------------------|----------------------|
| 1. | Shri P.R. Ramasubrahmaneya Rajha | 28,82,621 | 3.33% |
| 2. | Shri S.S. Ramachandra Raja | 4,07,680 | 0.47% |
| 3. | Shri N.K. Shrikantan Raja | 1,20,140 | 0.14% |
| 4. | Shri K.T. Ramachandran | 2,20,000 | 0.25% |
| 5. | Shri R.S. Agarwal | 397 | - |
| 6. | Dr. A. Ramakrishna | Nil | - |

7. MANAGEMENT

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

8. SHAREHOLDERS

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

OTHER SHAREHOLDER INFORMATION :

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

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

PLANT LOCATIONS

| | |
|--|---|
| (a) Building Products Division : (i) Fibre Cement Sheet Units : | <ol style="list-style-type: none"> 1. Arakkonam, Tamil Nadu 2. Karur, Karnataka 3. Maksi, Madhya Pradesh 4. Silvassa, U.T of Dadra & Nagar Haveli 5. Kharagpur, West Bengal 6. Ibrahimpattam, Vijayawada, A.P. 7. Sinugra Village, Anjar Taluk, Gujarat 8. Gangaikondan, Tirunelveli Dist., Tamil Nadu 9. Bihiya, Bhojpur District, Bihar |
| (ii) Fibre Cement Pressure Pipes unit: | Maksi, Madhya Pradesh |
| (iii) Calcium Silicate Board unit : | Arakkonam, Tamil Nadu, Kotputli, Rajasthan |
| (iv) Cement Clinker Grinding unit : | Kharagpur, West Bengal |
| (b) Textile Division : Cotton Yarn Spinning unit | Rajapalayam, Tamil Nadu |
| (c) Wind farm Division : | <ol style="list-style-type: none"> 1. Tirunelveli and Coimbatore Districts, Tamil Nadu 2. Chitradurga and Hassan Districts, Karnataka 3. Kutch District, Gujarat |

Person to be contacted for shareholder enquiries :

S. BALAMURUGASUNDARAM

Company Secretary (Compliance Officer) & General Manager - Legal

Ramco Industries Limited

"Auras Corporate Centre", II Floor

98-A, Dr.Radhakrishnan Road

Mylapore, Chennai - 600 004

Phone: 044-2847 8585; Fax: 044-28478597; e-mail : bms@ril.co.in

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

LISTING ON STOCK EXCHANGES

The Company's Shares are listed in The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing Fees for the year 2013-14 have been paid to all the three Stock Exchanges.

Stock Code:
Name of the Stock Exchange

The Madras Stock Exchange Limited
Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Code

RAMCOINDS
532369
RAMCOIND EQ

GENERAL MEETINGS

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

| Year ended | Date | Time | Venue |
|------------|------------|------------|---|
| 31.03.2010 | 02.08.2010 | 11.00 A.M. | P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu) |
| 31.03.2011 | 10.08.2011 | 11.00 A.M. | - do - |
| 31.03.2012 | 02.08.2012 | 11.00 A.M. | - do - |

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

ENSUING ANNUAL GENERAL MEETING

| Date | Time | Venue |
|------------|------------|--|
| 29.07.2013 | 11.45 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 2012 to March 2013)

| | |
|--|--|
| Board Meeting for consideration of Audited Accounts and recommendation of Dividend | 30.05.2013 |
| Posting of Annual Report | On or before 7.07.2013 |
| Book Closure dates | 23.07.2013 to 29.07.2013 (Both days inclusive) |
| Last date for receipt of Proxy forms | Before 11.45 a.m. on 27.07.2013 |
| Date of the 48th AGM | 29th July, 2013 |
| Dividend Payment date | Date of AGM |

TENTATIVE FINANCIAL CALENDAR FOR 2013-14

| | | |
|----|--|----------------------------|
| 1. | Unaudited results for Q.E. 30.06.2013 | Before 15th August, 2013 |
| 2. | Unaudited results for Q.E. 30.09.2013 | Before 15th November, 2013 |
| 3. | Unaudited results for Q.E. 31.12.2013 | Before 15th February, 2014 |
| 4. | Audited results for Quarter/Year ending 31.03.2014 | Before 30th May, 2014 |
| 5. | AGM for the year ending 31.03.2014 | August 2014 |

MEANS OF COMMUNICATION

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

DEPOSITORY SYSTEM

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

As per SEBI directive, the Company has retained the services of M/s. Cameo Corporate Services Limited, "Subramanian Building", No: 1, Club House Road, Chennai - 600 002 (Phone No: 044 - 2846 0390 and Fax No: 044 - 2846 0129) for the Depository

Services relating to both NSDL and CDSL and also for the Share Registry Services in respect of Shares held in Physical form. As on 31st March 2013, 92.07% of the Company's Shares have been dematerialized.

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

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

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

SHARES HELD IN ELECTRONIC FORM

Shareholders holding Shares in electronic form may please note that :

- (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 is no pending Share transfer as on 31.03.2013. Complaints from Shareholders with regard to Non-receipt of Certificates after transfer, Non-receipt of Dividend, Non-receipt of Annual Reports, etc. are being acted upon by the Company immediately on receipt. Any Shareholder who is having grievance may kindly send e-mail to investors_grievances@ril.co.in

DISCLOSURES

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

SOCIAL COMMITMENTS

During the year 2012-13, the Company's contribution for various Charitable and other social causes, including renovation of temples amounted to Rs.289.26 Lacs.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2013.

Chennai
April 10, 2013

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. M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No.: 001208S
P. SANTHANAM
Partner
Membership No.: 018697
Place : Chennai
Date : 30.05.2013

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

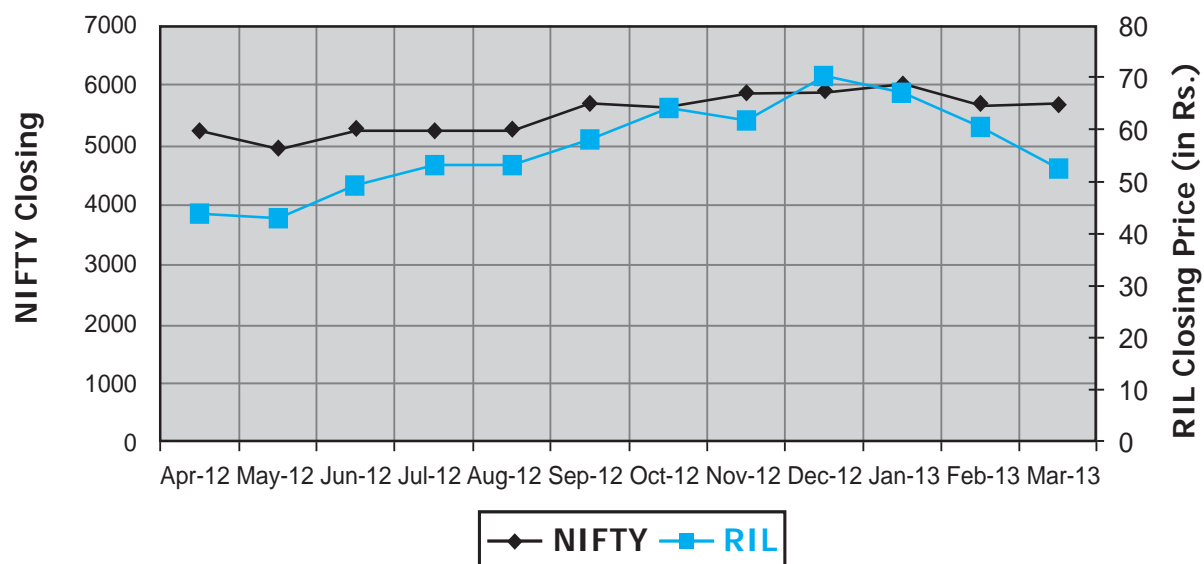
STATISTICAL DATA

Share Price - High & Low - Traded Volume
(During April 2012 to March 2013 in NSE and BSE)

| Month | NSE | | | BSE | | |
|-----------------|------------|-----------|------------|------------|-----------|------------|
| | High Price | Low Price | Qty.Traded | High Price | Low Price | Qty.Traded |
| April, 2012 | 46.75 | 43.00 | 98,646 | 46.50 | 43.45 | 44,320 |
| May, 2012 | 46.50 | 41.05 | 1,68,381 | 47.45 | 41.40 | 62,204 |
| June, 2012 | 53.50 | 42.05 | 4,38,933 | 54.00 | 42.00 | 1,50,432 |
| July, 2012 | 57.45 | 49.60 | 9,29,360 | 57.40 | 50.15 | 3,35,614 |
| August, 2012 | 60.25 | 52.00 | 9,48,512 | 60.60 | 52.00 | 4,76,764 |
| September, 2012 | 60.90 | 50.50 | 5,14,384 | 60.40 | 50.00 | 2,14,115 |
| October, 2012 | 71.40 | 57.25 | 23,44,864 | 74.90 | 57.40 | 10,37,455 |
| November, 2012 | 68.00 | 61.25 | 7,45,389 | 68.00 | 61.10 | 2,41,773 |
| December, 2012 | 78.50 | 60.15 | 24,92,877 | 78.35 | 60.50 | 11,59,093 |
| January, 2013 | 73.70 | 63.55 | 4,90,821 | 73.55 | 63.65 | 2,80,565 |
| February, 2013 | 69.45 | 58.50 | 7,27,505 | 69.50 | 59.00 | 2,66,152 |
| March, 2013 | 63.10 | 44.00 | 2,36,407 | 62.35 | 47.85 | 1,52,224 |

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

RIL Share Price Movement in 2012-13



Pattern of Shareholding as on 31.03.2013

| Description | No. of Share-holders | % | No. of Shares (Re.1/- each) | % to Capital |
|--|----------------------|---------------|-----------------------------|---------------|
| A. PROMOTERS HOLDING | | | | |
| Promoter & Promoter Group | 18 | 0.17 | 4,67,24,821 | 53.92 |
| B. NON-PROMOTERS HOLDING | | | | |
| 1. Mutual Funds & UTI | 4 | 0.04 | 10,013 | 0.01 |
| 2. F.Is / Banks | 6 | 0.06 | 54,33,667 | 6.27 |
| 3. Central/State Govt/s; VCF; Ins. Companies | 0 | 0 | 0 | 0.00 |
| 4. Foreign Institutional Investors | 2 | 0.02 | 2,634 | 0.00 |
| 5. Bodies Corporate | 330 | 3.20 | 20,83,097 | 2.40 |
| 6. Individual Shareholders holding nominal Share Capital : | | | | |
| a. Up to Rs.1.00 Lac | 9,434 | 91.31 | 1,28,46,843 | 14.82 |
| b. In excess of Rs.1.00 Lac | 54 | 0.52 | 1,73,28,557 | 20.00 |
| 7. Others–HUF/NRI/Clearing Members etc. | 484 | 4.68 | 22,33,428 | 2.58 |
| Grand Total | 10,332 | 100.00 | 8,66,63,060 | 100.00 |

Distribution of Shareholding as on 31.03.2013

| Range (No. of Shares of Re.1 each) | No. of Shareholders | % | No. of Shares (Re.1/- each) | % |
|------------------------------------|---------------------|--------|-----------------------------|--------|
| Upto 500 | 7,369 | 71.32 | 11,42,249 | 1.32 |
| 501 to 1000 | 1,164 | 11.27 | 10,28,735 | 1.19 |
| 1001 to 2000 | 668 | 6.47 | 11,50,044 | 1.33 |
| 2001 to 3000 | 239 | 2.31 | 6,38,871 | 0.74 |
| 3001 to 4000 | 181 | 1.75 | 6,85,297 | 0.79 |
| 4001 to 5000 | 100 | 0.97 | 4,77,488 | 0.55 |
| 5001 to 10000 | 239 | 2.31 | 18,29,416 | 2.11 |
| 10001 & above | 372 | 3.60 | 7,97,10,960 | 91.98 |
| Total | 10,332 | 100.00 | 8,66,63,060 | 100.00 |

Category of Shareholding as on 31.03.2013

| Category | No. of Share Holders | % | No. of Shares held | % |
|-----------------------|----------------------|---------------|--------------------|---------------|
| Dematerialised Form : | | | | |
| NSDL | 6,728 | 65.12 | 5,97,68,282 | 68.97 |
| CDSL | 3,290 | 31.84 | 2,00,20,578 | 23.10 |
| Physical Form | 314 | 3.04 | 68,74,200 | 7.93 |
| Total | 10,332 | 100.00 | 8,66,63,060 | 100.00 |

INDEPENDENT AUDITORS' REPORT

To the Members of M/s Ramco Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Ramco Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - 2.1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 2.2. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - 2.3. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - 2.4. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and

2.5. on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.

For M/s. M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No.: 001208S
P. SANTHANAM
Partner
Membership No.: 018697

Place: Chennai
Date : 30.05.2013

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

ANNEXURE TO THE AUDITORS' REPORT

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

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

1. Fixed assets
 - 1.1. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - 1.2. The management at reasonable intervals has physically verified the fixed assets of the company and no material discrepancies were noticed on such verification.
 - 1.3. The fixed assets disposed during the year were not substantial and therefore, do not affect the going concern assumption.
2. Inventories
 - 2.1. The management has conducted physical verification at reasonable intervals in respect of its inventory.
 - 2.2. The procedure for physical verification of inventory followed by the management is reasonable and is adequate in relation to the size of the company and the nature of its business.
 - 2.3. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. Loans and advances
 - 3.1. The company has granted loan to one party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was Rs.738.49 lacs (PY Rs.835.48 lacs) and the amount outstanding as on 31-Mar-2013 was Rs. 663.86 lacs (PY Rs.738.45 lacs)
 - 3.2. The rate of interest and other terms and conditions of loans given by the company referred to paragraph 3.1 above are not, prima facie, prejudicial to the interest of the company.
 - 3.3. The payment of the principal amounts and the interest wherever applicable are regular.
 - 3.4. There is no overdue amount with respect to above loans.
 - 3.5. The company has taken loans aggregating to Rs.383.52 lacs (PY Rs.274.35 lacs) from 2 parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum outstanding at any time during the year was Rs.192.87 lacs (PY Rs.99.92 lacs) and the outstanding as on 31-Mar-2013 was Rs.78.93 lacs (PY Rs.21.43 lacs).
 - 3.6. The rate of interest and other terms and conditions of loan taken by the company are not, prima facie, prejudicial to the interest of the company.
 - 3.7. The loans given/taken by the company are repayable on demand and have been received/paid on demand.
4. The company has an internal control system which is adequate and is commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. There are no major weaknesses in internal controls system
5. Section 301 contracts
 - 5.1. Particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been so entered in the register required to be maintained under that section
 - 5.2. These transactions exceeding value of Rs. 5 lacs have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under, wherever applicable have been complied with.
7. The company has an internal audit system commensurate with its size and nature of its business.
8. The cost accounts and the records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 have been made and maintained.
9. Statutory dues
 - 9.1. The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.

9.2. The disputed statutory dues aggregating to Rs 2927.84 lacs (PY Rs. 2188.90 lacs) that have not been deposited on account of matters pending before appropriate authorities are as under:

| SI No. | Name of the statute | Forum where dispute is pending | Amount (Rs. in Lacs) |
|--------|------------------------|--------------------------------|----------------------|
| 1 | Sales Tax Act | High Court | 35.88 |
| 2 | Excise and Service Tax | CESTAT | 11.06 |
| 3 | Income Tax | CIT (Appeals) | 2,880.90 |
| Total | | | 2,927.84 |

10. The company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceeding financial year.
11. The company has not defaulted in repayment of dues to financial institutions, banks or debentures holders.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. Based on information and explanations given to us, the terms and conditions of the guarantee given by the Company to related parties ([Ramco Systems Limited – Guarantee given Rs. 6550 lacs (PY Rs.5500 lacs); Loans outstanding Rs.4185.22 lacs (PY Rs.4433.81 lacs)]; [Sri Harini Texiles Limited – Guarantee given Rs.3629 lacs (PY Rs.3629 lacs); Loans outstanding Rs.2424.50 lacs (PY Rs.2538.79 lacs)], [Deccan Renewal Wind Electrics Limited/Axis Wind Energy Limited – Guarantee given Rs.770 lacs (PY Rs.770 lacs); Loans outstanding Rs.761 lacs (PY Rs.761 lacs)]; to secure loans availed from banks by the respective companies, are not prejudicial to the interests of the Company.
16. The Company has raised term loans during the year and these have been applied for the purposes for which they were raised.
17. The funds raised on short-term basis have not been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has no outstanding amount under Debentures that require creation of security/charge.
20. The company has not raised any money by way of public issues during the year.
21. No material fraud on or by the company has been noticed or reported during the year.

For M/s. M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm Registration No.: 001208S
P. SANTHANAM
Partner
Membership No.: 018697

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

Place: Chennai
Date : 30.05.2013

BALANCE SHEET AS AT 31ST MARCH 2013

| | Note No. | As at 31st March 2013 ` In Lacs | | As at 31st March 2012 ` In Lacs | |
|--------------------------------|----------|------------------------------------|-------------|------------------------------------|-----------|
| I EQUITY AND LIABILITIES | | | | | |
| SHARE HOLDERS' FUND | | | | | |
| Share Capital | 1 | 866.63 | | 866.63 | |
| Reserves and Surplus | 2 | 45,872.79 | 46,739.42 | 41,531.41 | 42,398.04 |
| NON CURRENT LIABILITIES | | | | | |
| Long - Term Borrowings | 3 | 17,036.52 | | 11,419.22 | |
| Deferred Tax Liabilities (Net) | 4 | 2,018.56 | | 2,288.56 | |
| Other Long Term Liabilities | 5 | 4,107.98 | | 1,577.24 | |
| Long Term Provisions | 6 | 368.52 | 23,531.58 | 367.59 | 15,652.61 |
| CURRENT LIABILITIES | | | | | |
| Short Term Borrowings | 7 | 10,839.29 | | 5,724.43 | |
| Trade Payables | | 8,115.54 | | 3,776.77 | |
| Other Current Liabilities | 8 | 11,711.49 | | 9,957.14 | |
| Short Term Provisions | 9 | 1,534.53 | 32,200.85 | 1,547.25 | 21,005.59 |
| TOTAL | | | 1,02,471.85 | | 79,056.24 |
| II ASSETS | | | | | |
| NON CURRENT ASSETS | | | | | |
| FIXED ASSETS | | | | | |
| Tangible Assets | 10 | 24,618.56 | | 26,512.87 | |
| Intangible Assets | 11 | 164.39 | | 228.91 | |
| Capital Work in Progress | | 10,390.78 | | 748.97 | |
| Non Current Investments | 12 | 20,315.95 | | 20,261.68 | |
| Long Term Loans and Advances | 13 | 2,622.47 | | 1,481.78 | |
| Other Non Current Assets | | 1,699.90 | 59,812.05 | 1,394.39 | 50,628.60 |
| CURRENT ASSETS | | | | | |
| Inventories | 14 | 28,665.92 | | 15,117.55 | |
| Trade Receivables | 15 | 6,874.17 | | 5,969.17 | |
| Cash and Cash Equivalents | 16 | 1,228.66 | | 1,388.15 | |
| Short Term Loans and Advances | 17 | 4,123.31 | | 3,771.64 | |
| Other Current Assets | | 1,767.74 | 42,659.80 | 2,181.13 | 28,427.64 |
| TOTAL | | | 1,02,471.85 | | 79,056.24 |

Significant Accounting Policies
Notes on Financial Statements

1-25

As per our Report Annexed

For M/s.M.S.Jagannathan&
N. Krishnaswami
Chartered Accountants
FRN: 001208S
P.Santhanam
Partner
Membership No.018697

For M/s.CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

Place : Chennai
Date : 30.05. 2013

S. BALAMURUGASUNDARAM
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

| | Note No. | For the year Ended 31.03.2013 ` In Lacs | For the year Ended 31.03.2012 ` In Lacs |
|--|----------|--|--|
| INCOME | | | |
| Revenue from operations | 18 | 77,613.06 | 66,543.99 |
| Other Income | 19 | 2,844.18 | 4,132.39 |
| Total Revenue | | 80,457.24 | 70,676.38 |
| EXPENDITURE | | | |
| Cost of materials consumed | 20 | 50,767.28 | 39,772.15 |
| Cost of Resale materials | | 650.37 | 1,776.56 |
| Change in inventories of Finished Goods and Work in Progress | 21 | (4,220.07) | (1,836.85) |
| Employee benefit expenses | 22 | 4,248.55 | 3,863.50 |
| Finance costs | 23 | 2,891.92 | 2,415.38 |
| Depreciation | | 3,317.63 | 3,339.08 |
| Other expenses | 24 | 16,405.01 | 14,214.99 |
| Total Expenses | | 74,060.69 | 63,544.81 |
| Profit before exceptional and extraordinary items and tax | | 6,396.55 | 7,131.57 |
| Exceptional Items | | 72.76 | 152.89 |
| Profit before Tax | | 6,469.31 | 7,284.46 |
| Tax expense | | | |
| Current Tax | | 1,290.00 | 1,270.00 |
| Deferred Tax | | (270.00) | (120.00) |
| Profit for the year | | 5,449.31 | 6,134.46 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1-25 | | |
| Earnings per equity share - Basic & Diluted (in `) | | 6.29 | 7.08 |

As per our Report Annexed

For M/s.M.S.Jagannathan&
N. Krishnaswami
Chartered Accountants
FRN: 001208S
P.Santhanam
Partner
Membership No.018697

For M/s.CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

S. BALAMURUGASUNDARAM
Company Secretary

Place : Chennai
Date : 30.05.2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2013

₹ in lacs

| | Year Ended 31-March 2013 | Year Ended 31-March 2012 |
|--|--------------------------|--------------------------|
| A Cash Flow from operating activities | | |
| Net profit, after tax as per Profit and Loss Account | 5,449.31 | 6,134.46 |
| Adjusted for | | |
| Provision for taxation | | |
| Current tax | 1,290.00 | 1,270.00 |
| Deferred tax | (270.00) | (120.00) |
| Loss on sale of assets | 6.11 | 7.84 |
| Depreciation | 3,317.63 | 3,339.08 |
| Dividend Income | (1,319.66) | (2,296.05) |
| Profit on sale of assets | (73.02) | (149.66) |
| Interest income | (37.12) | (44.29) |
| Effects on Exchange rate | 58.36 | 77.43 |
| Interest paid | 2,891.92 | 2,415.38 |
| Royalty receipts | (1,237.59) | (1,407.88) |
| | <u>4,626.63</u> | <u>3,091.85</u> |
| Operating profit before working capital changes | 10,075.94 | 9,226.31 |
| Adjusted for | | |
| Trade and other receivables | (905.00) | (989.51) |
| Inventories | (13,548.38) | (2,341.16) |
| Trade payables | 4,338.77 | 15.55 |
| Other Current Assets | (239.16) | (2,163.30) |
| Other current Liabilities | <u>1,702.56</u> | <u>(1,214.43)</u> |
| | <u>(8,651.21)</u> | <u>(6,692.85)</u> |
| Cash generated from operations | 1,424.73 | 2,533.46 |
| Taxes paid | (1,250.00) | (1,329.42) |
| Net cash from operating activities | 174.73 | 1,204.04 |
| B Cash Flow from Investing activities | | |
| Purchase of fixed assets | (1,749.65) | (7,173.15) |
| Sale of fixed assets | 457.79 | 285.14 |
| Interest income | 37.12 | 44.29 |
| Dividend income | 1,319.66 | 2,296.05 |
| Changes in WIP | (9,641.81) | 1,777.46 |
| Advance for long term purpose | (1,145.33) | 2,165.09 |
| Purchase of investment | (54.28) | |
| Royalty receipts | <u>1,237.59</u> | <u>1,407.88</u> |
| Net cash used in Investing activities | <u>(9,538.91)</u> | 802.76 |

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2013 Contd...

in lacs

| | Year Ended 31-March 2013 | Year Ended 31-March 2012 |
|--|--------------------------|--------------------------|
| C Cash flow from financing activities | | |
| Proceeds from long term borrowing | 5,617.30 | 2,351.46 |
| Proceeds from other Long term liabilities | 2,530.74 | 240.28 |
| Proceeds from short term borrowings | 5,114.86 | (1,693.23) |
| Dividend paid | (1,107.93) | (1,309.39) |
| Finance cost | (2,950.28) | (2,492.81) |
| Net cash (used in)/ from Financing activities | 9,204.69 | (2,903.69) |
| Net increase / (decrease) in cash and cash equivalents | (159.49) | (896.89) |
| Opening balance of cash and cash equivalents | 1,388.15 | 2,285.04 |
| Closing Balance of cash and Cash equivalents | 1,228.66 | 1,388.15 |

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

S. BALAMURUGASUNDARAM
Company Secretary

Place : Chennai
Date : 30.05.2013

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

AUDITORS' CERTIFICATE

To

The Board of Directors
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited. The Statement has been prepared based on and in agreement with the corresponding Consolidated Profit and Loss account and Balance Sheet of Ramco Industries Limited and its Subsidiaries covered by our report of 30th May 2013 to the members of the Company.

For M/s. M.S.Jagannathan & N. Krishnaswami
Chartered Accountants
FRN: 001208S
P. Santhanam
Partner
Membership No.018697

For M/s. CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

Place : Chennai
Date : 30.05.2013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

` in lacs

As at 31st March, 2013

As at 31st March, 2012

1 SHARE CAPITAL

Authorised Share Capital:

20,00,00,000 Equity Shares of Re.1/- each **2,000.00** 2,000.00

Issued, Subscribed and Paid up:

8,66,63,060 Equity Shares of Re.1/- each **866.63** 866.63

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

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|-----------------------------------|---------------------------|
| Equity Shares at the beginning of the year | 866.63 | 866.63 |
| Add: Number of shares allotted during the year | 0 | 0 |
| Less: Number of shares bought back | 0 | 0 |
| Equity Shares at the end of the year | 866.63 | 866.63 |

1.2 Rights, preferences and restrictions attaching to various classes of shares **Nil** Nil

1.3 Share holding in the company of the holding company and ultimate holding company and their subsidiaries / associates **Nil** Nil

1.4 The details of Shareholders holding more than 5% shares :

| Name of the Shareholder | As at 31st Mar, 2013 | | As at 31st Mar, 2012 | |
|---------------------------------|-----------------------------|---------------|----------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Madras Cements Limited | 1,33,72,500 | 15.43 | 1,33,72,500 | 15.43 |
| Rajapalayam Mills Limited | 79,20,680 | 9.14 | 79,20,680 | 9.14 |
| Shri.P.R.Ramasubrahmaneya Rajha | 28,82,621 | 3.33 | 80,80,040 | 9.32 |
| Shri.P.R.Venketrama Raja | 55,00,000 | 6.35 | 52,85,000 | 6.10 |
| Smt.Saradha Deepa | 55,00,000 | 6.35 | 30,21,680 | 3.49 |
| Smt.Nalina Ramalakshmi | 55,80,000 | 6.44 | 29,31,680 | 3.38 |
| | 4,07,55,801 | 47.04 | 4,06,11,580 | 46.86 |

1.5 Shares reserved for issue under options and contracts **Nil** Nil

1.6 Commitments for sale of shares / disinvestment **Nil** Nil

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

1.8 Allotment of shares for consideration other than cash, allotment of bonus shares and shares bought back **Nil** Nil

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

| | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|------------------|------------------------|------------------|
| 2. RESERVES AND SURPLUS | | | | |
| 2.1 Capital Reserve | | | | |
| As per last Balance Sheet | 1,410.71 | | 1,410.71 | |
| Less: Transferred to Profit and Loss Account | 0.00 | 1,410.71 | 0.00 | 1,410.71 |
| 2.2 Capital Redemption Reserve | | | | |
| As per last Balance Sheet | | 0.00 | | 0.00 |
| 2.3 Securities Premium Reserve | | | | |
| As per last Balance Sheet | | 209.53 | | 209.53 |
| 2.4 Debentures Redemption Reserve | | | | |
| As per last Balance Sheet | | 0.00 | | 0.00 |
| 2.5 Revaluation Reserve | | | | |
| As per last Balance Sheet | | 0.00 | | 0.00 |
| 2.6 Share options outstandings account | | | | |
| As per last Balance Sheet | | 0.00 | | 0.00 |
| 2.7 General Reserve | | | | |
| As per last Balance Sheet | 38,917.55 | | 34,017.55 | |
| Add: Transferred from Profit and Loss Account | 2,800.00 | 41,717.55 | 4,900.00 | 38,917.55 |
| 2.8 Profit and Loss Account | | | | |
| As per last Balance Sheet | 993.62 | | 867.11 | |
| Add: Profit for the year | 5,449.31 | | 6,134.46 | |
| | 6,442.93 | | 7,001.57 | |
| Less: Appropriations | | | | |
| Interim Dividend | 779.97 | | 779.97 | |
| Tax on Interim Dividend | 126.52 | | 126.53 | |
| Proposed Dividend on Equity Shares | 173.33 | | 173.33 | |
| Tax on Dividend | 28.11 | | 28.12 | |
| Transferred to General Reserve | 2,800.00 | 2,535.00 | 4,900.00 | 993.62 |
| TOTAL | | 45,872.79 | | 41,531.41 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | As at 31.03.2013 | in lacs As at 31.03.2012 |
|--|---------------------|--------------------------------|
| 3 LONG TERM BORROWINGS | | |
| Term Loan from Banks Secured | 17,030.92 | 11,409.37 |
| Deposits from Public | 5.60 | 9.85 |
| | <u>17,036.52</u> | <u>11,419.22</u> |
| 4 DEFERRED TAX LIABILITY | | |
| Deferred Tax Liabilities | | |
| Related to Fixed Assets | 2,119.46 | 2,411.74 |
| Deferred Tax Assets | | |
| Disallowance under Income Tax | (100.90) | (123.18) |
| | <u>2,018.56</u> | <u>2,288.56</u> |
| 5 OTHER LONG TERM LIABILITIES | | |
| Security Deposit | 1,993.70 | 1,577.24 |
| Trade Payables (LT) | 2,114.28 | - |
| | <u>4,107.98</u> | <u>1,577.24</u> |
| 6 LONG TERM PROVISIONS | | |
| Provision for gratuity | 95.89 | 73.26 |
| Provision for Leave Salary | 272.63 | 294.33 |
| | <u>368.52</u> | <u>367.59</u> |
| 7 SHORT TERM BORROWINGS | | |
| Loan from banks secured | 8,752.06 | 3,700.00 |
| Loan from banks unsecured | 2,000.00 | 2,000.00 |
| Deposits from Public | 8.30 | 3.00 |
| Deposits from Directors | 78.93 | 21.43 |
| | <u>10,839.29</u> | <u>5,724.43</u> |
| 8 OTHER CURRENT LIABILITIES | | |
| Current Maturities of Long Term Debt - Secured | 7,324.30 | 3,695.57 |
| Current Maturities of Long Term Debt - UnSecured | - | 2,387.00 |
| Interest accrued but not due | 1.98 | 0.98 |
| Unpaid dividends | 27.94 | 434.78 |
| Statutory Duties and Taxes recovery repayable | 2,528.50 | 2,094.12 |
| Customer Credit Balance | 694.08 | 743.65 |
| Unpaid matured deposits | - | 1.06 |
| Other Liabilities | 1,134.69 | 599.98 |
| | <u>11,711.49</u> | <u>9,957.14</u> |
| 9 SHORT TERM PROVISIONS | | |
| Provision for Leave Encashment | 31.24 | 78.51 |
| Provision for Proposed Dividend | 201.44 | 173.33 |
| Provision for Taxation | 1,301.85 | 1,295.41 |
| | <u>1,534.53</u> | <u>1,547.25</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

10. FIXED ASSETS - TANGIBLE

₹ in lacs

| Particulars | GROSS BLOCK | | | DEPRICIATION | | NET BLOCK | |
|----------------------|----------------------|-----------------|-----------------------------|----------------------|---------------------------|----------------------|----------------------|
| | As At 01-Apr-2012 | Additions | Withdrawals/ Adjustments | As At 31-MAR-2013 | For the year 2012-2013 | As At 31-MAR-2013 | As At 31-MAR-2012 |
| LAND - FREEHOLD | 779.55 | 49.37 | 78.26 | 750.66 | - | 750.66 | 779.55 |
| LAND - LEASE HOLD | 1,419.80 | - | - | 1,419.80 | 3.61 | 1,411.13 | 1,414.74 |
| BUILDINGS | 10,242.22 | 350.51 | (94.71) | 10,687.44 | 498.35 | 7,594.96 | 7,648.09 |
| RAILWAY SIDINGS | 20.68 | - | - | 20.68 | - | 1.03 | 1.03 |
| PLANT & MACHINERY | 35,006.98 | 694.28 | 88.18 | 35,613.08 | 2,378.72 | 12,369.69 | 14,133.04 |
| ELECTRICAL MACHINERY | 3,165.53 | 505.00 | 27.28 | 3,643.25 | 284.80 | 1,733.72 | 1,540.65 |
| FURNITURE | 182.49 | 72.25 | 13.71 | 241.03 | 9.48 | 127.18 | 69.39 |
| OFFICE EQUIPMENTS | 177.77 | 14.70 | - | 192.47 | 6.57 | 66.14 | 58.00 |
| VEHICLES | 436.98 | 67.72 | 26.11 | 478.59 | 43.80 | 250.68 | 243.20 |
| AIRCRAFT | 718.61 | - | 358.12 | 360.49 | 27.78 | 313.37 | 625.18 |
| | 52,150.61 | 1,753.83 | 496.95 | 53,407.49 | 3,253.11 | 24,618.56 | 26,512.87 |

11. FIXED ASSETS - INTANGIBLE

| Particulars | GROSS BLOCK | | | DEPRICIATION | | NET BLOCK | |
|-------------------|----------------------|-----------|-----------------------------|----------------------|---------------------------|----------------------|----------------------|
| | As At 01-Apr-2012 | Additions | Withdrawals/ Adjustments | As At 31-MAR-2013 | For the year 2012-2013 | As At 31-MAR-2013 | As At 31-MAR-2012 |
| COMPUTER SOFTWARE | 556.21 | - | - | 556.21 | 64.52 | 164.39 | 228.91 |
| | 556.21 | - | - | 556.21 | 64.52 | 164.39 | 228.91 |

| | | | | | | | |
|----------------------|------------------|-----------------|---------------|------------------|-----------------|------------------|------------------|
| GRAND TOTAL | 52,706.82 | 1,753.83 | 496.95 | 53,963.70 | 3,317.63 | 24,782.94 | 26,741.78 |
| Previous Year | 45,830.14 | 7,173.16 | 296.48 | 52,706.82 | 3,339.08 | 26,741.78 | 23,051.03 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | As at 31.03.2013 | ` in lacs As at 31.03.2012 |
|--|---------------------|----------------------------------|
| 12 INVESTMENTS | | |
| <u>INVESTMENTS - Quoted</u> | | |
| I Investments in Equity Instruments - Associates | | |
| Shares in Madras Cements Ltd: 4,93,12,420 nos. Equity shares of Re.1/- each fully paid-up | 5,815.85 | 5,815.85 |
| Shares in Rajapalayam Mills Ltd: 8,47,360 nos. Equity Shares of ` . 10/- each fully paid-up | 411.09 | 411.09 |
| Shares in Ramco Systems Ltd: 48,22,215 nos. Equity shares of ` . 10/- each fully paid up | 12,216.19 | 12,216.19 |
| | <u>18,443.13</u> | <u>18,443.13</u> |
| II Investments in Equity Instruments - Others | | |
| Shares in Indian Bank 1391 No. Equity shares of ` . 91/- | 1.27 | 1.27 |
| Shares in HDFC Ltd: 310200 nos. Equity Shares of ` . 2/- each fully paid-up | 8.27 | 8.27 |
| Shares in HDFC Bank Ltd: 5,500 nos. Equity Shares of ` . 2/- each fully paid-up | 0.11 | 0.11 |
| Shares in Vysya Bank Housing Finance Ltd. 30,000 nos. Shares of ` . 10/-each | 3.00 | 3.00 |
| | <u>12.65</u> | <u>12.65</u> |
| <u>INVESTMENTS - Unquoted</u> | | |
| III Investments in Equity Instruments - Associates | | |
| 50,000 shares of ` . 10/- each in Otime Transport Company Ltd | 5.00 | 5.00 |
| IV Investments in Equity Instruments - Subsidiaries | | |
| 42,50,000 Equity Shares of ` . 10/- each in Sudharsanam Investments Limited | 425.00 | 425.00 |
| 2,30,00,000 Equity Shares of SLR 10/- each in Sri Ramco Lanka (Private) Ltd, Srilanka | 1,365.32 | 1,365.32 |
| 12,90,000 Equity Shares of SLR 10/- each in Sri Ramco Roofing Lanka (Private) Ltd, Srilanka | 54.27 | - |
| | <u>1,844.59</u> | <u>1,790.32</u> |
| V Investment in Government or Trust Securities | | |
| National Savings Certificates | 0.52 | 0.52 |
| VI Investments in Mutual Funds | | |
| 1,00,000 units of ` . 10/- each in HDFC Balanced Fund | 10.00 | 10.00 |
| VI Investment Others | | |
| Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam | 0.03 | 0.03 |
| Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur | 0.03 | 0.03 |
| 2 nos. Shares of ` . 100/- each of Simandhar Shopping Centre Owners Association | - | - |
| | <u>0.06</u> | <u>0.06</u> |
| GRAND TOTAL | <u>20,315.95</u> | <u>20,261.68</u> |
| Aggregate amount of quoted investments : | | |
| At cost | 18,455.78 | 18,455.78 |
| At Market value | 1,35,605.68 | 84,413.66 |
| Aggregate amount of unquoted investments at cost | 1,860.17 | 1,805.90 |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | As at 31.03.2013 | in lacs As at 31.03.2012 |
|---|---------------------|--------------------------------|
| 13 LONG TERM LOANS AND ADVANCES | | |
| <u>Secured and considered good</u> | | |
| Capital advances | 1,543.74 | 437.66 |
| Security deposits | 406.24 | 301.03 |
| <u>Unsecured and Considered good</u> | | |
| Loans and Advances to related parties | 663.86 | 738.45 |
| Loans and Advances Others | 8.63 | 4.64 |
| | <u>2,622.47</u> | <u>1,481.78</u> |
| 14 INVENTORIES | | |
| Rawmaterials | 12,394.62 | 3,096.64 |
| Raw Materials in Transit | 274.91 | 602.40 |
| Work in process | 208.03 | 224.49 |
| Finished goods | 15,191.28 | 10,613.86 |
| Finished goods in Transit | 21.52 | 42.46 |
| Stores and spares | 575.56 | 537.70 |
| | <u>28,665.92</u> | <u>15,117.55</u> |
| 15 TRADE RECEIVABLES | | |
| Trade receivables Outstanding for more than 6 months, unsecured considered doubtful | 4.28 | 6.82 |
| Trade receivables Outstanding for more than 6 months provision | (4.28) | (6.82) |
| Trade receivables Outstanding for more than 6 months unsecured, considered good | 85.61 | 150.42 |
| Trade receivables, unsecured considered good | 5,647.13 | 4,993.10 |
| Trade receivables unsecured considered good- Related Parties | 1,141.43 | 825.65 |
| | <u>6,874.17</u> | <u>5,969.17</u> |
| 16 CASH AND CASH EQUIVALENTS | | |
| Balance With Bank | 1,181.93 | 939.20 |
| Cash on Hand | 10.39 | 6.84 |
| Margin Money | 8.40 | 7.33 |
| Balance with Bank - Unpaid Dividend Warrant Account | 27.94 | 434.78 |
| | <u>1,228.66</u> | <u>1,388.15</u> |
| 17 SHORT TERM LOANS AND ADVANCES | | |
| Advance Income Tax, TDS | 1,335.67 | 1,252.84 |
| Tax Credit - Indirect Taxes | 1,029.47 | 260.27 |
| Advance to Suppliers | 1,426.33 | 2,103.33 |
| Advance to Employees | 37.14 | 23.50 |
| Prepaid Expenses | 294.70 | 131.70 |
| | <u>4,123.31</u> | <u>3,771.64</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | As at 31.03.2013 | in lacs As at 31.03.2012 |
|--|---------------------|--------------------------------|
| 18 REVENUE FROM OPERATIONS | | |
| Sale Revenue | 84,796.23 | 71,363.40 |
| Less: Excise Duty | (8,339.58) | (6,041.43) |
| Net Revenue | 76,456.65 | 65,321.97 |
| Other Income from Operations | 875.90 | 914.36 |
| Power Generated from WindMills | 280.51 | 307.66 |
| | <u>77,613.06</u> | <u>66,543.99</u> |
| 19 OTHER INCOME | | |
| Interest Income | 37.12 | 44.29 |
| Dividend Income | 1,319.66 | 1,700.05 |
| Dividend Income from Subsidiaries | - | 596.00 |
| Other Miscellaneous Income | 249.81 | 365.90 |
| Carbon Credit | - | 18.27 |
| Royalty Received | 1,237.59 | 1,407.88 |
| | <u>2,844.18</u> | <u>4,132.39</u> |
| 20 COST OF RAW MATERIALS | | |
| Chrysotile Fibre | 24,039.89 | 18,699.14 |
| Cement | 10,960.67 | 9,579.16 |
| Clinker | 3,055.65 | 2,539.51 |
| Cotton | 9,416.24 | 6,314.61 |
| Other Additives | 3,294.83 | 2,639.73 |
| | <u>50,767.28</u> | <u>39,772.15</u> |
| 21 (INCREASE) / DECREASE IN STOCK | | |
| Closing Stock of Finished Goods | 15,212.80 | 10,656.32 |
| Closing Stock of Process Stock | 208.03 | 224.49 |
| | <u>15,420.83</u> | <u>10,880.81</u> |
| Opening Stock of Finished Goods | 10,656.32 | 8,390.67 |
| Opening Stock of Process Stock | 224.49 | 184.22 |
| | <u>10,880.81</u> | <u>8,574.89</u> |
| (Increase) / Decrease | (4,540.02) | (2,305.92) |
| ED on stock variance | 319.95 | 469.07 |
| (Increase) / Decrease | <u>(4,220.07)</u> | <u>(1,836.85)</u> |
| 22 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and wages | 3,536.60 | 3,300.54 |
| Contribution to Provident Fund | 281.93 | 204.19 |
| Contribution to Gratuity Fund | 95.89 | 73.27 |
| Contribution to Superannuation Fund | 35.63 | 35.73 |
| Workmen and Staff welfare | 298.50 | 249.77 |
| | <u>4,248.55</u> | <u>3,863.50</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

| | As at 31.03.2013 | in lacs As at 31.03.2012 |
|---|---------------------|--------------------------------|
| 23 FINANCE COSTS | | |
| Interest costs | 2,323.56 | 1,893.06 |
| Other finance costs | 234.02 | 205.80 |
| Exchange fluctuation in Foreign Currency | 334.34 | 316.52 |
| | <u>2,891.92</u> | <u>2,415.38</u> |
| 24 OTHER EXPENSES | | |
| <u>Manufacturing</u> | | |
| Stores Consumed | 1,224.44 | 1,210.72 |
| Power & Fuel (net off power from Wind Mills) | 4,383.87 | 3,643.94 |
| Repairs & Maintenance - Building | 89.53 | 109.60 |
| Repairs & Maintenance - General | 207.30 | 192.12 |
| Repairs & Maintenance - Plant & Machinery | 1,650.90 | 1,329.21 |
| <u>Administration</u> | | |
| Insurance | 67.01 | 77.93 |
| Travelling expenses | 474.77 | 413.70 |
| Rates & Taxes | 596.22 | 190.42 |
| Exchange fluctuation in foreign currency-other than AS 11 | 58.36 | 77.43 |
| Miscellaneous Expenses | 663.96 | 634.00 |
| Rent | 103.41 | 93.32 |
| Managerial Remuneration | 324.74 | 363.42 |
| Printing & Stationery | 38.45 | 44.24 |
| Telephones and communications | 79.67 | 60.28 |
| Corporate Social Responsibility | 289.26 | 271.82 |
| Legal & Consultancy Expenses | 242.66 | 167.53 |
| Vehicle / Aircraft Maintenance | 319.09 | 221.95 |
| Directors Sitting fees | 6.74 | 6.65 |
| Audit Fees & Expenses | 12.40 | 12.95 |
| <u>Selling & Distribution Expenses</u> | | |
| Agency Commission | 423.61 | 363.29 |
| Advertisement Expenses | 405.21 | 285.03 |
| Discounts | 1,532.79 | 1,147.58 |
| Bad and Doubtful Debts written off | 1.40 | - |
| Transportation and Handling Expenses | 3,209.22 | 3,297.86 |
| | <u>16,405.01</u> | <u>14,214.99</u> |

Significant Accounting Policies

A. Basis of preparation of financial statements

1. The Company generally follows mercantile system of accounting and recognizes significant items of Income and Expenditure on accrual basis.
2. 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. Employee Benefits

1. 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.
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 subject to a maximum of ₹.1 Lac per annum to LIC. There are no other obligations other than the above defined contribution plans.
3. Defined Benefit Plan:

Gratuity:

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

Leave Encashment:

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

C. Tangible Assets

1. Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT / VAT wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost less impairment losses if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
2. The lands acquired under lease are amortized equally over the lease period and such amount is included in depreciation.
3. Depreciation is provided under Straight Line Method at the rates prescribed in Schedule XIV of the Companies Act 1956, in respect of Fibre Cement Sheet Plants at Arakonam, Karur, Maksi, Silvassa and Corporate Office and Textiles Division.
4. Depreciation is provided under Written Down Value Method at the rates prescribed in Schedule XIV of the Companies Act 1956, in respect of Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Bhuj, Gangaikondan & Bihiya, Calcium Silicate Board Plant at Arakonam, Clinker Grinding unit at Kharagpur and Wind Electric Generators.
5. Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.

D. Intangible Assets

The costs of computer software that are installed are accounted at cost for acquisition of such software and are carried at cost less accumulated amortisation and impairment, if any. Internally generated software is not capitalized and the expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Significant Accounting Policies (Contd...)

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 duty have been included in the valuation. This has no impact on the profits.

F. Revenue recognition

1. Revenue is recognised to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
2. Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer.
3. Revenue from operation exclude Excise duty, Education Cess, Secondary and Higher Education Cess, VAT and CST.
4. Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.
5. Income from Wind mills:

a. Under wheeling and banking arrangement:

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

b. Under Power purchase agreement:

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

G. Investments

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

H. Provisions, Contingent Liabilities and Contingent Assets

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

I. Research and Development Expenditure

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

J. Lease

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

K. Borrowing Costs

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

L. Earnings per Share

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

Significant Accounting Policies (Contd...)

M. Tax on Income

The tax provision is considered as stipulated in AS 22 (Accounting for taxes on income) and includes both current and deferred tax. The Company recognizes the deferred tax liability based on the accumulated timing difference using the current tax rate.

N. Foreign Currency Transactions

1. Transactions in foreign currency are accounted at the exchange rates prevailing at the time of transactions.
2. Covered liabilities in foreign currencies are accounted at the rate at which they have been covered. Uncovered liabilities in foreign currency are accounted at the rates as on the balance sheet date.
3. The difference between forward rate and exchange rate at the inception of a forward exchange contract is recognized as income or expenses over the life of the contract.
4. Exchange difference in respect of uncovered foreign currency liabilities are recognized in the profit and loss account.

O. Segment Reporting

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

P. Subsidies and Government Grants

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

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

Q. Impairment of assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired.

R. Use of Estimates

The preparation of financial statements in accordance with the generally accepted accounting principles requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates in the future periods.

25. NOTES ON ACCOUNTS:

| | As at 31.03.2013 | ` in Lacs As at 31.03.2012 |
|---|---------------------|----------------------------------|
| 1. I. Contingent Liabilities not provided for; | | |
| A. Claims against the Company / disputed liabilities not acknowledged as debts | | |
| a. In respect of Joint ventures | NIL | NIL |
| b. In respect of others | 2,927.84 | 2,188.90 |
| B. Guarantees | | |
| Guarantees to Banks/Financial institutions against credit facilities extended to third parties | | |
| a. In respect of Joint ventures | NIL | NIL |
| b. In respect of others | 10,949.00 | 9,899.00 |
| II. Commitments | | |
| A. Estimated amount of contracts remaining to be executed on capital account and not provided for: | | |
| a. In respect of Joint ventures | NIL | NIL |
| b. In respect of others | 1,739.84 | 377.81 |
| B. Other Commitments | | |
| a. Letter of Credits | NIL | NIL |
| b. Bank Guarantees | 259.01 | 258.12 |
| 2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards: | | |
| Statutory Audit Fees | 7.87 | 7.87 |
| Tax Audit Fees | 0.44 | 0.44 |
| Fees for certification | 0.67 | 0.67 |
| Expenses of Audit | 2.40 | 2.85 |
| Cost Audit Fees | 2.25 | 2.25 |
| 3. The break up of Deferred tax liability as at 31.03.2013 of ` .2018.56 lacs is as under: | | |
| Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income –tax Act, 1961 | 2,119.46 | 2,411.74 |
| Tax effect of provision for Leave Encashment | (99.28) | (120.97) |
| Tax effect of provision for Bad and Doubtful debts | (1.62) | (2.21) |
| 4. The Company has not utilized Short Term Loans for Long Term purposes. | | |
| 5. Income Tax Assessment has been completed upto the Accounting Year 2009-2010 (i.e. Assessment Year 2010-11) Demand's raised by the Income Tax Department amounting to ` .701.90 lacs (For Assessment year 2009-10-` .2179 lacs) which have been disputed by the Company and necessary appeals have been filed. Based on the nature of the claim disputed, no provision has been considered necessary. | | |
| 6. Sales Tax and Central Excise demands amounting to ` .46.94 lacs have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision has been considered necessary. | | |
| 7. Trade receivables include Dues from Overseas Subsidiary Company viz., Sri Ramco Roofings Lanka (Private) Ltd., Sri Lanka to the extent of ` .474.11 lacs and Sri Ramco Lanka (Private) Ltd, Sri Lanka to the extent of ` . 664.23 lacs. Maximum amount due during the year is – ` .664.23 lacs and ` .474.11 lacs respectively. | | |
| 8. The Company's Shares are listed on Madras Stock Exchange Ltd, National Stock Exchange of India Ltd and BSE Ltd and the listing fees in respect of all the three exchanges for the Financial year 2013-2014 have been paid. | | |

NOTES ON ACCOUNTS (Contd...)

9. a. i. Long Term Loans of ₹.17030.92 Lacs borrowed from banks including for expansion of Textile and Wind Mill division under TUF Scheme are secured by paripasu first charge on the fixed assets and paripassu second charge on current assets of the Company.

₹ in Lacs

| Rate of interest | Outstanding as on 31.03.13 | Repayment schedule | | | | |
|------------------|----------------------------|--------------------|-----------------|-----------------|---------------|---------------|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| 12.20% | 33.00 | 33.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12.20% | 368.69 | 368.69 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12.00% | 2,498.26 | 2,498.26 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4.77% | 678.63 | 678.63 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12.50% | 156.06 | 89.13 | 66.93 | 0.00 | 0.00 | 0.00 |
| 11.75% | 1,580.55 | 529.40 | 529.40 | 521.75 | 0.00 | 0.00 |
| 11.15% | 2,083.33 | 833.33 | 833.33 | 416.67 | 0.00 | 0.00 |
| 10.60% | 2,790.00 | 492.35 | 656.47 | 656.47 | 656.47 | 328.24 |
| 10.20% | 3,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 0.00 | 0.00 |
| 5.62% | 3,842.40 | 0.00 | 3,842.40 | 0.00 | 0.00 | 0.00 |
| TOTAL | 17,030.92 | 6,522.79 | 6,928.53 | 2,594.89 | 656.47 | 328.24 |

- b. Short Term Loans of ₹.8752.06 Lacs borrowed from banks are secured by paripasu first charge on the current assets and paripasu second charge on fixed assets.

₹ in Lacs

| Rate of interest | Outstanding as on 31.03.13 | Repayable in the year 2013-14 |
|------------------|----------------------------|-------------------------------|
| 10.20% | 4,000.00 | 4,000.00 |
| 10.75% | 2,000.00 | 2,000.00 |
| 10.25% | 500.00 | 500.00 |
| 12.00% | 22.06 | 22.06 |
| 10.75% | 500.00 | 500.00 |
| 10.20% | 1,730.00 | 1,730.00 |
| TOTAL | 8,752.06 | 8,752.06 |

- c. i) External Commercial Borrowing Loan of USD 6.00 million amounting to ₹.3,257.40 lacs borrowed from DBS Bank Ltd., Singapore is secured by paripasu first charge on the fixed assets and paripasu second charge on current assets in favour of Security Trustee DBS Bank, Chennai.

As per requirements of Accounting Standard, ECB loan has been valued at ₹.54.29 per USD, as the closing rate on 31/03/2013. This has resulted in a notional loss of ₹.204.90 lacs which has been accounted as per Notifications dated 31/03/2009 and 09th Aug 2012 amending the Accounting Standard AS11 relating to the Effects of foreign Exchange Rates as ₹.204.90 lacs towards Fixed Assets.

- ii) External Commercial Borrowing Loan of USD 6.00 million amounting to ₹.3,258.60 lacs borrowed from DBS Bank Ltd., Singapore is secured by paripasu first charge on the fixed assets and paripasu second charge on current assets in favour of Security Trustee DBS Bank, Chennai. The principal amount is fully covered against a Forward contract and the difference of ₹.583.80 lacs between forward rate and availed rate has been accounted as per Notifications dated 31/03/2009 and 09th Aug 2012 amending the Accounting Standard AS11 relating to the Effects of foreign Exchange Rates towards Fixed Assets.

- d. 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 and second charge on fixed assets.

NOTES ON ACCOUNTS (Contd...)

The premium on forward exchange contracts not intended for trading or speculative purpose is amortized as expense over the life of the contract. During the current year ₹.123.02 lacs (PY: ₹.4.80 lacs) has been amortized and the same is included in interest and finance charges.

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

Defined Contribution Plan: ₹ in lacs

| | 2012-13 | 2011-12 |
|--|---------|---------|
| Employer's Contribution to Provident Fund | 237.18 | 204.19 |
| Employer's Contribution to Superannuation Fund | 35.63 | 35.73 |

Details of post retirement Gratuity plan (Funded) are as follows:

Reconciliation of opening and closing balances of obligation:

| | | |
|---|----------|---------|
| Defined Benefit obligation as on 01.04.2012 | 840.67 | 782.09 |
| Current Service Cost | 63.39 | 56.97 |
| Interest Cost | 64.82 | 64.98 |
| Actuarial (gain) / loss | 65.30 | 1.79 |
| Benefits paid | (186.11) | (65.16) |
| Past Service Cost (Vested Benefits) | - | - |
| Defined Benefit obligation as on 31-3-2013 | 848.07 | 840.67 |

Reconciliation of opening and closing balances of fair value of plan assets:

| | | |
|---|----------|---------|
| Fair value of plan assets as on 1-4-2012 | 861.27 | 782.86 |
| Expected return on plan assets | 61.46 | 62.92 |
| Actuarial gain / (loss) | 15.56 | 8.10 |
| Employer contribution | - | 72.55 |
| Benefits paid | (186.11) | (65.16) |
| Fair value of plan assets as on 31-3-2013 | 752.18 | 861.27 |

Actual Return of plan assets:

| | | |
|--|-------|-------|
| Expected return on plan assets | 61.46 | 62.92 |
| Actuarial gain / (loss) on plan assets | 15.56 | 8.10 |
| Actual return on plan assets | 77.02 | 71.02 |

Actuarial gain / loss recognised

| | | |
|---|---------|--------|
| Actuarial gain / (loss) for the period-Obligation | (65.29) | (1.79) |
| Actuarial gain/(loss) for the period - Plan assets | 15.56 | 8.10 |
| Total (gain) / loss for the period | (49.73) | (6.31) |
| Actuarial (gain) / loss recognized in the period | (49.73) | (6.31) |
| Unrecognised actuarial (gain)/loss at the end of the year | - | - |

Reconciliation of fair value of assets and obligations:

| | | |
|---------------------------|--------|--------|
| Fair value of plan assets | 752.18 | 861.27 |
|---------------------------|--------|--------|

NOTES ON ACCOUNTS (Contd...)

| | 2012-13 | 2011-12 |
|---|----------------|---------|
| | | in lacs |
| Present value of obligation | 848.07 | 840.67 |
| Difference | 95.89 | (20.60) |
| Unrecognized transitional liability | | - |
| Unrecognized past service cost-non vested benefits | | - |
| Amount recognized in Balance Sheet | | - |
| Expense recognized during the year: | | |
| Current Service Cost | 63.39 | 56.97 |
| Interest Cost | 64.82 | 64.98 |
| Expected return on plan assets | (61.46) | (62.92) |
| Net Actuarial (gain) / loss recognized in the year | 49.74 | (6.31) |
| Transitional liability recognized in the year | - | - |
| Past service cost - non-vested benefits | - | - |
| Past service cost - vested benefits | - | - |
| Effect of Limit as per para 59(b) read with para 61(g) of AS15R | (20.60) | 20.54 |
| Net Cost | 95.89 | 73.26 |
| Movement in the Liability recognized in the Balance Sheet | | |
| Opening Net liability | - | (0.71) |
| Expense as above | 95.89 | 73.26 |
| Contribution paid | - | (72.55) |
| Closing Net liability | 95.89 | - |
| Amount for the period: | | |
| Present value of obligation | 848.07 | 840.67 |
| Plan Assets | 752.18 | 861.27 |
| Surplus / (deficit) | (95.89) | 20.59 |
| Experience adjustments on plan liabilities-(loss) / gain | 19.42 | (23.01) |
| Experience adjustments on plan assets-(loss) / gain | 15.56 | 8.10 |
| Investment Details as on 31-3-2013: | |] |
| GOI Securities | 0.00% | 0.00% |
| State Government Securities | 0.00% | 0.00% |
| High Quality Corporate Bonds | 0.00% | 0.00% |
| Funds with LIC | 100.00% | 100.00% |
| Bank balance | 0.00% | 0.00% |
| Others | 0.00% | 0.00% |
| Actuarial assumptions: | | |
| Discount rate p.a | 8.20% | 8.67% |
| Attrition rate | 3.00% | 2.00% |
| Expected rate of return on plan assets p.a | 8.00% | 8.00% |

NOTES ON ACCOUNTS (Contd...)

| | | in lacs |
|--|----------|----------|
| | 2012-13 | 2011-12 |
| 11. Details of the Leave Encashment plan (Un-funded) are as follows: | | |
| Reconciliation of opening and closing balances of obligation | | |
| Defined Benefit obligation as on 1-4-2012 | 372.84 | 260.43 |
| Current Service Cost | 21.10 | 25.90 |
| Interest Cost | 27.39 | 19.39 |
| Actuarial (gain) / loss | (3.59) | 103.13 |
| Benefits paid | (113.88) | (36.01) |
| Past Service Cost (Vested Benefits) | - | - |
| Defined Benefit obligation as on 31-3-2013 | 303.86 | 372.84 |
| Reconciliation of opening and closing balances of fair value of plan assets: | | |
| Fair value of plan assets as on 1-4-2012 | - | - |
| Expected return on plan assets | - | - |
| Actuarial gain / (loss) | - | - |
| Employer contribution | 113.88 | 36.01 |
| Benefits paid | (113.88) | (36.01) |
| Fair value of plan assets as on 31-3-2013 | - | - |
| Actual Return of plan assets: | | |
| Expected return on plan assets | - | - |
| Actuarial gain / (loss) on plan assets | - | - |
| Actual return on plan assets | - | - |
| Actuarial gain / loss recognised | | |
| Actuarial gain /(loss) for the period–Obligation | 3.59 | (103.13) |
| Actuarial gain/(loss) for the period - Plan assets | - | - |
| Total (gain) / loss for the period | (3.59) | 103.13 |
| Actuarial (gain) / loss recognized in the period | (3.59) | 103.13 |
| Unrecognised actuarial (gain)/loss at the end of the year | - | - |
| Reconciliation of fair value of assets and obligations: | | |
| Fair value of plan assets | - | - |
| Present value of obligation | 303.86 | 372.84 |
| Difference | 303.86 | 372.84 |
| Unrecognized transitional liability | - | - |
| Unrecognized past service cost–non vested benefits | - | - |
| Amount recognized in Balance Sheet | 303.86 | 372.84 |
| Expense recognized during the year: | | |
| Current Service Cost | 21.10 | 25.90 |

NOTES ON ACCOUNTS (Contd...)

| | | ₹ in lacs |
|---|-----------------|----------------|
| | 2012-13 | 2011-12 |
| Interest Cost | 27.39 | 19.39 |
| Expected return on plan assets | - | - |
| Net Actuarial (gain) / loss recognized in the year | (3.59) | 103.13 |
| Transitional liability recognized in the year | - | - |
| Past service cost - non-vested benefits | - | - |
| Past service cost - vested benefits | - | - |
| Effect of Limit as per para 59(b) read with para 61(g) of AS15R | - | - |
| Net Cost | 44.90 | 148.42 |
| Movement in the Liability recognized in the Balance Sheet | | |
| Opening Net liability | 372.84 | 260.43 |
| Expense as above | 44.90 | 148.42 |
| Contribution paid | (113.88) | (36.01) |
| Closing Net liability | 303.86 | 372.84 |
| Amount for the period: | | |
| Present value of obligation | 303.86 | 372.84 |
| Plan Assets | - | - |
| Surplus / (deficit) | (303.86) | (372.84) |
| Experience adjustments on plan liabilities - (loss) / gain | 31.24 | (173.82) |
| Experience adjustments on plan assets - (loss) / gain | - | - |
| Investment Details as on 31-3-2013: | | |
| GOI Securities | 0.00% | 0.00% |
| State Government Securities | 0.00% | 0.00% |
| High Quality Corporate Bonds | 0.00% | 0.00% |
| Funds with LIC | 0.00% | 0.00% |
| Bank balance | 0.00% | 0.00% |
| Others | 0.00% | 0.00% |
| Actuarial assumptions: | | |
| Discount rate p.a | 8.20% | 8.67% |
| Rate of escalation in salary p.a | 6.00% | 5.50% |
| Attrition rate | 3.00% | 2.00% |
| Expected rate of return on plan assets p.a | 0.00% | 0.00% |

12. 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 ₹.394.35 lacs (Previous Year: ₹. 728.86 lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account.

The Company is eligible for Incentives under the "Bihar Industrial Policy 2006" in respect of its Fibre Cement Plant at Bihiya in the State of Bihar. A sum of ₹.481.53 lacs (Previous Year: ₹.185.50 lacs) accrued as Industrial Promotion Incentive is credited to Profit and Loss Account.

13. Out of units of 332.62 Lacs units (PY 301.59 Lacs units) generated net of wheeling and banking at wind farms -
- a) 81.57 Lacs units (PY 92.06 Lacs units) were sold to concerned State Electricity Board for ₹. 280.51 Lacs (PY ₹. 307.66 Lacs), shown under "Power generated from windmills".

NOTES ON ACCOUNTS (Contd...)

- b) 242.44 Lacs units (PY 210.24 Lacs units) were consumed at the plants and ` . 1446.11 Lacs (PY ` . 916.67 Lacs), which is not recognised in the financial statements.
- c) 12.39 Lacs units (PY 3.78 Lacs units) remain unadjusted and its monetary value of ` .41.24 Lacs (PY: ` .27.69 Lacs) has been included in "Other Current Assets".

14. Earnings Per Share:

| Particulars | 31.03.2013 | For the year ended 31.03.2012 |
|---|------------|----------------------------------|
| Net Profit after Tax (A) ` In Lacs | 5,449.31 | 6,134.46 |
| No. of Shares (B) | 866,63,060 | 866,63,060 |
| Basic and Diluted earnings per share of Re.1 each (A/B) | 6.29 | 7.08 |

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

| | 31.03.2013 | For the year ended 31.03.2012 |
|--|------------|----------------------------------|
| (a) CIF Value of Imports | | |
| Raw Material | 28,293.08 | 18,019.54 |
| Spares | 49.65 | 37.75 |
| Capital Goods | 2,751.34 | 167.40 |
| (b) Expenditure in Foreign Currency on account of Travelling & other matters | 145.64 | 288.32 |
| (c) Number of Non-resident Shareholders | 160 | 148 |
| (d) Amount remitted in Foreign Currency on account of dividends | NIL | NIL |

| | | | | |
|---|---------------------|-----|---------------------|-----|
| (e) Value of Consumption of Imported and indigenous raw material and spares | Year ended 31.03.13 | | Year ended 31.03.12 | |
| | ` In lacs | % | ` In lacs | % |
| Raw Material | | | | |
| Imported | 25,645.58 | 49% | 20,480.35 | 51% |
| Indigenous | 25,121.69 | 51% | 19,291.82 | 49% |
| Spares | | | | |
| Imported | 21.39 | 2% | 40.18 | 3% |
| Indigenous | 1,203.05 | 98% | 1,170.54 | 97% |
| (f) Earnings in Foreign Currency | Year ended 31.03.13 | | Year ended 31.03.12 | |
| Export of Goods | 4,343.49 | | 3,955.40 | |
| Royalty Income | 1,237.59 | | 862.17 | |
| Dividend from Srilankan Subsidiary | - | | 536.81 | |

16. Related Party Disclosure

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

- a. Subsidiary Companies:
1. Sudharsanam Investments Ltd
 2. Sri Ramco Lanka (Private) Ltd., Srilanka
 3. Sri Ramco Roofings Lanka (Private) Ltd., Srilanka
- b. Key Management Personnel and relatives:
- P.R. Ramasubrahmaneya Rajha
- P.R. Venketrama Raja

NOTES ON ACCOUNTS (Contd...)

- 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
 Ramaraju Surgical Cotton Mills Ltd
 Sri Vishnu Shankar Mill Ltd
 Sandhya Spinning Mill Ltd
 Thanjavur Spinning Mill Ltd
 Sri Harini Textiles Ltd
 Rajapalayam Spinners Ltd

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

| Name of the related Party | Value ` in Lacs | Outstanding as on 31.03.2013 ` in Lacs |
|--|--------------------|--|
| i. Export of Machinery and Spares: | | |
| Sri Ramco Lanka (Private) Ltd | 407.48 | 3.09 |
| Sri Ramco Roofing Lanka (Private) Ltd | 247.62 | NIL |
| ii. Service income: | | |
| Sri Ramco Lanka (Private) Ltd Royalty income – accrued but not due | 664.23 | 664.23 |
| Sri Ramco Roofings Lanka (Private) Limited | 573.35 | 474.11 |
| Rajapalayam Spinners Ltd | 0.43 | NIL |
| Sri Vishnu Sankar Mill Ltd - Conversion Charges | 1.25 | NIL |
| Rajapalaiyam Mills Ltd - Conversion Charges | 4.67 | NIL |
| Sandhya Spinning Mill Limited - Conversion Charges | 0.54 | NIL |
| Thanjavur Spinning Mill Ltd - Conversion Charges | 1.34 | NIL |
| iii. Sale of Goods: | | |
| Sri Vishnu Shankar Mill Limited | | |
| - Machinery and stores items | 1.53 | NIL |
| - Sale of Cotton | 108.91 | NIL |
| - Waste Cotton | 7.35 | NIL |
| - Building Products | 0.30 | NIL |
| - Yarn | 628.57 | NIL |
| Sandhya Spinning Mill Limited | | |
| - Waste Cotton | 40.55 | NIL |
| - Sale of Yarn | 191.26 | NIL |
| Sri Harini Textiles Limited | | |
| - Waste Cotton | 267.54 | NIL |
| Rajapalayam Spinners Ltd | | |
| - Waste Cotton | 36.23 | NIL |
| Rajapalaiyam Mills Limited | | |
| - Building Products | 2.60 | NIL |
| - Cotton | 107.47 | NIL |
| - Waste Cotton | 94.59 | NIL |

NOTES ON ACCOUNTS (Contd...)

| Name of the related Party | Value ` in Lacs | Outstanding as on 31.03.2013 ` in Lacs |
|--|--------------------|--|
| The Ramaraju Surgical Cotton Mills Ltd | | |
| - Sale of Vehicle | 14.06 | NIL |
| - Sale of Cotton | 63.55 | NIL |
| - Building Products | 3.04 | NIL |
| - Waste Cotton | 158.86 | NIL |
| - Machinery and stores items | 2.61 | NIL |
| Thanjavur Spinning Mill Ltd | | |
| - Sale of Machinery | 2.12 | NIL |
| Madras Cements Ltd | | |
| - Building Products | 42.52 | NIL |
| iv. Purchase of Goods: | | |
| Madras Cements Ltd | | |
| - Cement | 5,394.22 | NIL |
| - Flyash | 32.91 | NIL |
| - Power | 117.09 | NIL |
| Rajapalaiyam Mills Limited | | |
| - Conversion Charges | 459.93 | NIL |
| - Cotton | 902.10 | NIL |
| - Yarn | 2,705.79 | NIL |
| - DEPB Licence | 19.55 | NIL |
| - Windmill | 123.44 | NIL |
| Sandhya Spinning Mill Ltd | | |
| - Spares | 0.09 | NIL |
| - Conversion Charges | 3.58 | NIL |
| - Cotton | 296.05 | NIL |
| The Ramaraju Surgical Cotton Mills Ltd | | |
| - Cotton | 284.76 | NIL |
| - DEPB Licence | 9.03 | NIL |
| - Conversion Charges | 237.91 | NIL |
| Sri Vishnu Shankar Mills Ltd | | |
| - Cotton | 287.83 | NIL |
| - Conversion Charges | 28.92 | NIL |
| - Spares | 4.08 | NIL |
| Thanjavur Spinning Mill Ltd | | |
| - Purchase of Machinery | 2.12 | NIL |
| v. Availment of Services | | |
| Ramco Systems Ltd | | |
| - Software related services | 88.53 | NIL |
| vi. Rental Income | | |
| Smt.R.Nalina Ramalakshmi | 0.60 | NIL |

NOTES ON ACCOUNTS (Contd...)

| Name of the related Party | Value ₹ in Lacs | Outstanding as on 31.03.2013 ₹ in Lacs |
|--|--|--|
| vii. Corporate Guarantees Issued | | |
| Ramco Systems Limited | 6,550.00 | 4,185.22 |
| Shri Harini Textiles Limited | 3,629.00 | 2,424.50 |
| Deccan Renewable Wind Electrics Ltd / Axis Wind Energy Ltd | 770.00 | 761.00 |
| viii. Intercompany Loans Given | | |
| Sudharsanam Investments Limited | | 663.86 |
| ix. Assets held jointly | | |
| AirCraft -1 Jointly Free hold Madras Cements Ltd | Share of joint ownership in Aircraft 16.67% | |
| AirCraft - 2 Jointly Lease hold Madras Cements Ltd | 16.67% | |

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

| Name | Closing Balance as on 31.03.2013 inclusive of interest accrued (₹ in Lacs) | Interest Accrued (₹ in Lac) |
|---------------------------|---|--------------------------------|
| Sri. P.R. Venketrama Raja | 77.93 | 4.74 |
| Sri. K.T. Ramachandran | 1.00 | 0.00 |

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

| Particulars | 2012-13 (₹ in Lacs) | 2011-12 (₹ in Lacs) |
|---------------------------------|--------------------------------------|------------------------|
| Lease Payments | 48.02 | 0.00 |
| Contingent rent (Usage Charges) | 103.84 | 0.00 |

Operating Lease obligations payable for future periods from the Balance sheet date

| Particulars | 2012-13 (₹ in Lacs) |
|---|------------------------|
| Not Later than one Year | 142.00 |
| Later than one year and not later than five years | 365.00 |
| Later than five years | 0.00 |

NOTES ON ACCOUNTS (CONTD.)

19. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

| | Building Products | | Textiles | | Windmill | | Others | | Consolidated | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 |
| 1. Revenue/Income from operations | | | | | | | | | | |
| Total Revenue | 64,016.89 | 56,412.47 | 13,554.31 | 10,062.92 | 1,727.16 | 1,242.60 | 2,605.52 | 3,875.06 | 81,903.88 | 71,593.05 |
| Inter-segment | - | - | - | - | (1,446.65) | (916.67) | - | - | (1,446.65) | (916.67) |
| External Revenue | 64,016.89 | 56,412.47 | 13,554.31 | 10,062.92 | 280.51 | 325.93 | 2,605.52 | 3,875.06 | 80,457.23 | 70,676.38 |
| 2. Results: | | | | | | | | | | |
| Segment results | | | | | | | | | | |
| Unallocated Corporate Expenses | | | | | | | | | | |
| Operating Profit/ (Loss) | 5,904.40 | 5,276.87 | (176.21) | (161.46) | 961.16 | 564.56 | 1,352.22 | 1,723.81 | 8,041.57 | 7,403.78 |
| Interest expenses | | | | | | | | | 2,891.92 | 2,415.38 |
| Dividend income | | | | | | | | | 1,319.66 | 2,296.05 |
| Income Tax - Current | | | | | | | | | 1,290.00 | 1,270.00 |
| - Deferred | | | | | | | | | (270.00) | (120.00) |
| Profit from Ordinary activities | | | | | | | | | 5,449.31 | 6,134.46 |
| Extraordinary Profit/Loss | | | | | | | | | | |
| Net Profit | | | | | | | | | 5,449.31 | 6,134.46 |
| 3. Other Information | | | | | | | | | | |
| Segment Assets | 59,759.49 | 34,623.80 | 10,325.36 | 11,650.72 | 2,589.89 | 2,886.67 | 28,461.54 | 28,642.19 | 1,01,136.28 | 77,803.38 |
| Unallocated corporate assets | | | | | | | | | | |
| Total Assets | 59,759.49 | 34,623.80 | 10,325.36 | 11,650.72 | 2,589.89 | 2,886.67 | 28,461.54 | 28,642.19 | 1,01,136.28 | 77,803.38 |
| Segment Liabilities | 52,998.93 | 27,660.13 | 10,975.80 | 12,406.42 | 1,824.95 | 2,401.93 | (10,067.26) | (6,011.75) | 55,732.42 | 36,456.73 |
| Unallocated corporate liabilities | | | | | | | | | | |
| Total Liabilities | 52,998.93 | 27,660.13 | 10,975.80 | 12,406.42 | 1,824.95 | 2,401.93 | (10,067.26) | (6,011.75) | 55,732.42 | 36,456.73 |
| Capital Expenditure | 902.22 | 5,070.67 | 374.49 | 400.14 | 126.93 | - | 350.20 | 1,702.35 | 1,753.84 | 7,173.16 |
| Depreciation | 1,799.08 | 1,585.64 | 1,106.57 | 1,110.63 | 410.49 | 474.86 | 1.48 | 167.96 | 3,317.62 | 3,339.09 |
| Non-cash expenses other than depreciation | - | - | - | - | - | - | - | - | - | - |

NOTES ON ACCOUNTS (Contd...)

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

For M/s.M.S.Jagannathan&
N. Krishnaswami
Chartered Accountants
FRN: 001208S
P.Santhanam
Partner
Membership No.018697

For M/s.CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

Place : Chennai
Date : 30.05.2013

S. BALAMURUGASUNDARAM
Company Secretary

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

- I Name of Subsidiary company: **SUDHARSANAM INVESTMENTS LIMITED** (Wholly Owned Subsidiary)
- The Company holds 42,50,000 shares of 10/- each as on 31.03.2013
 - The Net Profit of ` 74.42 lacs of the Subsidiary Company for the year ended 31.03.2013 has not been dealt with in the Company's account
 - The Cumulative Net Profit of ` 127.04 lacs for the previous financial years ended upto 31.03.2012 have not been dealt with in the Company's accounts.
- II Name of Subsidiary Company: **SRI RAMCO LANKA (PRIVATE LIMITED, SRILANKA)** (Wholly Owned Subsidiary)
- The Company holds 2,30,00,000 shares of SLR 10/- each as on 31.03.2013
 - The Net Profit of SLR. 1582.33 lacs after providing Taxation, of the Subsidiary Company for the year ended 31.03.2013 has not been dealt with in the Company's accounts
 - The Cumulative Net Profit of SLR 15309.39 lacs for the previous financial years ended upto 31.03.2012 have not been dealt with in the Company's accounts.
- III Name of Subsidiary Company: **SRI RAMCO ROOFINGS LANKA (PRIVATE) LIMITED, SRI LANKA** (Wholly Owned Subsidiary of Sri Ramco Lanka (Private) Limited)
- Ramco Industries Limited holds 12,90,000 shares and Sri Ramco Lanka (Private) Limited holds 5,87,10,000 shares of SLR.10/- each as on 31.03.2013.
 - The Net profit of SLR 1,244.32 lacs of the Subsidiary Company for the year ended 31.03.2013 has not been dealt with in the Company's account
 - The Cumulative Net Loss of SLR.931.66 lacs for the previous financial years ended upto 31.03.2012 have not been dealt with in the Company's accounts

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

S. BALAMURUGASUNDARAM
Company Secretary

P.R. VENKETRAMA RAJA
Vice Chairman and Managing Director
S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL

Place : Chennai
Date : 30.05.2013

DETAILS OF SUBSIDIARY COMPANIES for the year ended 31.03.2013
SLR In Lacs & In ` In Lacs

| Sl. No. | Name of Subsidiary Company | Sudharsanam Investments Limited, Rajapalayam (in `) | Sri Ramco Lanka (Private) Limited, Sri Lanka | Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka |
|---------|----------------------------|---|--|---|
| 1 | Capital | 425.00 | SLR 2,300.02 ` 985.79 | 6,000.02 2,571.61 |
| 2 | Reserves & Surplus | 201.46 | SLR 15,989.02 ` 6,852.89 | 734.01 314.60 |
| 3 | Total Assets | 1,290.40 | SLR 25,110.06 ` 10,762.17 | 15,073.91 6,460.68 |
| 4 | Total Liabilities | 1,290.40 | SLR 25,110.06 ` 10,762.17 | 15,073.91 6,460.68 |
| 5 | Total Investments | 1,286.25 | SLR 5,871.00 ` 2,516.31 | - - |
| 6 | Total Income | 74.57 | SLR 16,526.57 ` 6,954.38 | 14,703.85 6,187.38 |
| 7 | Profit before Taxation | 74.42 | SLR 2,231.40 ` 938.97 | 1,244.32 523.61 |
| 8 | Provision for Taxation | NIL | SLR 649.07 ` 273.12 | - - |
| 9 | Profits after Taxation | 74.42 | SLR 1,582.33 ` 665.85 | 1,244.32 523.61 |
| 10 | Proposed Dividends | NIL | SLR - ` - | - - |

Exchange rate as on 31.03.2013 - 1 Sri Lankan Rupee (SLR) - ` 0.4286

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

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

We have audited the accompanying consolidated financial statements of M/s. Ramco Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) In the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - c) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.
-

For M/s. M.S.Jagannathan & N. Krishnaswami
Chartered Accountants
FRN: 001208S
P. SANTHANAM
Partner
Membership No.018697

For M/s. CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

Place : Chennai
Date : 30.05.2013

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

BALANCE SHEET AS AT 31ST MARCH 2013

| | Note No. | As at 31.3.2013 ` In Lacs | | As at 31.3.2012 ` In Lacs | |
|---------------------------------|----------|------------------------------|-------------------|------------------------------|------------------|
| I EQUITY AND LIABILITIES | | | | | |
| SHARE HOLDERS' FUND | | | | | |
| Share Capital | 1 | 866.84 | | 866.84 | |
| Reserves and Surplus | 2 | <u>51,844.30</u> | <u>52,711.14</u> | <u>46,072.92</u> | <u>46,939.76</u> |
| NON CURRENT LIABILITIES | | | | | |
| Long - Term Borrowings | 3 | 18,423.74 | | 11,865.96 | |
| Deferred Tax Liabilities (Net) | 4 | 2,152.34 | | 2,365.10 | |
| Other Long Term Liabilities | 5 | 4,107.98 | | 1,577.24 | |
| Long Term Provisions | 6 | <u>437.15</u> | <u>25,121.21</u> | <u>432.82</u> | <u>16,241.12</u> |
| CURRENT LIABILITIES | | | | | |
| Short Term Borrowings | 7 | 10,842.22 | | 5,868.00 | |
| Trade Payables | | 9,176.80 | | 4,470.40 | |
| Other Current Liabilities | 8 | 12,426.86 | | 10,080.88 | |
| Short Term Provisions | 9 | <u>2,055.36</u> | <u>34,501.24</u> | <u>2,766.60</u> | <u>23,185.88</u> |
| TOTAL | | | <u>112,333.59</u> | | <u>86,366.76</u> |
| II ASSETS | | | | | |
| NON CURRENT ASSETS | | | | | |
| Fixed Assets | | | | | |
| Tangible Assets | 10 | 28,985.04 | | 29,810.03 | |
| Intangible Assets | 11 | 164.39 | | 228.92 | |
| Capital Work in Progress | | 10,993.22 | | 1,685.16 | |
| Non Current Investments | 12 | 19,757.61 | | 19,757.61 | |
| Long Term Loans and Advances | 13 | 1,958.61 | | 743.33 | |
| Other Non Current Assets | | <u>1,699.90</u> | <u>63,558.77</u> | <u>1,394.39</u> | <u>53,619.44</u> |
| CURRENT ASSETS | | | | | |
| Inventories | 14 | 33,372.47 | | 16,903.26 | |
| Trade Receivables | 15 | 6,193.24 | | 5,940.89 | |
| Cash and Cash Equivalents | 16 | 2,208.98 | | 3,175.69 | |
| Short Term Loans and Advances | 17 | 4,933.07 | | 4,546.37 | |
| Other Current Assets | | <u>2,067.06</u> | <u>48,774.82</u> | <u>2,181.11</u> | <u>32,747.32</u> |
| TOTAL | | | <u>112,333.59</u> | | <u>86,366.76</u> |
| Significant Accounting Policies | | | | | |
| Notes on Financial Statements | | | | | |

As per our Report Annexed

For M/s.M.S.Jagannathan&
N. Krishnaswami
Chartered Accountants
FRN: 001208S
P.Santhanam
Partner
Membership No.018697

For M/s.CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

Place : Chennai
Date : 30.05. 2013

S. BALAMURUGASUNDARAM
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

| | Note No. | For the year Ended 31.03.2013 ` In Lacs | For the year Ended 31.03.2012 ` In Lacs |
|---|----------|--|--|
| INCOME | | | |
| Revenue from operations | 18 | 90,336.07 | 78,896.75 |
| Other Income | 19 | 1,737.26 | 2,379.05 |
| Total Revenue | | 92,073.33 | 81,275.80 |
| EXPENDITURE | | | |
| Cost of materials | 20 | 58,688.55 | 47,527.59 |
| Purchases of Stock in Trade | | 328.69 | 86.21 |
| Change in inventories | 21 | (5,242.15) | (2,103.10) |
| Employee benefit expenses | 22 | 4,920.78 | 4,372.70 |
| Finance costs | 23 | 3,080.17 | 2,456.16 |
| Depreciation | | 3,746.39 | 3,522.70 |
| Other expenses | 24 | 18,579.93 | 15,714.09 |
| Total Expenses | | 84,102.36 | 71,576.35 |
| Profit before exceptional and extraordinary items and tax | | 7,970.97 | 9,699.45 |
| Exceptional items | | 72.76 | 152.89 |
| Profit before tax | | 8,043.73 | 9,852.34 |
| Tax expense | | | |
| Current Tax | | 1,510.95 | 2,278.34 |
| Deferred Tax | | (212.76) | (114.44) |
| Profit for the year | | 6,745.54 | 7,688.44 |
| Significant Accounting Policies | | | |
| Notes on Financial Statements | 1-25 | | |
| Earnings per equity share - Basic & Diluted (in `) | | 7.78 | 8.87 |

As per our Report Annexed

For M/s.M.S.Jagannathan&
N. Krishnaswami
Chartered Accountants
FRN: 001208S
P.Santhanam
Partner
Membership No.018697

For M/s.CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

Place : Chennai
Date : 30.05. 2013

S. BALAMURUGASUNDARAM
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

` in lacs

Year Ended 31-March 2013

Year Ended 31-March 2012

A CASH FLOW FROM OPERATING ACTIVITIES

| | | | |
|--|-------------|-------------|------------|
| Net profit, after tax as per Profit and Loss Account | 6,745.54 | | 7,688.44 |
| Adjusted for | | | |
| Provision for taxation | | | |
| Current tax | 1,510.95 | | 2,278.34 |
| Deferred tax | (212.76) | | (114.44) |
| Loss on sale of assets | 6.11 | | 7.84 |
| Depreciation | 3,738.63 | | 3,522.70 |
| Dividend Income | (1,394.23) | | (1,796.97) |
| Other income | 0.00 | | 0.00 |
| Profit on sale of assets | (73.02) | | (174.00) |
| Interest income | (63.94) | | (149.67) |
| Effects on Exchange rate | 58.36 | | 316.52 |
| Interest paid | 3,080.17 | 6,650.27 | 2,139.64 |
| Operating profit before working capital changes | 13,395.81 | | 13,718.40 |
| Adjusted for | | | |
| Trade and other receivables | (252.33) | | (678.23) |
| Inventories | (16,469.23) | | (3,262.19) |
| Trade payables | 4,706.40 | | 87.64 |
| Other Current Assets | (573.52) | | (2,519.49) |
| Other current Liabilities | 2,156.23 | (10,432.45) | (1,559.80) |
| Cash generated from operations | 2,963.36 | | 5,786.33 |
| Taxes paid | (2,028.11) | | (1,329.42) |
| Net cash from operating activities | 935.24 | | 4,456.91 |

B CASH FLOW FROM INVESTING ACTIVITIES

| | | | |
|--|-------------|--|------------|
| Purchase of fixed assets | (3,334.56) | | (9,751.53) |
| Sale of fixed assets | 552.36 | | 285.14 |
| Interest income | 63.94 | | 174.00 |
| Dividend income | 1,394.23 | | 1,796.97 |
| Changes in WIP | (9,308.06) | | 1,485.79 |
| Advances for long term purpose | (1,219.92) | | 2,068.09 |
| Royalty receipts | 0.00 | | 0.00 |
| Provision for AS 15 | 133.80 | | (222.73) |
| Net cash used in Investing activities | (11,718.21) | | (4,164.27) |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

` in lacs

| | Year Ended 31-March 2013 | Year Ended 31-March 2012 |
|--|--------------------------|--------------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from long term borrowing | 6,557.78 | 2,798.20 |
| Proceeds from other Long term Liabilities | 2,530.74 | 240.27 |
| Proceeds from short term borrowings | 4,974.22 | (1,556.99) |
| Dividend paid | (1,107.95) | (1,309.39) |
| Finance cost | (3,138.53) | (2,456.16) |
| Net cash (used in)/ from Financing activities | <u>9,816.26</u> | <u>(2,284.07)</u> |
| Net increase / (decrease) in cash and cash equivalents | <u>(966.71)</u> | <u>(1,991.43)</u> |
| Opening balance of cash and cash equivalents | <u>3,175.69</u> | 5,167.12 |
| Closing Balance of cash and Cash equivalents | <u>2,208.98</u> | <u>3,175.69</u> |

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

S. BALAMURUGASUNDARAM
Company Secretary

Place : Chennai
Date : 30.05.2013

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

AUDITORS' CERTIFICATE

To

The Board of Directors
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited. The Statement has been prepared based on and in agreement with the corresponding Consolidated Profit and Loss account and Balance Sheet of Ramco Industries Limited and its Subsidiaries covered by our report of 30th May 2013 to the members of the Company.

For M/s. M.S.Jagannathan & N. Krishnaswami
Chartered Accountants
FRN: 001208S
P. SANTHANAM
Partner
Membership No.018697

Place : Chennai
Date : 30.05.2013

For M/s. CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

As at 31st March, 2013

As at 31st March, 2012

1 SHARE CAPITAL

Authorised, Issued, Subscribed and Paid-up share capital and par value per share

Authorised Share Capital :

20,00,00,000 Equity Shares of ₹ 1/-each 2,000 2000

Number of Equity Shares outstanding as at

Issued, Subscribed and Paid-up : 866.84 866.84

8,66,84,251 Equity Shares of ₹ 1/- each - -

fully paid up - -

(Includes 202 Equity Shares of ₹ 10/-

each fully paid-up in Sri Ramco Roofings Lanka (Private) Ltd.) 866.84 866.84

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

| Particulars | As at 31st March, 2013 | As at 31st March, 2012 |
|--|------------------------|------------------------|
| Equity Shares at the beginning of the year | 866.84 | 866.84 |
| Add: Number of shares allotted during the year | - | - |
| Less: Number of shares bought back | - | - |
| Equity Shares at the end of the year | 866.84 | 866.84 |

1.2 Rights, preferences and restrictions attaching to various classes of shares

NIL NIL

1.3 Share holding in the company of the holding company and ultimate holding company and their subsidiaries / associates

NIL NIL

1.4 The details of Shareholders holding more than 5% shares :

| Name of the Shareholder | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---------------------------------|------------------------|--------|------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Madras Cements Limited | 1,33,72,500 | 15.43 | 1,33,72,500 | 15.43 |
| Rajapalayam Mills Limited | 79,20,680 | 9.14 | 79,20,680 | 9.14 |
| Shri.P.R.Ramasubrahmaneya Rajha | 28,82,621 | 3.33 | 80,80,040 | 9.32 |
| Shri.P.R.Venketrama Raja | 55,00,000 | 6.35 | 52,85,000 | 6.10 |
| Smt.Saradha Deepa | 55,00,000 | 6.35 | 30,21,680 | 3.49 |
| Smt.Nalina Ramalakshmi | 55,80,000 | 6.44 | 29,31,680 | 3.38 |
| | 4,07,55,801 | 47.04 | 4,06,11,580 | 46.86 |

1.5 Shares reserved for issue under options and contracts

NIL NIL

1.6 Commitments for sale of shares / disinvestment

NIL NIL

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

1.8 Allotment of shares for consideration other than cash, allotment of bonus shares and shares bought back

NIL NIL

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

` in lacs

| | As at 31st March, 2013 | | As at 31st March, 2012 | |
|---|------------------------|------------------|------------------------|------------------|
| 2. RESERVES AND SURPLUS | | | | |
| 2.1 Capital Reserve | | | | |
| As per last Balance Sheet | 1,410.71 | | 1,410.71 | |
| Less: Transferred to Profit and Loss Account | 0.00 | 1,410.71 | <u>0.00</u> | 1,410.71 |
| 2.2 Capital Redemption Reserve | | | | |
| As per last Balance Sheet | 0.00 | | | 0.00 |
| 2.3 Securities Premium Reserve | | | | |
| As per last Balance Sheet | 209.53 | | | 209.53 |
| 2.4 Debentures Redemption Reserve | | | | |
| As per last Balance Sheet | 0.00 | | | 0.00 |
| 2.5 Revaluation Reserve | | | | |
| As per last Balance Sheet | 0.00 | | | 0.00 |
| 2.6 Share options outstandings account | | | | |
| As per last Balance Sheet | 0.00 | | | 0.00 |
| 2.7 General Reserve | | | | |
| As per last Balance Sheet | 38,838.37 | | 33,938.37 | |
| Add: Transferred from Profit and Loss Account | 2,800.00 | | 4,900.00 | |
| Add: Translation profit | (249.17) | 41,389.23 | <u>(382.95)</u> | 38,455.42 |
| 2.8 Profit and Loss Account | | | | |
| As per last Balance Sheet | 5,997.26 | | 4,316.76 | |
| Add: Profit for the year | 6,745.54 | | <u>7,688.44</u> | |
| | 12,742.80 | | 12,005.20 | |
| Less: Appropriations | | | | |
| Interim Dividend | 779.97 | | 779.97 | |
| Tax on Interim Dividend | 126.53 | | 126.53 | |
| Proposed Dividend on Equity Shares | 173.33 | | 173.33 | |
| Tax on Dividend | 28.11 | | 28.11 | |
| Transferred to General Reserve | 2,800.00 | 8,834.86 | <u>4,900.00</u> | 5,997.26 |
| TOTAL | | 51,844.30 | | <u>46,072.92</u> |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

| | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|---|----------------------------------|----------------------------------|
| 3 LONG TERM BORROWINGS | | |
| Loan from banks secured | 18,418.14 | 11,856.11 |
| Deposits | 5.60 | 9.85 |
| | <u>18,423.74</u> | <u>11,865.96</u> |
| 4 DEFERRED TAX | | |
| <u>Deferred tax Liabilities</u> | | |
| Related to Fixed Assets | 2,253.24 | 2,492.93 |
| <u>Deferred tax Assets</u> | | |
| Related to Expenses | (100.90) | (127.83) |
| | <u>2,152.34</u> | <u>2,365.10</u> |
| 5 OTHER LONG TERM LIABILITIES | | |
| Security deposit | 1,993.70 | 1,577.24 |
| Trade Payables (LT) | 2,114.28 | - |
| | <u>4,107.98</u> | <u>1,577.24</u> |
| 6 LONG TERM PROVISIONS | | |
| Provision for gratuity | 164.52 | 138.49 |
| Provision for other employee benefits | 272.63 | 294.33 |
| | <u>437.15</u> | <u>432.82</u> |
| 7 SHORT TERM BORROWINGS | | |
| Loan from banks secured | 8,752.06 | 3,700.00 |
| Loan from banks unsecured | 2,002.93 | 2,143.57 |
| Deposits | 8.30 | 3.00 |
| Deposit from Directors | 78.93 | 21.43 |
| | <u>10,842.22</u> | <u>5,868.00</u> |
| 8 OTHER CURRENT LIABILITIES | | |
| Current maturity of Long term debt- Secured | 7,831.49 | 3,814.70 |
| Current maturity of Long term debt- Unsecured | - | 2,387.00 |
| Interest accrued but not due | 1.98 | 0.98 |
| Unpaid dividends | 201.27 | 434.78 |
| Statutory dues and Taxes recovery/ Repayable | 2,563.35 | 2,098.73 |
| Customer Credit Balance | 694.08 | 743.65 |
| Unpaid matured Deposits | - | 1.06 |
| Other current liabilities | 1,134.69 | 599.98 |
| | <u>12,426.86</u> | <u>10,080.88</u> |
| 9 SHORT TERM PROVISIONS | | |
| Provision for Leave Encashment | 31.24 | 78.51 |
| Provision for Proposed Dividend | - | 173.33 |
| Provision for Taxation | 2,024.12 | 2,514.76 |
| | <u>2,055.36</u> | <u>2,766.60</u> |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

10. FIXED ASSETS - TANGIBLE ASSETS

in lacs

| Particulars | GROSS BLOCK | | | DEPRECIATION | | NET BLOCK | | |
|----------------------|----------------------|-----------|-----------------------------|----------------------|-------------------------|---------------------|----------------------|----------------------|
| | As At 01-Apr-2012 | Additions | Withdrawals/ Adjustments | As At 31-MAR-2013 | For the year 2012-13 | Up to 31-03-2013 | As At 31-MAR-2013 | As At 31-MAR-2012 |
| LAND | 779.55 | 49.37 | 78.26 | 750.66 | - | - | 750.66 | 779.55 |
| LAND - LEASEHOLD | 1,426.25 | - | | 1,426.25 | 3.88 | 10.52 | 1,415.73 | 1,419.61 |
| BUILDINGS | 11,455.21 | 662.38 | (94.72) | 12,212.31 | 559.29 | 3,368.82 | 8,843.49 | 8,645.69 |
| RAILWAY SIDINGS | 20.68 | - | - | 20.68 | - | 19.65 | 1.03 | 1.03 |
| PLANT & MACHINERY | 38,156.69 | 1,872.62 | 88.18 | 39,941.13 | 2,656.35 | 24,975.37 | 14,965.76 | 15,869.37 |
| ELECTRICAL MACHINERY | 3,665.02 | 533.96 | 27.28 | 4,171.70 | 333.06 | 2,075.86 | 2,095.84 | 1,922.07 |
| FURNITURE AND | | | | | | | | |
| OFFICE EQUIPMENTS | 458.02 | 97.82 | 14.03 | 541.81 | 24.64 | 287.36 | 254.45 | 186.55 |
| VEHICLES | 624.28 | 77.79 | 30.50 | 671.57 | 76.87 | 326.86 | 344.71 | 360.98 |
| AIR CRAFT | 718.61 | - | 358.12 | 360.49 | 27.78 | 47.12 | 313.37 | 625.18 |
| TOTAL | 57,304.31 | 3,293.94 | 501.65 | 60,096.60 | 3,681.87 | 31,111.56 | 28,985.04 | 29,810.03 |

11. FIXED ASSETS - INTANGIBLE ASSETS

| Particulars | GROSS BLOCK | | | DEPRECIATION | | NET BLOCK | | |
|-------------|----------------------|-----------|-----------------------------|----------------------|-------------------------|---------------------|----------------------|----------------------|
| | As At 01-Apr-2012 | Additions | Withdrawals/ Adjustments | As At 31-MAR-2013 | For the year 2012-13 | Up to 31-03-2013 | As At 31-MAR-2013 | As At 31-MAR-2012 |
| SOFTWARE | 556.21 | - | - | 556.21 | 64.52 | 391.82 | 164.39 | 228.92 |
| TOTAL | 556.21 | - | - | 556.21 | 64.52 | 391.82 | 164.39 | 228.92 |

| | | | | | | | | |
|----------------------|------------------|-----------------|---------------|------------------|-----------------|------------------|------------------|------------------|
| Grand total | 57,860.52 | 3,293.94 | 501.65 | 60,652.81 | 3,746.39 | 31,503.38 | 29,149.43 | 30,038.95 |
| Previous year | 48,412.43 | 9,751.53 | 303.44 | 57,860.52 | 3,522.70 | 27,821.57 | 30,038.95 | 23,953.43 |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)

₹ in lacs

| | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|---|----------------------------------|----------------------------------|
| 12 INVESTMENTS | | |
| <u>INVESTMENTS - Quoted</u> | | |
| I Investments in Equity Instruments - Associates | | |
| Shares in Madras Cements Ltd: | | |
| 5,22,95,020 nos. Equity shares of Re.1/- each fully paid-up | 7,102.10 | 7,102.10 |
| Shares in Rajapalayam Mills Ltd: | | |
| 8,47,360 nos. Equity Shares of ₹.10/- each fully paid-up | 411.09 | 411.09 |
| Shares in Ramco Systems Ltd: | | |
| 48,22,215 nos. Equity shares of ₹.10/- each fully paid up | 12,216.19 | 12,216.19 |
| TOTAL | 19,729.38 | 19,729.38 |
| II Investments in Equity Instruments - Others | | |
| Shares in Indian Bank | | |
| 1391 No. Equity shares of ₹.91/- | 1.27 | 1.27 |
| Shares in HDFC Ltd: | | |
| 310200 nos. Equity Shares of ₹.2/- each fully paid-up | 8.27 | 8.27 |
| Shares in HDFC Bank Ltd: | | |
| 5,500 nos. Equity Shares of ₹.2/- each fully paid-up | 0.11 | 0.11 |
| Shares in Vysya Bank Housing Finance Ltd. | | |
| 30,000 nos. Shares of ₹.10/-each | 3.00 | 3.00 |
| | 12.65 | 12.65 |
| <u>INVESTMENTS - Unquoted</u> | | |
| III Investments in Equity Instruments - Associates | | |
| 50,000 shares of ₹.10/- each in Ontime Transport Company Ltd | 5.00 | 5.00 |
| IV Investment in Government or Trust Securities | | |
| National Savings Certificates | 0.52 | 0.52 |
| V Investments in Mutual Funds | | |
| 1,00,000 units of ₹.10/- each in HDFC Balanced Fund | 10.00 | 10.00 |
| VI Investment Others | | |
| Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam | 0.03 | 0.03 |
| Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur | 0.03 | 0.03 |
| 2 nos. Shares of ₹.100/- each of Simandhar Shopping Centre Owners Association | 0.00 | 0.00 |
| TOTAL | 0.06 | 0.06 |
| GRAND TOTAL | 19,757.61 | 19,757.61 |
| Aggregate amount of quoted investments : | | |
| At cost | 19,742.03 | 19,742.03 |
| At Market value | 135,605.68 | 88,999.41 |
| Aggregate amount of unquoted investments at cost | 15.58 | 15.58 |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)

₹ in lacs

| | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|--|----------------------------------|----------------------------------|
| 13 LONG TERM LOANS AND ADVANCES | | |
| Secured and Considered good | | |
| Capital advances | 1,543.74 | 437.66 |
| Security deposits | 406.24 | 301.03 |
| Unsecured and Considered good | | |
| Loans and Advances Others | 8.63 | 4.64 |
| Loans and Advances to related parties | - | |
| | <u>1,958.61</u> | <u>743.33</u> |
| 14 INVENTORIES | | |
| Rawmaterials | 15,012.54 | 3,769.28 |
| Rawmaterials - In transit | 274.91 | 602.40 |
| Work in process | 208.03 | 224.49 |
| Finished goods | 17,076.68 | 11,477.19 |
| Finished goods in transit | 21.52 | 42.46 |
| Stores and spares | 778.79 | 787.44 |
| | <u>33,372.47</u> | <u>16,903.26</u> |
| 15 TRADE RECEIVABLES | | |
| Trade receivables Outstanding for more than 6Months, Considered doubtful | 171.22 | 184.98 |
| Trade receivables Outstanding for more than 6Months, provision | (171.22) | (184.98) |
| Trade receivables Outstanding for more than 6Months, considered good | 429.59 | 442.85 |
| Trade receivables, considered good | 5,763.65 | 5,498.04 |
| | <u>6,193.24</u> | <u>5,940.89</u> |
| 16 CASH AND CASH EQUIVALENTS | | |
| Balance with bank | 1,856.70 | 2,610.62 |
| cash on hand | 32.15 | 15.91 |
| Margin Money | 292.19 | 114.38 |
| Balance with Bank - Unpaid Dividend Warrant Account | 27.94 | 434.78 |
| | <u>2,208.98</u> | <u>3,175.69</u> |
| 17 SHORT TERM LOANS AND ADVANCES | | |
| Advance income tax, TDS | 2,137.55 | 2,007.00 |
| Tax credit Indirect taxes | 1,029.47 | 260.27 |
| Advance to suppliers | 1,434.07 | 2,123.76 |
| Advance to Employees | 37.14 | 23.50 |
| Prepaid expenses | 294.84 | 131.84 |
| | <u>4,933.07</u> | <u>4,546.37</u> |
| 18 REVENUE FROM OPERATIONS | | |
| Sale of sheets | 97,786.31 | 84,009.46 |
| Less: Excise Duty | (8,606.65) | (6,334.73) |
| | <u>89,179.66</u> | <u>77,674.73</u> |
| Incentives from Govt | 875.90 | 914.36 |
| Power generated from Wind mill | 280.51 | 307.66 |
| | <u>90,336.07</u> | <u>78,896.75</u> |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)

` in lacs

| | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|--|----------------------------------|----------------------------------|
| 19 OTHER INCOME | | |
| Interest income | 63.94 | 174.00 |
| Dividend Received | 1,394.23 | 1,796.97 |
| Other Miscellaneous Income | 279.09 | 389.81 |
| Carbon Credit | - | 18.27 |
| | <u>1,737.26</u> | <u>2,379.05</u> |
| 20 COST OF RAW MATERIALS | | |
| Chrysotile Fibre | 28,299.07 | 21,732.59 |
| Cement | 14,621.66 | 14,301.15 |
| Clinker | 3,055.65 | 2,539.51 |
| Cotton | 9,416.24 | 6,314.61 |
| Other Additives | 3,295.93 | 2,639.73 |
| | <u>58,688.55</u> | <u>47,527.59</u> |
| 21 CHANGE IN INVENTORIES | | |
| Closing stock of finished goods | 17,098.20 | 11,519.65 |
| Closing stock of Process stock | 208.03 | 224.49 |
| | <u>17,306.23</u> | <u>11,744.14</u> |
| Opening stock of finished goods | 11,519.65 | 8,987.74 |
| Opening stock of Process stock | 224.49 | 184.22 |
| | <u>11,744.14</u> | <u>9,171.96</u> |
| (Increase) / Decrease | (5,562.09) | (2,572.18) |
| ED on stock variance | 319.93 | 469.08 |
| | <u>(5,242.15)</u> | <u>(2,103.10)</u> |
| 22 EMPLOYEE BENEFIT EXPENSES | | |
| Salaries and wages | 4,079.36 | 3,695.18 |
| Workmen and Staff welfare | 364.05 | 299.94 |
| Contribution to Provident Fund | 320.16 | 235.79 |
| Contribution to Gratuity Fund | 121.59 | 106.06 |
| Contribution to Superannuation Fund | 35.62 | 35.73 |
| | <u>4,920.78</u> | <u>4,372.70</u> |
| 23 FINANCE COSTS | | |
| Interest costs | 2,509.17 | 1,933.84 |
| Exchange fluctuation in Foreign Currency | 334.34 | 316.52 |
| Other finance costs | 236.66 | 205.80 |
| | <u>3,080.17</u> | <u>2,456.16</u> |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd...)

₹ in lacs

| | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|---|----------------------------------|----------------------------------|
| 24 OTHER EXPENSES | | |
| <u>Manufacturing</u> | | |
| Stores consumed | 1,340.40 | 1,441.06 |
| Power and fuel | 4,826.75 | 3,952.24 |
| Repairs and Maintenance Building | 112.29 | 122.23 |
| Repairs and Maintenance General | 207.30 | 192.12 |
| Repairs and Maintenance Others | 0.20 | 32.95 |
| Repairs and Maintenance Plant and Machinery | 1,918.70 | 1,592.29 |
| <u>Administration</u> | | |
| Insurance | 83.86 | 96.89 |
| Travelling expenses | 499.23 | 427.99 |
| Rates and taxes | 612.93 | 198.48 |
| Exchange fluctuations in Foreign currency | 58.36 | 77.43 |
| Miscellaneous Expenses | 775.23 | 782.15 |
| Rent | 117.98 | 104.49 |
| Managerial Remuneration | 324.74 | 363.42 |
| Printing & Stationery | 45.36 | 48.79 |
| Telephones and communications | 96.39 | 74.93 |
| Corporate social responsibility | 292.72 | 274.14 |
| Legal & Consultancy Expenses | 242.66 | 167.53 |
| Auditors Fees | 15.89 | 15.98 |
| Vehicle / Aircraft Maintenance | 324.38 | 222.59 |
| Directors Sitting fees | 6.74 | 6.65 |
| <u>Selling and distribution expenses</u> | | |
| Agency commission | 439.81 | 363.67 |
| Advertisement Exp | 497.34 | 300.36 |
| Discounts | 2,380.89 | 1,530.18 |
| Bad debts | 1.40 | - |
| Transportation and handling Expenses | 3,358.38 | 3,325.53 |
| | <u>18,579.93</u> | <u>15,714.09</u> |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation and presentation of financial statements

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

2. Principles of Consolidation

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

3. Other significant Accounting Policies

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

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

₹ in lacs

4. NOTES ON ACCOUNTS:

As at 31.03.2013

As at 31.03.2012

1. I. Contingent Liabilities not provided for:

A. Claims against the company / disputed liabilities not acknowledged as debts

| | | |
|---------------------------------|----------|----------|
| a. In respect of Joint ventures | NIL | NIL |
| b. In respect of others | 2,927.84 | 2,188.90 |

B. Guarantees

Bank Guarantees to Banks/Financial institutions
against credit facilities extended to third parties

| | | |
|---------------------------------|-----------|----------|
| a. In respect of Joint ventures | NIL | NIL |
| b. In respect of others | 10,949.00 | 9,899.00 |

II. Commitments

A. Estimated amount of contracts remaining to be executed on capital account and not provided for:

| | | |
|---------------------------------|----------|--------|
| a. In respect of Joint ventures | NIL | NIL |
| b. In respect of others | 1,739.84 | 377.81 |

B. Other Commitments

| | | |
|----------------------|--------|--------|
| a. Letter of Credits | NIL | NIL |
| b. Bank Guarantees | 259.01 | 258.12 |

2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:

| | | |
|------------------------|-------|-------|
| Statutory Audit Fees | 10.79 | 10.79 |
| Tax Audit Fees | 0.44 | 0.44 |
| Fees for certification | 0.67 | 0.67 |
| Expenses of Audit | 2.40 | 2.85 |
| Cost Audit Fees | 2.25 | 2.25 |

3. The break up of Deferred tax liability as at 31.03.2013 of ₹ 2,152.34 lacs is as under:

| | | |
|--|----------|----------|
| Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income –tax Act, 1961 | 2,252.68 | 2,492.93 |
| Tax effect of provision for Leave Encashment | (98.63) | (120.97) |
| Tax effect of provision for Bad and Doubtful debts | (1.71) | (6.86) |

4. The Company has not utilized Short Term Loans for Long Term purposes.

5. Income Tax assessment for the Accounting year 2010-2011 (i.e. Assessment year 2011-12) is under process.

6. Income Tax Assessment has been completed upto the Accounting Year 2009-2010 (i.e. Assessment Year 2010-11) Demand's raised by the Income Tax Department amounting to ₹ 701.90 lacs (For Assessment year 2009-10 – ₹ 2,179.00 Lacs) which have been disputed by the company and necessary appeals have been filed. Based on the nature of the claim disputed, no provision has been considered necessary.

7. Sales Tax demands amounting to ₹ 46.94 lacs have been disputed by the company and necessary appeals have been filed. Based on the nature of claim disputed, no provision has been considered necessary.

8. 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 2013-2014 have been paid.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

9. a. i. Long Term Loans of ₹ 18,418.14 Lacs borrowed from banks including for expansion of Textile and Wind Mill division under TUF Scheme are secured by paripasu first charge on the fixed assets and paripassu second charge on current assets of the company.

₹ in lacs

| Rate of interest | Outstanding as on 31.03.13 | Repayment schedule | | | | |
|------------------|----------------------------|--------------------|-----------------|-----------------|---------------|---------------|
| | | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| 12.20% | 33.00 | 33.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12.20% | 368.69 | 368.69 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12.00% | 2,498.26 | 2,498.26 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4.77% | 678.63 | 678.63 | 0.00 | 0.00 | 0.00 | 0.00 |
| 12.50% | 156.06 | 89.13 | 66.93 | 0.00 | 0.00 | 0.00 |
| 11.75% | 1,580.55 | 529.40 | 529.40 | 521.75 | 0.00 | 0.00 |
| 11.15% | 2,083.33 | 833.33 | 833.33 | 416.67 | 0.00 | 0.00 |
| 10.60% | 2,790.00 | 492.35 | 656.47 | 656.47 | 656.47 | 328.24 |
| 10.20% | 3,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | 0.00 | 0.00 |
| 5.62% | 3,842.40 | 0.00 | 3,842.40 | 0.00 | 0.00 | 0.00 |
| 15.38% | 1,387.22 | 507.19 | 507.19 | 372.84 | 0.00 | 0.00 |
| TOTAL | 18,418.14 | 7,029.98 | 7,435.72 | 2,967.73 | 656.47 | 328.24 |

- b. Short Term Loans of ₹ 8,752.06 Lacs borrowed from banks are secured by paripasu first charge on the fixed assets and paripassu second charge on current assets.

₹ in lacs

| Rate of interest | Outstanding as on 31.03.13 | Repayable in the year 2013-14 |
|------------------|----------------------------|-------------------------------|
| 10.20% | 4,000.00 | 4,000.00 |
| 10.75% | 2,000.00 | 2,000.00 |
| 10.25% | 500.00 | 500.00 |
| 12.00% | 22.06 | 22.06 |
| 10.75% | 500.00 | 500.00 |
| 10.20% | 1,730.00 | 1,730.00 |
| TOTAL | 8,752.06 | 8,752.06 |

- c. i) External Commercial Borrowing Loan of USD 6.00 million amounting to ₹ 3,257.40 lacs borrowed from DBS Bank Ltd., Singapore is secured by paripasu first charge on the fixed assets and paripassu second charge on current assets in favour of Security Trustee DBS Bank, Chennai.

As per requirements of Accounting Standard, ECB loan has been valued at ₹ 54.29 per USD, as the closing rate on 31/03/2013. This has resulted in a notional loss of ₹ 204.90 lacs which has been accounted as per Notifications dated 31/03/2009 and 09th Aug 2012 amending the Accounting Standard AS11 relating to the Effects of foreign Exchange Rates as ₹ 204.90 lacs towards Fixed Assets

- ii) External Commercial Borrowing Loan of USD 6.00 million amounting to ₹ 3,258.60 lacs borrowed from DBS Bank Ltd., Singapore is secured by paripasu first charge on the fixed assets and paripassu second charge on current assets in favour of Security Trustee DBS Bank, Chennai. The principal amount is fully covered against a Forward contract and the difference of ₹ 583.80 lacs between forward rate and availed rate has been accounted as per Notifications dated 31/03/2009 and 09th Aug 2012 amending the Accounting Standard AS11 relating to the Effects of foreign Exchange Rates towards Fixed Assets.

- d. 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 and second charge on fixed assets.

10. The premium on forward exchange contracts not intended for trading or speculative purpose is amortized as expense over the life of the contract, During the current year ₹ 123.02 lacs (PY: ₹ 4.80 lacs) has been amortized and the same is included in interest and finance charges.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

11. 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 ` .394.35 lacs (Previous Year: ` .728.86 lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account.

The Company is eligible for Incentives under the "Bihar Industrial Policy 2006" in respect of its Fibre Cement Plant at Bihiya in the State of Bihar. A sum of ` .481.53 lacs (Previous Year: ` .185.50 lacs) accrued as Industrial Promotion Incentive is credited to Profit and Loss Account.

Interest subsidy under Technology Upgradation Fund (TUF) is credited to interest.

12. Out of units of 332.62 Lacs units (PY 301.59 Lacs units) generated net of wheeling at wind farms
- 81.57 Lac units (PY 92.06 Lacs units) were sold to concerned State Electricity Board for ` .280.51 Lacs (PY ` .307.66 Lacs), shown under "Power generated from windmills".
 - 242.44 Lacs units (PY 210.24 Lacs units) valued @ ` .1,446.55 lacs were consumed at the plants (PY ` .916.67 Lacs), has been netted off against the cost of Power and Fuel.
 - 12.39 Lacs units (PY 3.78 Lacs units) remain unadjusted and its monetary value of ` .41.24 Lacs (PY: ` .27.69 Lacs) has been included in "Other Current Assets"

13. Earnings Per Share:

| Particulars | For the year ended 31.03.2013 | For the year ended 31.03.2012 |
|---|----------------------------------|----------------------------------|
| Net Profit after Tax (A) ` . In Lacs | 6,745.54 | 7,688.44 |
| No. of Shares (B) | 866,84,251 | 866,84,251 |
| Basic and Diluted earnings per share of ` .1 each (A/B) | 7.78 | 8.87 |

14. Related Party Disclosure

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

- 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
Ramaraju Surgical Cotton Mills Ltd
Sri Vishnu Shankar Mill Ltd
Sandhya Spinning Mill Ltd
Thanjavur Spinning Mill Ltd
Sri Harini Textiles Ltd
Rajapalayam Spinners Ltd

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

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

| Name of the related Party | Value ` in Lacs | Outstanding as on 31.03.2013 (` in Lacs) |
|--|-----------------|--|
| i. Service income: | | |
| Rajapalayam Spinners Ltd | 0.43 | NIL |
| Sri Vishnu Sankar Mill Ltd - Conversion Charges | 1.25 | NIL |
| Rajapalaiyam Mills Ltd - Conversion Charges | 4.67 | NIL |
| Sandhya Spinning Mill Limited - Conversion Charges | 0.54 | NIL |
| Thanjavur Spinning Mill Ltd | 1.34 | NIL |
| ii. Sale of Goods: | | |
| Sri Vishnu Shankar Mill Limited | | |
| - Machinery and stores items | 1.53 | NIL |
| - Sale of Cotton | 108.91 | NIL |
| - Waste Cotton | 7.35 | NIL |
| - Building Products | 0.30 | NIL |
| - Yarn | 628.57 | NIL |
| Sandhya Spinning Mill Limited | | |
| - Waste Cotton | 40.55 | NIL |
| - Sale of Yarn | 191.26 | NIL |
| Sri Harini Textiles Limited | | |
| - Waste Cotton | 267.54 | NIL |
| Rajapalayam Spinners Ltd | | |
| - Waste Cotton | 36.23 | NIL |
| Rajapalaiyam Mills Limited | | |
| - Building Products | 2.60 | NIL |
| - Cotton | 107.47 | NIL |
| - Waste Cotton | 94.59 | NIL |
| The Ramaraju Surgical Cotton Mills Ltd | | |
| - Sale of Vehicle | 14.06 | NIL |
| - Sale of Cotton | 63.55 | NIL |
| - Building Products | 3.04 | NIL |
| - Waste Cotton | 158.86 | NIL |
| - Machinery and stores items | 2.61 | NIL |
| Thanjavur Spinning Mill Ltd | | |
| - Sale of Machinery | 2.12 | NIL |
| Madras Cements Ltd | | |
| - Building Products | 42.52 | NIL |
| iii. Purchase of Goods: | | |
| Madras Cements Ltd | | |
| - Cement | 5,394.22 | NIL |
| - Flyash | 32.91 | NIL |
| - Power | 117.09 | NIL |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

| Name of the related Party | Value ` in Lacs | Outstanding as on 31.03.2013 (` in Lacs) |
|--|--|--|
| Rajapalaiyam Mills Limited | | |
| - Conversion Charges | 459.93 | NIL |
| - Cotton | 902.10 | NIL |
| - Yarn | 2,705.79 | NIL |
| - DEPB Licence | 19.56 | NIL |
| - Windmill | 123.44 | NIL |
| Sandhya Spinning Mill Ltd | | |
| - Spares | 0.09 | NIL |
| - Conversion Charges | 3.58 | NIL |
| - Cotton | 296.05 | NIL |
| The Ramaraju Surgical Cotton Mills Ltd | | |
| - Cotton | 284.76 | NIL |
| - DEPB Licence | 9.03 | NIL |
| - Conversion Charges | 237.91 | NIL |
| Sri Vishnu Shankar Mills Ltd | | |
| - Cotton | 287.83 | NIL |
| - Conversion Charges | 28.92 | NIL |
| - Spares | 4.08 | NIL |
| Thanjavur Spinning Mill Ltd | | |
| - Purchase of Machinery | 2.12 | NIL |
| iv. Availment of Services | | |
| Ramco Systems Ltd | | |
| - Software related services | 88.53 | NIL |
| v. Rental Income | | |
| Smt.R.Nalina Ramalakshmi | 0.60 | NIL |
| vi. Corporate Guarantees Issued | | |
| Ramco Systems Limited | 6,550.00 | 4,185.22 |
| Shri Harini Textiles Limited | 3,629.00 | 2,424.50 |
| Deccan Renewable Wind Electrics Ltd / Axis Wind Energy Ltd | 770.00 | 761.00 |
| vii. Assets held jointly | | |
| AirCraft -1 Jointly Free hold | Share of joint ownership in Aircraft 16.67% | |
| Madras Cements Ltd | | |
| AirCraft – 2 Jointly Lease hold | 16.67% | |
| Madras Cements Ltd | | |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

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

₹ in lacs

| Name | Closing Balance as on 31.03.2013 inclusive of interest accrued (₹ in Lacs) | Interest Accrued ₹ in Lacs |
|---------------------------|---|-------------------------------|
| Sri. P.R. Venketrama Raja | 77.93 | 4.74 |
| Sri. K.T. Ramachandran | 1.00 | 0.00 |

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

₹ in lacs

| Particulars | 2012-13 | 2011-12 |
|---------------------------------|---------|---------|
| Lease Payments | 48.02 | 0.00 |
| Contingent rent (Usage Charges) | 103.84 | 0.00 |

Operating Lease obligations payable for future periods from the Balance sheet date

| Particulars | 2012-13 (₹ in Lacs) |
|---|------------------------|
| Not Later than one Year | 142.00 |
| Later than one year and not later than five years | 365.00 |
| Later than five years | 0.00 |

17. During the year accounts of the Srilanka is compiled under SLFRS (Srilanka Financial Reporting System). For the consolidation purpose the accounts are reclassified under IAS (Indian Accounting Standards)

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

18. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

₹ in lacs

| Particulars | Building Products | | Textiles | | Windmill | | Others | | Consolidated | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 | Year Ended 31.3.2013 | Year Ended 31.3.2012 |
| 1. Revenue/Income from operations | | | | | | | | | | |
| Total Revenue | 75,558.42 | 68,918.85 | 13,554.31 | 10,062.92 | 1,727.16 | 1,242.60 | 2,680.10 | 1,968.11 | 93,519.99 | 82,192.47 |
| Inter-segment | - | - | - | - | (1,446.65) | (916.67) | - | - | (1,446.65) | (916.67) |
| External Revenue | 75,558.42 | 68,918.85 | 13,554.31 | 10,062.92 | 280.51 | 325.93 | 2,680.10 | 1,968.11 | 92,073.34 | 81,275.80 |
| 2. Results: | | | | | | | | | | |
| Segment results | | | | | | | | | | |
| Unallocated Corporate Expenses | | | | | | | | | | |
| Operating Profit/ (Loss) | 8,871.21 | 10,096.71 | (176.21) | (161.46) | 961.16 | 564.56 | 73.51 | 11.71 | 9,729.67 | 10,511.53 |
| Interest expenses | | | | | | | | | 3,080.17 | 2,456.16 |
| Dividend income | | | | | | | | | 1,394.23 | 2,296.05 |
| Income Tax - Current | | | | | | | | | 1,510.95 | 1796.97 |
| - Deferred | | | | | | | | | (212.76) | (114.44) |
| Profit from Ordinary activities | | | | | | | | | 6,745.54 | 7,688.44 |
| Extraordinary Profit/Loss | | | | | | | | | 6,745.54 | 7,688.44 |
| Net Profit | | | | | | | | | | |
| 3. Other Information | | | | | | | | | | |
| Segment Assets | 71,223.73 | 40,643.77 | 10,325.36 | 11,650.72 | 2,589.89 | 2,886.67 | 29,751.94 | 29,932.74 | 1,13,890.92 | 85,113.90 |
| Unallocated corporate assets | | | | | | | | | | |
| Total Assets | 71,223.73 | 40,643.77 | 10,325.36 | 11,650.72 | 2,589.89 | 2,886.67 | 29,751.94 | 29,932.74 | 1,13,890.92 | 85,113.90 |
| Segment Liabilities | 58,007.54 | 30,428.87 | 10,975.80 | 12,406.42 | 1,824.95 | 2,401.93 | (9,403.32) | (6,011.69) | 61,404.97 | 39,225.53 |
| Unallocated corporate liabilities | | | | | | | | | | |
| Total Liabilities | 58,007.54 | 30,428.87 | 10,975.80 | 12,406.42 | 1,824.95 | 2,401.93 | (9,403.32) | (6,011.69) | 61,404.97 | 39,225.53 |
| Capital Expenditure | 1,654.02 | 7,769.87 | 374.49 | 400.14 | 126.93 | - | 350.20 | 1,702.35 | 2,505.64 | 9,872.36 |
| Depreciation | 2,227.85 | 1,769.26 | 1,106.57 | 1,110.63 | 410.49 | 474.86 | 1.48 | 167.95 | 3,746.39 | 3,522.70 |
| Non-cash expenses other than depreciation | - | - | - | - | - | - | - | - | - | - |

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

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

For M/s.M.S.Jagannathan &
N. Krishnaswami
Chartered Accountants
FRN: 001208S
P.SANTHANAM
Partner
Membership No.018697

For M/s.CNGSN & Associates
Chartered Accountants
FRN: 004915S
C.N. GANGADARAN
Partner
Membership No.011205

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SHRIKANTAN RAJA
Dr. A. RAMAKRISHNA
R.S. AGARWAL
Directors

Place : Chennai
Date : 30.05. 2013

S. BALAMURUGASUNDARAM
Company Secretary

RAMCO INDUSTRIES LIMITED

REGD. OFFICE : 47, P.S.K. NAGAR, RAJAPALAYAM - 626 108



ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name of the attending Shareholder / Proxy
(In block letters)

.....

No. of Shares held

I hereby record my presence at the 48th Annual General Meeting of the Company being held at Shri P.A.C.R Centenary Community Hall, Sudharsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108 on Monday, the 29th July 2013 at 11.45 a.m.

For Physical Holding

Regd. Folio No. :

For Demat Holding

DP ID No. :

Client ID No. :

(SIGNATURE OF SHAREHOLDER / PROXY)

Note : Shareholder / Proxy is requested to bring the Attendance Slip with him / her when coming to the meeting. No attendance slip will be issued at the time of the meeting.

RAMCO INDUSTRIES LIMITED

REGD. OFFICE : 47, P.S.K. NAGAR, RAJAPALAYAM - 626 108



For Physical Holding

Regd. Folio No. :

For Demat Holding

DP ID No. :

Client ID No. :

PROXY FORM

No. of Shares held

I/We being Member (s)
of RAMCO INDUSTRIES LIMITED, hereby appoint
of
or failing him/her
of

as my / our proxy to vote for me / our behalf at the 48th Annual General Meeting of the Company to be held at Shri P.A.C.R Centenary Community Hall, Sudharsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam - 626 108 on Monday, the 29th July 2013 at 11.45 a.m. and at any adjournment thereof.

Date

- Notes : 1. This form duly completed must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
2. Proxy need not be a Member of the Company.

PI
Affix
Re. 1
Revenue
Stamp and
sign



A view of the Comber Machine Aspire Model installed at our Textile Division, Sri Ramco Spinners, Rajapalayam.



A view of the Comber Machine Model Rieter K 441 installed at our Textile Division, Sri Ramco Spinners, Rajapalayam.

