



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.

Bankers

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

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

Factories

I. Building Products Division

Arakkonam, Tamil Nadu

Karur, Karnataka

Maksi, Madhya Pradesh

Silvassa, Union Territory of Dadra & Nagar Haveli

Kharagpur, West Bengal

Vijayawada, Andhra Pradesh

Sinugra, Gujarat

II. Textile Division (Cotton Yarn)

Sri Ramco Spinners, **Rajapalayam**, Tamil Nadu

Subsidiary Companies

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

Auditors

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

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

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Rs. in lakhs

FINANCIAL HIGHLIGHTS	2004-05	2005-06	2006-07	2007-08	2008-09
Earnings					
Sales & Other Income	20854	25978	33267	37437	44149
Operating Profit	5881	7310	7702	8461	10227
Cash Generation	5141	6489	6108	6512	7701
Net Profit (PAT)	2884	3308	2432	2548	3565
Assets Employed					
Net Fixed Assets	10670	20436	20109	24946	23513
Investments	16023	18048	19283	19283	20262
Net Current Assets	4143	7477	8463	9984	12832
TOTAL	30836	45961	47855	54213	56607
Financed By:					
A. Shareholders' Funds					
a. Equity Shareholders' investment	100	100	100	100	100
b. Bonus Shares	333	333	333	333	333
Reserves and Surplus	17785	20370	22069	24161	27315
Deferred Tax Liability	1807	2707	2802	3214	2939
Total Shareholders' funds (A)	20025	23510	25304	27808	30687
B. Borrowed Funds					
Short Term Borrowings including working capital	4005	8504	11517	8336	9776
Term Loans	6806	13947	11034	18069	16144
Total Borrowings (B)	10811	22451	22551	26405	25920
TOTAL (A) + (B)	30836	45961	47855	54213	56607
Book Value per Share (Rs.)	421	480	519	568	640
Earnings Per Share (Rs.)	67	76	56	59	82
Dividend %	100	150	150	150	150
Dividend Payout %	17	22	27	26	18
Operating Profit Ratio %	28.20	28.14	23.14	22.60	23.17
Gross Fixed Assets per share (Rs.)	407	672	724	900	938
Debt - Equity Ratio	0.59	1.08	1.00	1.07	0.93
Current Ratio	1.32	1.92	1.36	1.47	2.00
Market Price of Share (Rs.)					
a. As on 31st March* (Close)	720	1456	779	733	375
b. high**	758	1500	1900	1740	925
c. low**	250	670	632	545	346
P/E Ratio as at 31st March [®]	10.75	19.16	13.91	12.42	4.56
Market Capitalisation [®] (Rs. in lakhs)	31199	63091	33755	31762	16249

* NSE Quotations.

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

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

NOTICE TO THE MEMBERS

Notice is hereby given that the 44th Annual General Meeting of the Company will be held at 11.00 A.M. on Wednesday, the 5th August 2009 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 2009 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 2008-09.
3. To appoint a Director in the place of Shri S.S. Ramachandra Raja, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri K.T. Ramachandran, 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.3,00,000/- (Rupees Three Lakhs only) each, exclusive of out-of-pocket expenses.”

SPECIAL BUSINESS :

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

“RESOLVED that Shri R.S. Agarwal, who has been appointed as the Additional Director and holds Office until this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation”.

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

Place: Chennai
Date : May 29, 2009

NOTES

- (i) Explanatory Statement pursuant to Section 173 (2) of The Companies Act, 1956 in respect of the Special Business is annexed.
- (ii) A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
- (iii) 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.
- (iv) The Register of Members and the Share Transfer Books of the Company will remain closed from 30th July 2009 to 5th August 2009 (both days inclusive).
- (v) 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 5th August 2009 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 29th July 2009.
- (vi) The Securities and Exchange Board of India has made it mandatory for all Companies to use the Bank Account details furnished by the Depositories for depositing the Dividends through Electronic Clearing Service (ECS) to the Investors wherever ECS facility / Bank details are available. In the absence of ECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend.

- (vii) Under the provisions of Section 205 C of the Companies Act, 1956, Dividends remaining unpaid for a period of over 7 years will be transferred to the Investors' Education & Protection Fund (IEPF) of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the Members who have not en-cashed/claimed their Dividends relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the IEPF. The details of due dates for transfer of such Un-claimed Dividends to the said Fund are given below:

Dividend for the Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming the Dividend Amount	Due Date for transfer to IEP Fund
31.03.2002	07.08.2002	06.08.2009	04.09.2009
31.03.2003	11.08.2003	10.08.2010	08.09.2010
31.03.2004 Interim Dividend Final Dividend	25.10.2003 28.07.2004	24.10.2010 27.07.2011	22.11.2010 25.08.2011
31.03.2005 I Interim Dividend II Interim Dividend Final Dividend	25.08.2004 28.01.2005 10.08.2005	24.08.2011 27.01.2012 09.08.2012	22.09.2011 25.02.2012 07.09.2012
31.03.2006 I Interim Dividend II Interim Dividend Final Dividend	29.10.2005 30.01.2006 27.07.2006	28.10.2012 29.01.2013 26.07.2013	26.11.2012 27.02.2013 24.08.2013
31.03.2007 I Interim Dividend II Interim Dividend Final Dividend	30.10.2006 30.01.2007 27.07.2007	29.10.2013 29.01.2014 26.07.2014	27.11.2013 27.02.2014 24.08.2014
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	20.11.2014 28.02.2015 08.09.2015

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") sets out all the material facts relating to the Special Business item mentioned in the accompanying Notice dated 29.05.2009 convening the 44th Annual General Meeting (AGM).

For the Special Business :

Subject: **Appointment of Shri R.S. Agarwal as a Director of the Company**

Shri R.S. Agarwal was co-opted as an Additional Director on 23rd October 2008 by the Board of Directors and he holds Office till the date of this AGM. Under Section 257(1) of the said Act, a notice in writing has been received from a Member signifying his intention to propose the appointment of Shri R.S. Agarwal as a Director at the AGM.

Shri R.S. Agarwal, B.Sc., B.E (Chemical Engineering), aged 66 years, started his career in 1965 and after serving in various capacities with a leading Paper Mill in North India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years, retired as the Executive Director of IDBI.

While in service with IDBI, Shri Agarwal had dealt with many subjects and Projects including:

1. Was a Member of "Satyam Committee" set up by the Government of India in 1999 – 2000 for formulation of a Policy for Textile Industry and was involved in the preparation of the Policy Notes, detailed guidelines and implementation of the "Technology Up-gradation Fund" (TUF) introduced by the Ministry of Textiles, Government of India in April 1999.
2. Was involved in the preparation of Policy Paper and guidelines on the development of the "Special Economic Zone" in the Country for the Ministry of Commerce, Government of India in January 2002.
3. Was the Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002 during which period, about 30 large sized Power Projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

Shri Agarwal is a Member in the Board of Directors of the following Companies:

1. Madras Cements Limited
2. Torrent Cables Limited
3. Surya Lakshmi Cotton Mills Limited
4. Surya Lata Spinning Mills Limited
5. GVK Jaipur Expressway Private Limited
6. Elegant Marbles & Grani Industries Limited
7. Unimerse India Limited
8. Deccan Cements Limited
9. MRC Limited
10. Videocon Industries Limited
11. Ramco Systems Limited

Shri Agarwal is the Chairman of the Audit Committee and the Remuneration Committee of the Board of Directors of the Company.

He does not hold any Share in the Company.

The Board of Directors recommends the appointment of Shri R. S. Agarwal as a Director of the Company.

Interest of Directors :

None of the Directors except Shri R. S. Agarwal is interested in the Resolution.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE 44TH ANNUAL GENERAL MEETING

1. Shri S.S. Ramachandra Raja

Shri S.S. Ramachandra Raja, aged 73 years is a Science Graduate. He has been a Director of the Company since 1992 extending valuable guidance.

Shri Ramachandra Raja is also a Director in the following Companies:

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

He holds in his name, 20,384 Shares in the Company.

2. Shri K.T. Ramachandran

Shri K.T. Ramachandran, aged 71 years is B.E. in Civil Engineering from Madras University. He was first appointed as a Director of the Company in 1986 and since then he continues to be a Director extending valuable guidance. He is a Member of the Audit Committee, Remuneration Committee and the Share Transfer Committee of the Board of Directors of the Company. He holds 11,000 Shares of the Company in his name.

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 44th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2009.

FINANCIAL RESULTS

	For the Year ended 31.03.2009 (Rs in Lakhs)	For the Year ended 31.03.2008 (Rs in Lakhs)
Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)	10227	8461
Less : Interest and Finance charges	2526	1949
Profit before Depreciation and Tax (PBDT)	7701	6512
Less : Depreciation	3066	2820
Profit before Tax (PBT)	4635	3692
Less: Provision for Taxation		
- Current	1300	695
- Deferred	(275)	412
- Fringe Benefit	45	37
Profit after Tax (PAT)	3565	2548
Add : Balance Profit from last year	351	363
Surplus for Appropriation	3916	2911
Appropriations :		
Transfer to General Reserve	2800	1800
1 st Interim Dividend	217	217
2 nd Interim Dividend	217	217
Final Dividend	216	216
Tax on Dividend	110	110
Balance carried over to Balance Sheet	356	351
TOTAL	3916	2911

DIVIDEND

Your Directors have pleasure in recommending a Final Dividend of Rs.5/- per Share (P.Y. Rs.5.00 per Share) on the Equity Capital. Together with the 1st Interim dividend of Rs.5.00 per Share (P.Y. Rs.5.00 per Share) and 2nd Interim dividend of Rs.5.00 per Share (P.Y. Rs.5.00 per Share) paid during the year, the total dividend for the year 2008-09 is Rs. 15/- per Share of Rs.10/- each fully paid-up (P.Y. Rs.15.00 per Share).

TAXATION

An amount of Rs.1300 Lakhs towards Current year Income-Tax, Rs.45 Lakhs towards Fringe Benefit Tax and Rs.110 Lakhs towards Dividend Tax have been provided for the year 2008-09. In respect of Deferred Tax, an amount of Rs.275 Lakhs has been adjusted against liability.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

REVIEW OF OPERATIONS AND CURRENT TRENDS

A. BUILDING PRODUCTS DIVISION

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER Rs. in Lakhs	
	31.3.09	31.3.08	31.3.09	31.3.08	31.3.09	31.3.08
Fibre Cement Sheets	4,66,120	4,68,858	4,40,362	4,79,454	30,503	26,855
Calcium Silicate Boards	11,887	14,177	10,823	11,598	2,041	2,053

(a) Fibre Cement (FC) Sheets

Quantitative Production and Sale of Fibre Cement (F.C) Sheets during the year 2008-09 were marginally lower when compared to the previous year, mainly due to the general slow down and reduction in demand for the FC Sheets especially in the last quarter.

However, with higher realization, Turnover could be improved and with better control over the cost of raw materials, the Sheet Division had improved the profitability during the year under review.

New Plant for manufacture of Fibre Cement Products at Gangaikondan, Tirunelveli District, Tamilnadu :

The Company will be setting up a new Plant for the manufacture of Fibre Cement Products at SIPCOT Industrial Growth Centre, Gangaikondan, Tirunelveli District, Tamil Nadu, at a cost of about Rs.2,500 Lakhs, for which 32.31 acres of Land has been taken on 99 years Lease from SIPCOT. The Plant Capacity will be 1,20,000 M.T. p.a. and will cater to the Southern Districts of Tamil Nadu and Kerala. Pollution Control clearance has been obtained from the Ministry of Environment, New Delhi and "Bhoomi Pooja" has been scheduled at the site on 4th June 2009. The implementation of the Project will be taken up immediately and the Plant is expected to be commissioned before 30th September 2010.

(b) Fibre Cement Pressure Pipes

In the Pressure Pipes Division, an amount of Rs.228 Lakhs has been received as Licence Fee during the year under review from M/s. Kanoria Sugar and General Manufacturing Company Limited, the Licencee, for the production of 25,309 M.T. (previous year: Rs.193 Lakhs for a production of 42,511 M.T.).

(c) Calcium Silicate Boards

During 2008-09, quantitative Production and Sale of Calcium Silicate Boards (CSB) were lower as indicated above. The Turnover for the year was also lower at Rs.2,041 Lakhs as against Rs.2,053 Lakhs during the previous year.

During 2008-09, in view of the general recession, the implementation of the new CSB Project at Rajasthan was kept on hold. However, with the expected improved economic scenario, the Project will be taken up in the current Financial Year.

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

The Cement Clinker Grinding (CCG) plant at Kharagpur, commissioned in March 2006, was not able to achieve full capacity production due to non-availability of Clinker. To overcome this difficulty, in October 2008, the Company entered into Agreements with M/s Ultratech Cement Limited, Mumbai (ULTRATECH) for continuous supply of Clinker to the CCG plant and also for sale of PPC / OPC from the plant to ULTRATECH.

In view of the above arrangements, the CCG plant had reported good performance during the year under review. The plant had produced 54,487 M.T of Cement as against 6,668 M.T during the previous year registering a considerable growth. Similarly, Sale of Cement (including the Cement used as captive consumption in the Sheet Plant) also increased substantially from 6,122 M.T during the last year to 54,973 M.T during 2008-09.

(e) Plastic Storage Container Plants at Maksi and Silvassa

During 2008-09, the Plastic Storage Containers Units at Maksi and Silvassa Plants, produced Containers with Capacities aggregating 80,91,135 Litres as against 23,81,845 Litres in the previous year. Total Sales of Containers were for total Capacities of 77,06,700 Litres in the year under review as against 19,70,940 Litres in 2007-08. Turnover in terms of Value was Rs.159.53 Lakhs (Previous Year Rs.38.01 Lakhs).

B. WIND MILLS

During the Financial Year 2008-09, no new Wind Mill was commissioned and hence the total number of Wind Mills stands at the same 14.

Position regarding Wind Mills was as follows :-

Total Capacity Installed	:	16.40 MW	
Total Units generated	:	335 Lakh Units	(P.Y: 311 Lakh Units)
Income earned (by generation of power)	:	Rs.1,168 Lakhs	(P.Y: Rs.1,041 Lakhs)

C. TEXTILE DIVISION - SRI RAMCO SPINNERS

Production and Sales

During the year 2008-09, despite recession and power cuts, the Unit had produced 26.19 Lakh Kgs. of Cotton Yarn as compared to 26.78 Lakh Kgs. produced during the previous year. The Unit had also registered a good performance with its sale of Yarn of 26.63 Lakh Kgs during the year under review as against 25.75 Lakh Kgs during 2007-08. The value of exports for the year was Rs.2,669 Lakhs as compared to Rs.3,152 Lakhs in the previous year.

Outlook for 2009-10

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

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

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

The production at the FC Sheet Plant of the Company's Wholly Owned Subsidiary in Sri Lanka, was 88,161 M.T. during the year ended 31.3.2009 as against 1,07,844 M.T. during the corresponding previous year. The Subsidiary sold 85,117 M.T. during 2008-09 as compared to 1,07,370 M.T. during 2007-08. The Net Sales was SLR.19,441 Lakhs (INR.8,128 Lakhs) as against SLR 20,494 Lakhs (INR 7,451 Lakhs) during the corresponding previous year.

TAXES AND DUTIES

During the year under review, Customs/Central Excise duties paid on the Company's products amounted to Rs.3617 Lakhs. Together with VAT and other Taxes, the Company's contribution to the Public Exchequer was Rs.7650 Lakhs.

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

The Company continues to take keen interest in conservation of energy. 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 Section 217(2A) of The Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of the 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. Members who are interested in obtaining such particulars may write to the Company Secretary.

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.

DIRECTORS

Shri M.G. Balasubramanian, (I.A.S. Retired) had resigned from the Board of Directors with effect from 19th August 2008. The Board of Directors placed on record its appreciation for his valuable contribution during his tenure as Director of the Company since 2001.

Shri S.A. Bhima Raja who was the Whole Time Director had resigned from the Board on 31st December 2008 and his resignation was also accepted by the Board of Directors.

Shri R.S. Agarwal was co-opted as an Additional Director on 23rd October 2008 by the Board of Directors and his appointment as a Director of the Company by the Members at the AGM has been proposed and the required details have been provided in the Notice convening the 44th AGM.

In accordance with the provisions of the Companies Act, 1956 Shri S.S. Ramachandra Raja and Shri K.T. Ramachandran 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 2009 were Rs.41.39 Lakhs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956. This also includes two Deposits with Maturity values aggregating Rs.77,175/- which had matured for payment but not claimed by the Depositors on or before 31st March, 2009. These two Deposits were renewed in April 2009.

SHARES

The Company's Equity Shares continue to be listed in the three Stock Exchanges viz., The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Annual Listing Fees have also been paid to the three Stock Exchanges.

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 44th Annual General Meeting and are eligible for re-appointment.

SUBSIDIARIES

Government of India, Ministry of Company Affairs, vide their letter No: 47/266/2009 – CL III dated 24.04.2009, have conveyed their approval under Section 212(8) of the Companies Act, 1956 exempting the Company from attaching the full text of the Financial Statements of the Company's two Subsidiaries viz., Sri Ramco Lanka (Private) Limited, Srilanka and M/s. Sudharsanam Investments Limited, India, along with the Company's accounts for the year ended 31.3.2009.

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

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

CONSOLIDATED FINANCIAL STATEMENTS

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the two Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31.3.2009 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.

SECRETARIAL COMPLIANCE CERTIFICATE

Though the paid-up Capital of the Company is less than Rs.5.00 Crores, since a Whole Time Company Secretary with the requisite qualification has already been appointed, as provided in The Companies (Appointment and Qualifications of Secretary) Amendment Rules, 2009, the Compliance Certificate from a Secretary in Whole Time Practice is not required and hence not attached.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that –

- In the preparation of the annual accounts for the year ended 31st March 2009, 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.

Place: Chennai
Date : May 29, 2009

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED
(P.R. RAMASUBRAHMANEYA RAJHA)
CHAIRMAN

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2009

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 31.03.2009.

A. CONSERVATION OF ENERGY

(a)	Energy conservation measures taken	The Humidification Plant has been automated so as to optimize savings in Energy. In VXL Waste Collection System also measures have been taken to save power.
(b)	Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	Nil
(c)	Impact of measures at (a) and (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods	There has been savings in energy cost due to the above measures taken.
(d)	Total energy consumption per unit of production of goods	Particulars given in Form A (pertaining to Cotton Yarn Division)

B. TECHNOLOGY ABSORPTION

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

(f)	(i) Activities relating to Exports	Already a major portion of the Yarn is being exported. Export Orders to Italy, Germany etc., have been executed.
	(ii) Initiatives taken to increase exports	Efforts to increase Exports to other European Countries and to penetrate American market have already been taken.
	(iii) Development of new export markets for products and service	
	(iv) Export plans	
(g)	(i) Total foreign exchange used	Rs.2,672.80 Lakhs
	(ii) Total foreign exchange earned	Rs.2,167.37 Lakhs

Form – A (See rule – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
1. ELECTRICITY		
(a) Purchased from TNEB		
Units	1,92,96,037	1,71,30,046
Total amount	8,81,54,413	7,53,72,344
Rate/unit	4.57	4.40
(b) Own Generation		
(i) Through Diesel Generator		
Units	14,01,371	5,56,177
Units per ltr. of diesel oil	3.73	3.59
Cost/Unit	8.83	9.41
(ii) Through HFO Generator		
Units	24,35,430	10,95,290
Units per ltr. of furnace oil	3.68	3.64
Cost/Unit	5.67	5.94
(iii) Through Steam turbine/ generator		
Units	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/Unit	-	-
2. COAL	-	-
3. OTHERS	-	-

B. CONSUMPTION PER UNIT OF PRODUCTION

(pertaining to Cotton Yarn Division)

	Standards (if any)	Current Year 2008-09	Previous Year 2007-08
<u>Products (with details)</u>	-	-	-
100% Cotton yarn 40's converted production	-	-	-
Unit per Kg.	-	-	-
Electricity	-	4.88	4.98
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 :

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

3. FUTURE PLAN OF ACTION

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

4. EXPENDITURE ON R & D

Recurring expenditure	:	Rs.18.31 Lakhs
Capital Expenditure	:	Nil
Total	:	Rs.18.31 Lakhs
R&D expenditure as a percentage of total turnover of FC Sheets:		0.06%

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(pertaining to Cotton Yarn Division)

1. Efforts, in brief, made towards technology Absorption,	}	1. New singeing machine has been installed with latest adaptation and innovation technology.
	}	2. All LR6 Ring Frames (14,400 Spindles) are equipped with Suessen Elite Compact.
	}	3. Corasal opener has been re-arranged and by this dependence on manpower has been reduced without any additional investment.
	}	
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 Markets with lesser manpower.
	}	
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;	}	Not Applicable.
(b) Year of Import; (c) Has technology been fully absorbed	}	
(d) If not, areas where this has not taken place, reason therefor & future plans of action.	}	

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, Ramco Industries Limited is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the Stakeholders of the Company viz., Shareholders, Creditors, Customers and Employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction.

The Company lays great emphasis on team building and motivation. A contented and well developed worker will give to the Company better work and therefore better profits. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

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

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

2. BOARD OF DIRECTORS

The Board of Directors of the Company is headed by the Chairman, Shri P.R. Ramasubrahmaneya Rajha. Shri P.R. Venketrama Raja is the Vice-Chairman and Managing Director. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering etc. As on 31st March 2009, the Board consists of 7 Directors out of whom 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 30th June 2008, 30th July 2008, 23rd October 2008 and 29th January 2009.

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

Sl.No.	Name of the Director	Directorship	No. of Board Meetings attended	% of Meetings attended during the year
1.	Shri P.R.Ramasubrahmaneya Rajha (Chairman - Non-Executive)	PD	4	100
2.	Shri P.R. Venketrama Raja (Vice-Chairman & Managing Director)	PD	4	100
3.	Shri S.S. Ramachandra Raja	NED	4	100
4.	Shri N.K. Shrikantan Raja	NEID	4	100
5.	Shri K.T. Ramachandran	NEID	3	75
6.	Dr. A. Ramakrishna	NEID	3	75
7.	Shri R.S. Agarwal – w.e.f 23 rd October 2008	NEID	2	50
8.	Shri M.G.Balasubramanian, I.A.S., (Retd.) (till 19 th August 2008)	NEID	2	50
9.	Shri S.A. Bhima Raja (Whole Time Director - till 31 st December 2008)	WTD	3	75

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

The previous Annual General Meeting of the Company was held on 11th August, 2008 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 S.A. Bhima Raja, Whole Time Director

CODE OF CONDUCT

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

1) FOR DIRECTORS

A Director being a Trustee of the Shareholders shall –

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

2) FOR SENIOR MANAGEMENT PERSONNEL

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

A Senior Management personnel shall –

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

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

The Declaration from Shri P.R. Venketrama Raja, Vice-Chairman and Managing Director regarding affirmation of the compliance of the Code of Conduct by the Members of the Board and the Senior Management Personnel for the year ended 31st March 2009 is enclosed to this Report.

3) COMMITTEES OF THE BOARD OF DIRECTORS

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

a) AUDIT COMMITTEE

The terms of reference of the Audit Committee include :

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

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

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

Sl.No.	Name of the Director	No. of Meetings attended
1.	Shri M.G. Balasubramanian, I.A.S., (Retd.) Chairman of the Committee (till 19 th August 2008)	2
2.	Shri K.T. Ramachandran	4
3.	Dr. A. Ramakrishna	4
4.	Shri R.S. Agarwal, Chairman of the Committee (w.e.f. 23 rd October 2008)	1

No. of Meetings held during the year : 4

Date of Meetings : 28th June 2008, 24th July 2008, 22nd October 2008 & 28th January 2009

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

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

b) REMUNERATION COMMITTEE

Sl.No.	Name of the Director	No. of Meetings attended
1.	Shri M.G. Balasubramanian, I.A.S., (Retd.) Chairman of the Committee (till 19 th August 2008)	3
2.	Shri K.T. Ramachandran	4
3.	Shri R.S. Agarwal, Chairman of the Committee (w.e.f. 23 rd October 2008)	1

No. of Meetings held during the year : 4

Date of Meetings : 28th June 2008, 9th July 2008, 30th July 2008 & 23rd October 2008

The details of remuneration paid to the Managing Director and the Whole Time Director (till 31.12.2008) are 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 and also for each meeting of the Audit, Remuneration and Investor Grievances Committees of the Board of Directors of the Company attended by them. Sitting Fees of Rs.2,500 is being paid for attending each of the Share Transfer Committee Meeting.

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 meeting was held during 2008-09 as only 5 Complaints were received and fully redressed during the said year.

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 & M.D
3.	Shri K.T. Ramachandran

During the year under review, only one meeting was held on 15.10.2008 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.

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 31.03.2009:-

Sl. No.	Name of the Non-Executive Director	No. of Shares held as on 31st March 2009	% to Paid-up Capital
1.	Shri P.R. Ramasubrahmaneya Rajha	3,15,727	7.29%
2.	Shri S.S. Ramachandra Raja	20,384	0.47%
3.	Shri N.K. Shrikantan Raja	6,007	0.14%
4.	Shri K.T. Ramachandran	11,000	0.25%

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

5. MANAGEMENT

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

6. SHAREHOLDERS / SHAREHOLDERS' INFORMATION

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

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	1. Arakkonam , Tamil Nadu 2. Karur , Karnataka 3. Maksi , Madhya Pradesh 4. Silvassa , Union Territory of Dadra & Nagar Haveli 5. Kharagpur , West Bengal 6. Ibrahimpatnam , Vijayawada, A.P. 7. Sinugra Village , Anjar Taluk, Gujarat
(ii) Fibre Cement Pressure Pipes unit	Maksi , Madhya Pradesh
(iii) Calcium Silicate Board unit	Arakkonam , Tamil Nadu
(iv) Cement Clinker Grinding unit	Kharagpur , West Bengal
(v) Plastic Storage Containers unit	Silvassa , Union Territory of Dadra & Nagar Haveli, Maksi , Madhya Pradesh
(b) Textile Division : Cotton Yarn Spinning unit	Sri Ramco Spinners, Rajapalayam , Tamil Nadu
(c) Windfarm Division :	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. KRISHNAN
 Company Secretary (Compliance Officer)
 Ramco Industries Limited
 "Auras Corporate Centre", VI Floor
 98-A, Dr.Radhakrishnan Road
 Mylapore, CHENNAI - 600 004
 Phone: 044-2847 8585 ; Fax: 044-2847 8597 ; E Mail : ski@ril.co.in

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

LISTING ON STOCK EXCHANGES

The Company's Shares continue to be listed on The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing Fees for the year 2009-10 have been paid to all the three Stock Exchanges.

STOCK CODE

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

GENERAL MEETINGS

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

Year ended	Date	Time	Venue
31.03.2006	27.07.2006	11.30 A.M.	P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2007	27.07.2007	11.15 A.M.	- do -
31.03.2008	11.08.2008	11.00 A.M.	- do -

ENSUING ANNUAL GENERAL MEETING

Date	Time	Venue
05.08.2009	11.00 A.M.	P.A.C.R.Centenary Community Hall Sudharsan Gardens, P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)

No resolution on matters requiring Postal Ballot as per Section 192A of The Companies Act, 1956 was passed in the last AGM held on 11th August 2008 and no such resolution (by way of Post Ballot) has been proposed in the ensuing AGM.

FINANCIAL CALENDAR FOR AGM / DIVIDEND PAYMENT: (For the Financial Year April 2008 to March 2009)

Board Meeting for consideration of Audited Accounts and recommendation of Final Dividend for 2008-09	29 th May 2009
Posting of Annual Report	On or before 10 th July 2009
Book Closure dates	30 th July 2009 to 5 th August 2009 (Both days inclusive)
Last date for receipt of Proxy forms	3 rd August 2009
Date of the 44 th AGM	5 th August 2009
Dividend Payment date	On or after 5 th August 2009 but within 30 days

TENTATIVE FINANCIAL CALENDAR FOR 2009-10

1. Unaudited results for Quarter Ended	30 th June 2009	Between 15 th & 31 st July, 2009
2. Unaudited results for Quarter Ended	30 th September 2009	Between 15 th & 31 st October, 2009
3. Unaudited results for Quarter Ended	31 st December 2009	Between 15 th & 31 st January, 2010
4. Audited results for Year ended	31 st March 2010	Between 15 th & 31 st May, 2010
5. AGM for the Year ended	31 st March 2010	July / August 2010

MEANS OF COMMUNICATION

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

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

DEPOSITORY SYSTEM

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

As per SEBI directive, the Company has retained the services of M/s. Cameo Corporate Services Limited, "Subramanian Building", No: 1, Club House Road, Chennai - 600 002 (Their Phone No: 044 - 2846 0390 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 2009, 88.34 % of the Shares have been dematerialized.

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

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

SHARES HELD IN ELECTRONIC FORM

Shareholders holding Shares in electronic form may please note that :

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

REDRESSAL OF GRIEVANCES

There is no pending Share transfer as on 31st March 2009.

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. The Company has taken steps to redress the grievances received during the year except in cases where, in the opinion of the Company, the matter is to be referred to Court or have already been referred to Courts.

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

DISCLOSURES

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

SOCIAL COMMITMENTS

During the year 2008-09, the Company's contribution for various Charitable causes, including renovation of temples and other social causes amounted to Rs.64.18 Lakhs.

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2009.

Place : Chennai
Date : May 29, 2009

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

CERTIFICATION UNDER CLAUSE 49 (V) OF THE LISTING AGREEMENT

To

The Board of Directors
Ramco Industries Limited
Rajapalayam

We hereby certify that -

We have reviewed the financial statements and the cash flow statement of Ramco Industries Limited for the year ended 31.03.2009 and that to the best of our knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we confirm that there are no deficiencies in the design or operation of such internal controls.

There were no instances on account of the following, which were required to be indicated to the Auditors' and the Audit Committee:

Significant changes in the internal control over the financial reporting, Significant changes in accounting policies, Significant fraud of which we have become aware.

R. SUBBURAMAN
Vice-President (F & A)

PREM G SHANKER
Chief Operating Officer

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

Place : Chennai
Date : May 29, 2009

AUDITORS' CERTIFICATE

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

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

K. SRINIVASAN
Partner
Membership No. 21510

Place : Chennai
Date : May 29, 2009

For CNGSN & ASSOCIATES
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No. 11205

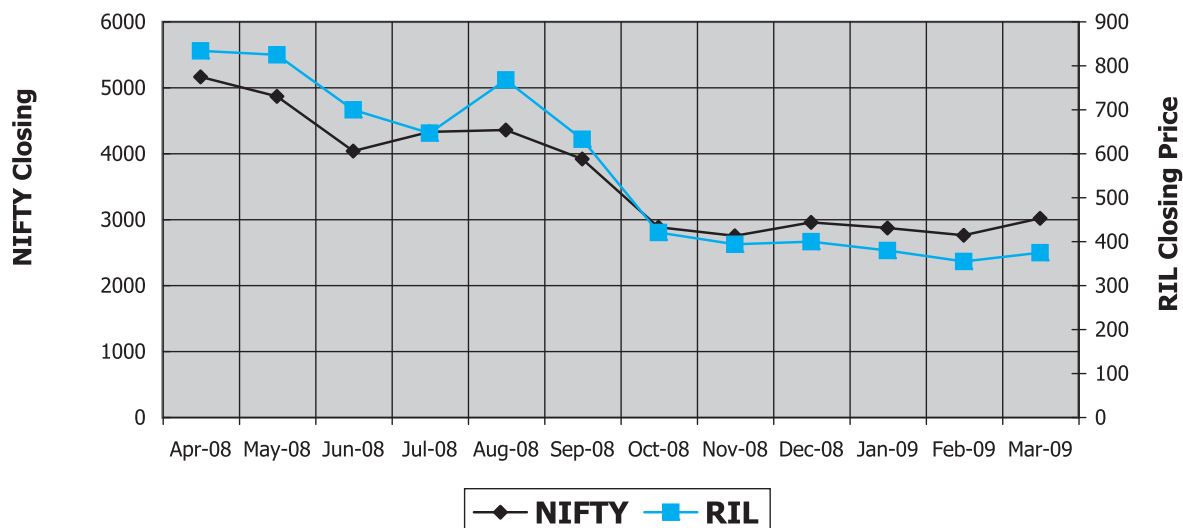
STATISTICAL DATA
Share Price - High & Low / Volume

(During April 2008 to March 2009 in NSE & BSE)

Month	National Stock Exchange of India Ltd			Bombay Stock Exchange Ltd		
	High (Rs.)	Low (Rs.)	No. of Shares Traded	High (Rs.)	Low (Rs.)	No. of Shares Traded
April, 08	925.00	706.00	9,365	850.00	715.00	15,945
May, 08	900.00	768.50	6,152	883.00	800.00	8,564
June, 08	815.70	700.00	5,537	839.80	655.00	4,332
July, 08	750.00	565.05	6,340	707.95	600.00	9,026
August, 08	793.75	645.00	8,555	800.00	640.00	10,978
September, 08	776.00	550.00	8,994	790.00	575.00	10,778
October, 08	640.00	365.00	26,304	631.80	395.30	7,302
November, 08	465.00	366.10	7,186	479.95	350.00	10,381
December, 08	460.00	355.50	3,932	463.00	357.00	8,708
January, 09	444.05	350.00	7,403	438.40	345.00	15,542
February, 09	395.00	350.10	4,871	388.50	355.00	6,082
March, 09	400.00	346.40	4,747	418.95	326.00	22,326
Total-Year 2008-09	925.00	346.40	99,386	883.00	326.00	1,29,964

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

RIL Share Price Movement in 2008-09



Pattern of Shareholding as on 31st March 2009

Description	Total Share holders	%	No. of Shares held	% to Capital
A. PROMOTERS HOLDING				
Promoter & Promoter Group	19	0.43	21,90,061	50.54
B. NON-PROMOTERS HOLDING				
1. Mutual Funds & UTI	3	0.06	450	0.01
2. F.Is / Banks	5	0.11	3,63,893	8.40
3. Central/State Govt/s; VCF; Ins. Companies	-	-	-	-
4. Foreign Institutional Investors	2	0.06	950	0.02
5. Bodies Corporate	182	4.10	1,52,650	3.52
6. Individual Shareholders holding nominal Share Capital :				
a. Up to Rs.1.00 Lac	4,006	90.24	8,31,417	19.19
b. In excess of Rs.1.00 Lac	32	0.72	6,82,490	15.75
7. Others—HUF/NRI/Clearing Members etc.	190	4.28	1,11,242	2.57
Grand Total	4,439	100.00	43,33,153	100.00

Distribution of Shareholding as on 31st March 2009

Range (No. of Shares)	Total Share holders	%	Total Shares	%
Upto - 500	4,048	91.19	2,74,773	6.34
501 to 1000	136	3.06	1,02,494	2.37
1001 to 2000	113	2.55	1,71,149	3.95
2001 to 3000	33	0.74	80,302	1.85
3001 to 4000	18	0.41	62,880	1.45
4001 to 5000	10	0.23	46,140	1.06
5001 to 10000	32	0.72	2,37,438	5.48
10001 & above	49	1.10	33,57,977	77.50
Total	4,439	100.00	43,33,153	100.00

Category of Shareholding as on 31st March 2009

Category	Total Share holders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	2,969	66.88	28,82,222	66.52
CDSL	1,037	23.36	9,45,552	21.82
Physical Form	433	9.76	5,05,379	11.66
Total	4,439	100.00	43,33,153	100.00

AUDITORS' REPORT TO SHAREHOLDERS

1. We have audited the attached Balance Sheet of **Ramco Industries Limited, Rajapalayam** as at 31st March, 2009 and the Profit and Loss account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we have annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. As per representation made by the Company and its Directors, no Director is disqualified from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in so far it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii. in so far it relates to the Profit and Loss Account, of the profit of the Company for the year ended on that date;
 - iii. and in so far it relates to the Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For **M.S.Jagannathan & N.Krishnaswami**
Chartered Accountants
K.Srinivasan
Partner
Membership No.:21510

Place : Chennai
Date : May 29, 2009

For **CNGSN & Associates**
Chartered Accountants
C.N.Gangadaran
Partner
Membership No :11205

ANNEXURE TO THE AUDITORS' REPORT

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

- i. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The management at reasonable intervals has physically verified the fixed assets of the Company and no material discrepancies were noticed on such verification.
- c. The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

- ii.
 - a The management has conducted physical verification at reasonable intervals in respect of its inventory.
 - b The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - c The Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- iii.
 - a The Company has granted loans aggregating to Rs.10.25 crores (maximum outstanding at any time during the year Rs.10.05 crores, outstanding as on 31st March, 2009 - Rs.8.75 crores) to parties (2 parties) listed in the register maintained under section 301 of the Companies Act, 1956.
 - b The rate of interest and other terms and conditions of the loans given by the Company are not prima facie, prejudicial to the interest of the Company.
 - c The payment of the principal amount and interest wherever applicable are regular.
 - d There are no overdue amounts with respect to above loans.
 - e The Company has taken loans aggregating to Rs.0.82 crores (maximum outstanding at any time during the year Rs.0.82 crores, outstanding as on 31st March, 2009 - Rs.0.14 crores) from parties (2 parties) listed in the register maintained under section 301 of the Companies Act, 1956.
 - f The rate of interest and other terms and conditions of the loans taken by the Company are not prima facie, prejudicial to the interest of the Company.
 - g The loans given/taken by the Company are repayable on demand and have been received/paid on demand.
- iv. The Company has an internal control system which is adequate and is commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. There are no major weaknesses in internal controls system.
- v.
 - a Particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been so entered in the register maintained for such purpose.
 - b These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under where applicable have been complied with.
- vii. The Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under clause (a) of sub-section (1) of section 209 of the Companies Act, 1956.
- ix.
 - a The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
 - b The disputed statutory dues aggregating to Rs. 2.09 crores that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the statute	Forum where dispute is pending	Amount (Rs. In crores)
1	Income-tax Act	CIT (Appeals)	1.20
2	Sales-tax Acts	High Courts	0.89
		Total	2.09

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

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

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

Place : Chennai
Date : May 29, 2009

BALANCE SHEET AS AT 31st MARCH 2009

	Schedule	As at 31st March 2009		As at 31st March 2008	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	4,33,31,530		4,33,31,530	
Reserves & Surplus	2	<u>273,14,77,631</u>	<u>277,48,09,161</u>	<u>241,61,04,041</u>	<u>245,94,35,571</u>
LOAN FUNDS					
Secured Loans	3	188,64,95,507		233,16,65,505	
Unsecured Loans	4	<u>70,55,35,072</u>	<u>259,20,30,579</u>	<u>30,88,66,442</u>	<u>264,05,31,947</u>
DEFERRED TAX LIABILITY			<u>29,38,55,594</u>		<u>32,13,55,594</u>
TOTAL (I)			<u>566,06,95,334</u>		<u>542,13,23,112</u>
II. APPLICATION OF FUNDS:					
FIXED ASSETS					
Gross Block	5	405,62,54,668		388,59,66,050	
Less: Depreciation		<u>171,31,77,211</u>		<u>140,72,10,475</u>	
Net Block		234,30,77,457		247,87,55,575	
Add: Capital works in progress		<u>82,58,104</u>	<u>235,13,35,561</u>	<u>1,58,69,041</u>	<u>249,46,24,616</u>
INVESTMENTS	6		<u>202,61,67,262</u>		<u>192,82,71,487</u>
CURRENT ASSETS, LOANS AND ADVANCES					
Interest accrued on Investments & deposits		1,17,144		1,14,404	
Inventories	7	109,71,13,134		68,37,38,685	
Sundry Debtors	8	29,09,15,754		27,29,47,041	
Cash & Bank balances	9	14,93,95,361		15,01,40,059	
Loans & Advances	10	<u>48,55,26,356</u>		<u>37,61,88,211</u>	
		202,30,67,749		148,31,28,400	
Less: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	11	56,12,64,195		36,43,09,409	
Provisions	12	<u>17,86,11,043</u>		<u>12,04,42,862</u>	
		<u>73,98,75,238</u>		<u>48,47,52,271</u>	
NET CURRENT ASSETS			<u>128,31,92,511</u>		<u>99,83,76,129</u>
MISCELLANEOUS EXPENDITURE			-		<u>50,880</u>
TOTAL (II)			<u>566,06,95,334</u>		<u>542,13,23,112</u>
Significant Accounting Policies	21				
Notes on Accounts	22				
The Schedules referred to above form part of the accounts					

As per our Report Annexed

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

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

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

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

Place : Chennai
Date : May 29, 2009

S. KRISHNAN
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2009

	Schedule	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
INCOME			
Sales	13	398,19,30,669	334,02,85,352
Power generated from Wind Mills		11,02,31,792	10,40,57,458
Other Income	14	32,27,78,994	29,93,60,760
Increase / (decrease) in stock	20	11,51,51,446	3,46,65,124
		<u>453,00,92,901</u>	<u>377,83,68,694</u>
EXPENDITURE			
Raw Materials consumed		245,84,77,909	200,94,38,262
Cost of Resale Materials		2,01,19,929	1,39,36,075
Stores consumed		11,08,46,167	9,66,81,000
Power and Fuel		30,47,50,469	27,15,00,696
Salaries, Wages, Bonus etc.	15	20,88,81,948	19,83,95,943
Managerial remuneration		3,13,42,826	1,96,79,206
Rates and Taxes		1,69,94,666	1,20,01,673
Interest and Finance charges	16	25,25,93,477	19,49,03,692
Repairs and Maintenance	17	12,91,96,390	9,70,78,406
Selling expenses	18	8,24,84,932	8,73,01,265
Administrative and Other expenses	19	13,78,25,524	12,20,55,521
Depreciation		30,66,26,532	28,19,88,843
Donations		64,17,721	41,10,193
Provision for Taxation			
Current Tax		13,00,00,000	6,95,00,000
Deferred Tax		(2,75,00,000)	412,00,000
Fringe Benefit Tax		45,50,000	37,50,000
		<u>417,36,08,490</u>	<u>352,35,20,775</u>
PROFIT FOR THE YEAR		35,64,84,411	25,48,47,919
Balance brought forward from previous year		3,51,00,744	3,62,96,413
		<u>39,15,85,155</u>	<u>29,11,44,332</u>
Transfer to General Reserve		28,00,00,000	18,00,00,000
Interim Equity Dividend		4,33,31,532	4,33,31,530
Tax on Interim Equity Dividend		73,64,194	73,64,196
Final Equity Dividend		2,16,65,765	2,16,65,765
Tax on Final Equity Dividend		36,82,098	36,82,097
Balance transferred to Balance Sheet		<u>3,55,41,566</u>	<u>3,51,00,744</u>
		<u>39,15,85,155</u>	<u>29,11,44,332</u>
Earnings per Share			
Basic and Diluted earnings per share of Rs.10 each		82	59

As per our Report Annexed

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

Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN

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

Place : Chennai
Date : May 29, 2009

S. KRISHNAN
Company Secretary

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1 SHARE CAPITAL		
Authorised:		
50,00,000 Equity Shares of Rs.10/- each	<u>5,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid-up		
43,33,153 Equity shares of Rs.10/- each	<u>4,33,31,530</u>	<u>4,33,31,530</u>
(Of the above 33,35,000 equity shares were allotted as fully paid Bonus shares by capitalisation of General Reserve)		
2 RESERVES AND SURPLUS		
Share Premium	2,09,53,206	2,09,53,206
General Reserve:		
As per Last Balance Sheet	232,50,86,935	
Add: Transfer during the year	<u>28,00,00,000</u>	<u>260,50,86,935</u>
		233,00,44,910
Less: Charge on account of transitional provisions under Accounting Standard 15 revised	-	(49,57,975)
Investment Subsidy Reserve	6,98,95,924	3,49,63,156
(see item No.17 of Schedule 22)		
Balance in Profit and Loss Account	<u>3,55,41,566</u>	<u>3,51,00,744</u>
TOTAL	<u>273,14,77,631</u>	<u>241,61,04,041</u>
3 SECURED LOANS		
(see item No.12 of Schedule 22)		
Rupee Term Loans from Banks	161,44,40,801	1,80,69,21,689
Working Capital Loans from Banks	<u>27,20,54,706</u>	<u>52,47,43,816</u>
TOTAL	<u>188,64,95,507</u>	<u>233,16,65,505</u>
4 UNSECURED LOANS		
Fixed Deposits		
From Directors	13,96,071	30,11,517
From Others	<u>41,39,001</u>	<u>58,54,925</u>
Short Term Loans		
Rupee Loans from Banks	<u>70,00,00,000</u>	<u>30,00,00,000</u>
TOTAL	<u>70,55,35,072</u>	<u>30,88,66,442</u>

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2009

5. FIXED ASSETS

(In Rupees)

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at 01.04.2008	Additions	Withdrawals/ Adjustments	As at 31.03.2009	For the year	Upto 31.03.2009	As at 31.03.2008
LAND	17,19,06,600	3,23,10,100		20,42,16,700			17,19,06,600
LAND-LEASEHOLD	6,28,549			6,28,549	6,349	1,71,423	4,63,475
BUILDINGS	56,73,98,645	1,16,48,962		57,90,47,607	2,58,19,178	16,73,82,398	42,58,35,425
RAILWAY SIDINGS	20,68,254			20,68,254	16,096	19,64,840	1,19,510
PLANT & MACHINERY	286,53,35,207	11,51,40,254	13,59,480	297,91,15,981	26,08,97,641	138,11,51,919	174,55,32,033
ELECTRICAL MACHINERY	19,90,49,052	76,63,442	251,511	20,64,60,983	1,57,43,975	12,25,59,384	9,21,90,989
FURNITURE AND OFFICE EQUIPMENTS	3,75,94,339	3,04,296	14,950	3,78,83,685	10,27,189	2,11,74,904	1,74,45,701
VEHICLES	3,17,23,863	29,48,106	16,50,601	3,30,21,368	25,41,458	1,57,26,033	1,74,71,965
AIRCRAFT @	1,02,61,541	35,50,000		1,38,11,541	5,74,646	30,46,310	77,89,877
	388,59,66,050	17,35,65,160	32,76,542	405,62,54,668	30,66,26,532	171,31,77,211	247,87,55,575

@ Represents 1/6th share in a jointly owned Aircraft

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
6 INVESTMENTS		
I Quoted		
Shares in Madras Cements Ltd: Opening		
4,78,12,420 nos. Equity shares of Re.1/- each fully paid-up including 2,39,06,210 nos Bonus Shares received during the year	48,36,89,131	
Add:15,00,000 Nos Shares Purchased during the year	9,78,95,775	
Total 49312420 shares of Re.1/- each fully paid-up (Face Value of Equity Shares subdivided into Re.1/- per share during the year)	58,15,84,906	48,36,89,131
Shares in Rajapalayam Mills Ltd: 4,23,680 Nos. Equity Shares of Rs.10/- each fully paid-up	4,11,08,780	4,11,08,780
Shares in Indian Bank 1391 Nos. Equity shares of Rs.10/- each fully paid-up	1,26,581	1,26,581
Shares in HDFC Ltd: 62,040 Nos. Equity Shares of Rs.10/- each fully paid-up	8,26,970	8,26,970
Shares in HDFC Bank Ltd: 1,100 Nos. Equity Shares of Rs.10/- each fully paid-up	11,000	11,000
Shares in Ramco Systems Ltd: 48,22,215 Nos. Equity shares of Rs.10/- each fully paid-up	122,16,19,454	122,16,19,454
Shares in Vysya Bank Housing Finance Ltd. 30,000 Nos. Shares of Rs.10/-each fully paid-up	3,00,000	3,00,000
TOTAL	184,55,77,691	174,76,81,916
II Unquoted		
National Savings Certificates	52,000	52,000
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	2,500	2,500
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur	2,500	2,500
50,000 Shares of Rs.10/- each in Ontime Transport Company Ltd	5,00,000	5,00,000
2 Nos. Shares of Rs.100/- each of Simandhar Shopping Centre Owners Association	200	200
1,00,000 units of Rs.10/- each in HDFC Balanced Fund	10,00,000	10,00,000
TOTAL	15,57,200	15,57,200
III Investments in Subsidiaries (unquoted):		
42,50,000 Equity Shares of Rs.10/- each in Sudharsanam Investments Limited	4,25,00,000	4,25,00,000
2,30,00,000 Equity Shares of SLR 10/- each in Sri Ramco Lanka (Private) Ltd, Srilanka -	13,65,32,371	13,65,32,371
TOTAL	17,90,32,371	17,90,32,371
GRAND TOTAL	202,61,67,262	192,82,71,487
Aggregate amount of quoted investments :		
At Cost	184,55,77,691	174,76,81,916
At Market Value	391,84,04,353	901,57,93,581
Aggregate amount of unquoted investments at cost	18,05,89,571	18,05,89,571

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
7 INVENTORIES		
Stores and Spares	4,78,13,630	5,88,28,838
Raw Materials	49,08,89,246	16,56,01,964
Finished Goods	54,72,16,424	43,51,62,929
Stock in process	1,11,93,834	2,41,44,954
TOTAL	109,71,13,134	68,37,38,685
8 SUNDRY DEBTORS		
(see item No.07 of Schedule 22)		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	1,84,67,336	79,20,938
Considered doubtful	24,63,222	24,63,222
Less: Provision for Doubtful Debts	(24,63,222)	(24,63,222)
Other Debts, considered good	27,24,48,418	26,50,26,103
TOTAL	29,09,15,754	27,29,47,041
9 CASH & BANK BALANCES		
Cash on Hand	5,15,999	11,03,932
Bank Balances:		
With Scheduled Banks in Current Accounts	14,51,15,027	12,95,25,161
With Scheduled Banks in Short Term Deposit Accounts	8,79,854	1,70,79,854
With Scheduled Banks in Unpaid Dividend Accounts	28,84,481	24,31,112
TOTAL	14,93,95,361	15,01,40,059
10 LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or kind	31,03,43,711	26,32,66,982
Advance Income tax and Tax deducted at source	13,38,68,415	7,84,74,242
Deposits with Govt. Departments and Others	3,14,91,744	3,20,48,442
Prepaid Expenses	98,22,486	23,98,545
TOTAL	48,55,26,356	37,61,88,211
11 CURRENT LIABILITIES		
Sundry Creditors	40,24,92,432	24,37,41,928
Other Liabilities	7,36,37,796	5,62,61,970
Trade Deposits	8,15,68,137	6,10,96,395
Interest accrued and not due on loans / deposits	6,81,349	7,78,004
Unclaimed Dividend	28,84,481	24,31,112
TOTAL	56,12,64,195	36,43,09,409
12 PROVISIONS		
Proposed Dividend	2,16,65,765	2,16,65,765
Tax on Dividend	36,82,098	36,82,097
Provision for Taxation	13,00,00,000	6,95,00,000
Fringe Benefit Tax	45,50,000	37,50,000
Provision for Leave Encashment	1,87,13,180	2,18,45,000
TOTAL	17,86,11,043	12,04,42,862

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
13 SALES		
Gross Sales (Net of VAT)	465,35,88,263	398,00,54,355
Less:		
Excise Duty	(25,10,79,500)	(26,99,50,974)
Discounts, Rebates, Service Charges, etc.	(20,36,40,419)	(15,35,07,614)
Commission to Sole Selling Agents	(3,28,13,079)	(2,91,32,488)
Transportation	(18,41,24,596)	(18,71,77,927)
TOTAL	398,19,30,669	334,02,85,352
14 OTHER INCOME		
Interest received (TDS Rs.17,66,374/-)	1,06,49,597	62,76,509
Dividend received	12,10,08,264	10,34,32,252
Royalty received	8,40,22,162	7,45,15,110
Other Miscellaneous income	10,70,98,971	11,51,36,889
TOTAL	32,27,78,994	29,93,60,760
15 SALARIES, WAGES, BONUS ETC.,		
Salaries, Wages and Bonus	16,20,40,475	15,31,40,471
Gratuity & Superannuation Fund Contribution	1,60,68,036	1,37,89,947
Provident Fund Contribution	1,44,45,815	1,44,36,623
Workmen & Staff Welfare Expenses	1,63,27,622	1,70,28,902
TOTAL	20,88,81,948	19,83,95,943
16 INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	21,39,66,929	11,13,27,720
Interest on Others	3,86,26,548	8,35,75,972
TOTAL	25,25,93,477	19,49,03,692
17 REPAIRS & MAINTENANCE		
Plant & Machinery	10,81,47,094	8,00,01,423
Buildings	67,50,745	74,39,503
Others	1,42,98,551	96,37,480
TOTAL	12,91,96,390	9,70,78,406
18 SELLING EXPENSES		
Advertisement & Sales Promotion	3,69,80,525	3,64,32,721
Handling, Packing & Forwarding	4,55,04,407	4,69,47,875
Bad and Doubtful Debts	-	39,20,669
TOTAL	8,24,84,932	8,73,01,265

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	For the Year ended 31.03.2009 Rs.	For the Year ended 31.03.2008 Rs.
19 ADMINISTRATIVE & OTHER EXPENSES		
Rent	35,96,248	35,93,767
Insurance	48,39,379	86,12,548
Directors' Sitting Fees	6,20,000	7,05,000
Telephones and Communications	75,22,575	1,20,37,278
Travelling & Conveyance	2,62,33,792	2,54,96,368
Printing & Stationery	39,64,219	31,84,351
Vehicles / Aircraft Maintenance	98,78,405	94,88,036
Bank Charges	86,70,904	85,23,579
Audit, Accountancy & Legal Charges	1,40,07,271	1,25,21,133
Loss on Sale of Assets	31,606	6,24,735
Profit/ Loss on Foreign Currency Transaction	2,11,45,480	68,26,948
Other Miscellaneous Expenses	3,73,15,645	3,04,41,778
TOTAL	<u>13,78,25,524</u>	<u>12,20,55,521</u>
20 (INCREASE) / DECREASE IN STOCK		
Closing Stock of Finished Goods	54,72,47,616	43,51,62,928
Closing Stock of Process Stock	1,11,93,834	2,41,44,954
	<u>55,84,41,450</u>	<u>45,93,07,882</u>
Opening Stock of Finished Goods	43,51,62,928	40,76,04,940
Opening Stock of Process Stock	2,41,44,954	1,70,67,175
	<u>45,93,07,882</u>	<u>42,46,72,115</u>
Increase / (Decrease)	9,91,33,568	3,46,35,767
ED on Stock Variance	1,60,17,878	29,357
Increase / (Decrease)	<u>11,51,51,446</u>	<u>3,46,65,124</u>

21. 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 Sales

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

C 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.

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

- 3 Defined Benefit Plan:

Gratuity:

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

Leave Encashment:

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

D Fixed Assets:

Fixed Assets are accounted at acquisition cost (net of CENVAT / VAT wherever applicable) less accumulated depreciation. Depreciation has been provided at the rates specified under rules / Schedule XIV of the Companies Act, 1956 at the time of acquisition of the asset:

Under Straight Line Method in respect of Fibre Cement Sheet Plants at Arakonam, Karur, Maksi, Silvassa and Corporate Office
Under Written Down Value Method in respect of Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Bhuj, Calcium Silicate Board Plant at Arakonam, Plastic Storage Container units at Silvassa and Maksi, Clinker Grinding unit at Kharagpur and Wind Electric Generators.

E Valuation of Inventories:

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

F Investments

Investments being long term in nature are stated at cost.

G Contingent Liabilities

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

H Research and Development Expenditure

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

I Income from Windmill

1 Under wheeling and banking arrangement:

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

2 Under Power purchase agreement:

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

J Lease

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

K Borrowing Costs

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

L Earnings per Share

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

M Income Tax

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

N 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

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

P Subsidies and Government Grants:

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

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

Q Miscellaneous Expenditure

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

22. NOTES ON ACCOUNTS:

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1. Contingent Liabilities not provided for:-		
a. Estimated amount of contracts remaining to be executed on Capital accounts	6,63,05,446	38,39,578
b. Bank Guarantees	22,11,75,826	2,66,28,522
c. Letters of Credit	—	63,80,693
d. Corporate Guarantee furnished by the Company to AXIS Bank Ltd for Ramco Systems Limited to support their credit facilities	13,75,00,000	10,00,00,000
Corporate Guarantee furnished by the Company to IDBI Bank Ltd for Ramco Systems Limited to support their credit facilities	20,00,00,000	NIL
e. Sales Tax	89,00,000	1,18,00,000
2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:		
Statutory Audit Fees	6,61,800	4,49,440
Tax Audit Fees	22,060	22,472
Fees for certification	30,333	33,300
Expenses of Audit	3,10,994	2,33,368
3. The break up of Deferred tax liability as at 31.03.2009 of Rs.2938.56 lacs is as under:		
	Rs. In Lacs	
Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income – Tax Act, 1961	2,958.36	
Tax effect of provision for Leave Encashment	(19.80)	
Deferred Tax Liability (Net)	<u>2,938.56</u>	
4. The Company has not utilized Short Term Loans for Long Term purposes.		
5. Income Tax assessment has been completed upto the Accounting year 2005– 2006 (i.e. Assessment year 2006-07). Demand raised by the Department amounting to Rs. 120.19 lacs (Previous year Rs.72.75 lacs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.		
6. Sales Tax demands amounting to Rs. 0.89 crores (previous year Rs.1.18 crores) 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. Sundry Debtors include dues from Overseas Subsidiary Company viz., Sri Ramco Lanka (Private) Ltd., Sri Lanka to the extent of Rs.2,00,70,384/- - Maximum amount due during the year - Rs. 2,00,70,384/-.		
8. Current Liabilities:-		
There are no dues to Micro and Small Enterprises as at 31-3-2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
9. The 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 2009 – 2010 have been paid.		

NOTES ON ACCOUNTS (Contd.)

10. Computation of Profits as per the provisions of section 349 of the Companies Act 1956, for the purpose of determining remuneration to Vice Chairman and Managing Director for the year ended 31.03.2009

	Rs.	Rs.
Net Profit After Tax as per Profit and Loss Account		35,64,84,411
Add:		
Provision for Current Tax	13,00,00,000	
Provision for Deferred Tax	(2,75,00,000)	
Provision for Fringe Benefit Tax	45,50,000	
Directors Sitting Fees	6,20,000	
Remuneration of Managing / Whole Time Director	3,13,42,826	
		<u>13,90,12,826</u>
Profit for the year		49,54,97,237
Remuneration to Managing Director at 5% of the Net Profit		2,47,74,862
Remuneration payable to Whole Time Director (till 31 st December 2008)		<u>78,42,364</u>
		3,26,17,226
Less: Remuneration received from Ramco Systems Limited in which the Managing Director is CEO and Managing Director		12,74,400
Remuneration payable to Managing Director / Whole Time Director in accordance with the provisions.		<u>3,13,42,826</u>

Break up of remuneration:

	Vice Chairman & Managing Director	Whole Time Director (till 31.12.2008)	Total
Salary including allowance	11,52,000	51,84,000	63,36,000
Contribution to PF	86,400	4,86,000	5,72,400
Contribution to Superannuation	1,08,000	6,07,500	7,15,500
Medical reimbursement	62,000	15,294	77,294
Rent	-	2,34,000	2,34,000
Incentive	-	6,95,903	6,95,903
Leave Travel Assistance	-	91,667	91,667
PL encashment	-	5,28,000	5,28,000
Commission	2,20,92,062	-	2,20,92,062
	<u>2,35,00,462</u>	<u>78,42,364</u>	<u>3,13,42,826</u>



RAMCO INDUSTRIES LIMITED
NOTES ON ACCOUNTS (CONTD.)

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

(a) Capacities, Production and Stocks	Fibre Cement Sheets, Accessories & Fittings		Fibre Cement Pressure Pipes & Pipe Accessories		Calcium Silicate Board		Cotton yarn		Cement Clinker Grinding		Plastic Storage Tank	
	For the year ended 31.03.09 MT	For the year ended 31.03.08 MT	For the year ended 31.03.09 MT	For the year ended 31.03.08 MT	For the year ended 31.03.09 MT	For the year ended 31.03.08 MT	For the year ended 31.03.09 Spindles	For the year ended 31.03.08 Spindles	For the year ended 31.03.09 MT	For the year ended 31.03.08 MT	For the year ended 31.03.09 Litres	For the year ended 31.03.08 Litres
Installed Capacity	4,94,000	4,94,000	30,000	30,000	40,000	40,000	43,296	43,296	2,16,000	2,16,000	636.51 lacs	636.51 lacs
Opening Stock	65,657	76,253	-	-	8,084	5,505	185,123 kgs	82,318 kgs	785	239	4,57,905	47,000
Production for Sale	4,66,120	4,68,858	-	-	11,887	14,177	26,18,846 kgs	26,78,297 kgs	54,487	6,668	80,91,135	23,81,845
Closing Stock	91,415	65,657	-	-	9,148	8,084	1,40,980 kgs	1,85,123 kgs	283	785	8,42,340	4,57,905
Units generated from Windmills (KWH) 3,35,01,902 3,11,25,445												
(b) Turnover	For the year ended 31.03.2009 For the year ended 31.03.2008											
	Quantity				Net Value Rs.				Quantity Net Value Rs.			
Fibre Cement Sheets and Accessories (MT)	4,40,362				305,02,96,635				4,79,454 268,54,72,982			
Fibre Cement Pressure Pipes & Pipe Accessories (MT)	-				-				-			
Clinker grinding (MT) (including self consumption)	54,973				13,69,09,739				6,122 1,97,99,697			
Calcium Silicate Board (MT)	10,823				20,40,97,409				11,598 20,53,17,302			
Export of Machinery	-				2,16,69,080				- 81,47,502			
Cotton Yarn (Kgs)	26,62,989				55,30,04,009				25,75,492 41,77,46,134			
Plastic Tank (Ltrs)	77,06,700				1,59,53,797				19,70,940 38,01,735			
(c) Raw material consumed												
Fibre (MT)	41,172				116,46,40,563				44,567 94,23,82,974			
Cement (MT)	2,19,226				73,39,17,079				2,22,789 71,02,29,948			
Fly Ash (MT)	1,27,317				7,03,03,762				1,31,062 6,65,80,303			
Clinker (MT)	44,414				10,64,08,457				6,375 1,85,92,980			
Cotton (Kgs)	38,83,691				31,29,81,143				38,14,332 24,35,71,095			
Others (MT)	28,807				7,02,26,905				9,794 2,80,80,962			

NOTES ON ACCOUNTS (Contd.)

	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
(d) CIF Value of Imports		
Raw Materials	152,67,79,515	86,56,25,815
Spares	29,91,551	14,86,000
Capital Goods	5,42,25,170	26,34,50,000
(e) Expenditure in Foreign Currency on account of Travelling & Other matters	89,81,014	87,68,390
(f) Number of Non - resident Shareholders	51	43
(g) Amount remitted in Foreign currency on account of dividends	NIL	NIL

	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Value Rs.	Percentage	Value Rs.	Percentage
(h) Value of consumption of imported and indigenous raw materials and spares				
RAW MATERIALS				
Imported	127,61,15,598	52%	89,55,14,475	51%
Indigenous	118,23,62,311	48%	111,39,23,787	49%
Spares				
Imported	33,63,630	3%	25,40,502	3%
Indigenous	10,74,82,537	97%	9,41,40,498	97%
(I) Earnings in Foreign Currency				
Export of Goods	29,35,34,979		33,00,87,532	
Royalty Income	8,40,22,162		7,45,15,110	
Dividend from Srilankan Subsidiary	1,81,82,534		2,49,18,709	
12 a. Term Loans of Rs.7394.56 Lacs borrowed from banks 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.				
b. Term Loans of Rs.8750 Lacs borrowed from banks are secured by paripasu first charge on the fixed assets and paripasu second charge on current assets.				
c. 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.				
13 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 Rs. 7.31 lacs (PY: NIL) has been amortized and the same is included in Loan and Finance charges.				
14 As per Accounting Standard 15 (revised 2005) "Employee Benefits", the disclosures of employee benefits as defined in the Accounting Standard are given below:				

NOTES ON ACCOUNTS (Contd.)

Defined Contribution Plan:	2008-09
	Rs.
Employer's Contribution to Provident Fund	1,44,45,815
Employer's Contribution to Superannuation Fund	28,98,135

Rs. in thousands

	Gratuity (Funded)	Leave Encashment (Unfunded)
Reconciliation of opening and closing balances of defined benefit plan:		
Defined Benefit obligation as on 1-4-2008	59228	21845
Current Service Cost	3422	1115
Interest Cost	4032	1060
Actuarial (gain) / loss	9782	11868
Benefits paid	(17662)	(17175)
Defined Benefit obligation as on 31-3-2009	58802	18713
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 1-4-2008	58107	0
Expected return on plan assets	5174	0
Actuarial (gain) / loss	355	0
Employer contribution	12708	17175
Benefits paid	(17662)	(17175)
Fair value of plan assets as on 31-3-2009	58682	0
Actual Return of plan assets:		
Expected return on plan assets	5174	0
Actuarial (gain) / loss on plan assets	355	0
Actual return on plan assets	5529	0
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	58682	0
Present value of obligation	58802	18713
Difference	120	18713
Unrecognized transitional liability	0	0
Unrecognized past service cost – non vested benefits	0	0
Amount recognized in Balance Sheet	120	18713

15 Expense recognized during the year:

Current Service Cost	3422	1115
Interest Cost	4032	1060
Expected return on plan assets	(5174)	0
Actuarial (gain) / loss	9427	11868
Transitional liability recognized in the year	0	0
Past service cost - non-vested benefits	0	0
Past service cost - vested benefits	0	0
Net Cost	11707	14043

Investment Details as on 31-3-2009:

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

NOTES ON ACCOUNTS (Contd.)

16. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008
1. Revenue/Income from operations										
External Customers	348,99,28,299	298,81,64,412	56,71,65,041	44,86,71,908	11,67,92,738	10,96,64,803	24,10,55,377	19,72,02,447	441,49,41,455	374,37,03,570
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total Revenue	348,99,28,299	298,81,64,412	56,71,65,041	44,86,71,908	11,67,92,738	10,96,64,803	24,10,55,377	19,72,02,447	441,49,41,455	374,37,03,570
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/(Loss)	64,34,38,679	35,74,49,213	(4,36,98,187)	(52,01,775)	2,87,97,079	1,59,59,296	8,75,90,317	19,59,94,877	71,61,27,888	56,42,01,611
Interest expenses									25,25,93,477	19,49,03,692
Interest Income/Dividend income										
Income Tax - Current									13,00,00,000	6,95,00,000
- Deferred									(2,75,00,000)	4,12,00,000
- Fringe Benefit Tax									45,50,000	37,50,000
Profit from Ordinary activities									35,64,84,411	25,48,47,919
Extraordinary Profit/Loss									-	-
Net Profit									35,64,84,411	25,48,47,919
3. Other Information										
Segment Assets	224,09,76,615	197,72,52,284	119,92,48,682	111,89,10,626	46,55,23,563	53,48,72,656	249,48,21,712	227,67,79,413	640,05,70,572	590,58,14,979
Unallocated corporate assets										
Total Assets	224,09,76,615	197,72,52,284	119,92,48,682	111,89,10,626	46,55,23,563	53,48,72,656	249,48,21,712	227,67,79,413	640,05,70,572	590,58,14,979
Segment Liabilities	21,30,89,234	21,43,36,938	67,00,55,273	79,78,10,626	(39,89,743)	7,08,712	272,12,58,784	243,35,43,545	360,04,13,548	344,63,99,821
Unallocated corporate liabilities										
Total Liabilities	21,30,89,234	21,43,36,938	67,00,55,273	79,78,10,626	(39,89,743)	7,08,712	272,12,58,784	243,35,43,545	360,04,13,548	344,63,99,821
Capital Expenditure	5,75,88,960	19,19,73,563	8,58,50,422	48,07,53,473	-	9,13,82,531	3,83,83,882	-	18,18,23,264	76,41,09,567
Depreciation	12,05,19,066	12,42,42,768	9,63,13,192	6,28,34,162	7,82,31,062	8,44,30,760	1,15,63,212	1,04,81,133	30,66,26,532	28,19,88,843
Non-cash expenses other than depreciation				50,880						50,880

NOTES ON ACCOUNTS (Contd.)

17. The Company is eligible for Incentives of Rs.583.62 Lacs under the "Kutch Development Scheme 2001" in respect of its Fibre Cement Plant at Anjar, Bhuj in the State of Gujarat. The Scheme, inter-alia, stipulates investment of the amount equivalent to 50% of the Incentives availed in the new project in the State of Gujarat within a period of 10 years from the date of commencement of commercial production. The Company had obtained a Legal Opinion on the manner of treatment of these subsidies. Accordingly a sum of Rs. 291.81 Lacs is treated as Capital Receipt and the balance 50% of Rs.291.81 Lacs has been credited to Profit and Loss account.

The Company is eligible for Incentives under the "West Bengal Incentive Scheme 2000" in respect of its Fibre Cement Plant and Clinker Grinding unit at Kharagpur in the State of West Bengal. A sum of Rs.287.59 Lacs (Previous Year: Rs.200.17 Lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account. A sum of Rs.57.52 lacs accrued as State Capital Investment Subsidy for the year (Previous Year:Rs.90.73 Lacs) is treated as Capital Receipt.

Interest subsidy under Technology Upgradation Fund (TUF) is credited to interest and finance charges account.

18. Earnings Per Share

Particulars	For the year ended	
	31.03.2009	31.03.2008
	Rs.	Rs.
Net Profit after Tax (A)	35,64,84,411	25,48,47,919
No. of Shares (B)	43,33,153	43,33,153
Basic and Diluted earnings per share of Rs.10 each (A/B)	82	59

19. 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:

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

P.R. Ramasubrahmaneya Rajha
P.R. Venketrama Raja
- 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
Gowri House Metal Works
Ramco Systems Ltd
The Ramaraju Surgical Cotton Mills Ltd
Sri Vishnu Shankar Mill Ltd
Sandhya Spinning Mill Ltd
Thanjavur Spinning Mill Ltd
Sri Harini Textiles Ltd
Rajapalaiyam Spinners P Ltd

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

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2009 (Rs.)	Dr./Cr.
i.	Export of Machinery & Spares : Sri Ramco Lanka (Private) Ltd Machinery / Spares	2,16,67,080	16,80,100	Dr @*
ii.	Service income: Sri Ramco Lanka (Private) Ltd Royalty Income (Accrued but not due) The Ramaraju Surgical Cotton Mills Ltd - Conversion Charges Rajapalaiyam Mills Ltd - Conversion Charges Sandhya Spinning Mills Ltd - Conversion Charges	8,40,22,162 1,85,408 2,43,059 676	1,83,90,284 NIL NIL NIL	Dr

NOTES ON ACCOUNTS (Contd.)

Sl.No.	Name of the party	Value (Rs.)	Outstanding as on 31.03.2009 (Rs.)	Dr. / Cr.
iii.	Sale of Goods:			
	Thanjavur Spinning Mill Limited			
	- Building Products	22,20,236	NIL	
	Sri Vishnu Shankar Mill Limited			
	- Building Products	11,14,666	NIL	
	Sandhya Spinning Mill Limited			
	- Building Products	10,87,701	NIL	
	- Waste Cotton	46,22,167	NIL	
	- Stores Items	29,644	NIL	
	Sri Harini Textiles			
	- Building Products	27,590	NIL	
	Rajapalaiyam Mills Limited			
	- Waste Cotton	3,14,31,461	NIL	
	- Stores Items	3,41,635	NIL	
	- Building Products	8,78,498	NIL	
	The Ramaraju Surgical Cotton Mills Ltd			
	- Waste Cotton	47,27,189	NIL	
	- Building Products	3,37,797	NIL	
	- Doff Basket	27,000	NIL	
	Madras Cements Limited			
	- Building Products	21,17,215	NIL	
iv.	Purchase of Goods:			
	Madras Cements Ltd			
	- Cement	35,11,26,258	NIL	
	- Clinker	2,45,66,690	NIL	
	- Fly Ash	3,09,019	NIL	
	- Cement Bags	12,950	NIL	
	- Power	57,32,408	NIL	
	Rajapalaiyam Mills Limited			
	- Cotton	31,30,203	NIL	
	- Conversion Charges	47,81,701	NIL	
	- Stores items	4,35,034	NIL	
	Sandhya Spinning Mill Ltd			
	- Cotton	1,04,22,578	NIL	
	- Conversion Charges	32,262	NIL	
	The Ramaraju Surgical Cotton Mills Ltd			
	- Cotton	92,73,106	NIL	
	- Conversion Charges	47,030	NIL	
	Sri Vishnu Shankar Mills Ltd			
	- Cotton	33,66,747	NIL	
	Thanjavur Spinning Mill Ltd			
	- Cotton	34,52,716	NIL	
	Gowri House Metal Works			
	- Drilling Screws	30,30,092	NIL	
	Ramco Systems Limited			
	- AMC Charges	18,31,261	NIL	
	- On Site Resource	53,04,155	4,68,775*	Cr

NOTES ON ACCOUNTS (Contd.)

Sl.No.	Name of the party	Value (Rs.)	Outstanding as on 31.03.2009 (Rs.)	Dr. / Cr.
v.	Corporate Guarantees Issued Ramco Systems Limited	33,75,00,000	33,75,00,000	Dr
vi.	Short Term Borrowings : Shri P.R. Venketrama Raja Shri K.T. Ramachandran		12,96,071 1,00,000	Cr Cr
vii.	Intercompany Loans Given Ramco Systems Limited Sudharsanam Investments Limited	1,25,00,000 5,00,00,000	NIL 8,75,15,285	Dr
viii.	Interest accrued on Inter Corporate Loans Ramco Systems Limited Sudharsanam Investments Limited	7,43,152 58,40,472	NIL NIL	

* Since Received / Paid during April 2009

@ Amount outstanding net of Withholding tax

The above transactions were done in the ordinary course of business and at commercial rates. No amount has been written off or written back in the accounts

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

Name	Closing Balance as on 31.03.2009 inclusive of interest accrued	Interest Accrued
	(Rs.)	Rs.
Sri. P.R. Venketrama Raja	12,96,071	1,60,990
Sri. K.T. Ramachandran	1,00,000	-

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

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

As per our Report Annexed

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

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

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

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

Place : Chennai
Date : May 29, 2009

S. KRISHNAN
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	Year Ended 31-Mar-2009	Year Ended 31-Mar-2008
A Cash flow from operating activities		
Net profit, after tax as per Profit and Loss Account	35,64,84,411	25,48,47,919
Adjusted for		
Provision for taxation		
Current tax	13,00,00,000	6,95,00,000
Deferred tax	(2,75,00,000)	4,12,00,000
Fringe Benefit Tax	45,50,000	37,50,000
Loss on sale of assets	31,606	6,24,735
Depreciation	30,66,26,532	28,19,88,843
Dividend Income	(12,10,08,264)	(10,34,32,252)
Interest income	(1,06,49,597)	(62,76,509)
Interest paid	25,25,93,477	19,49,03,692
Profit on sale of assets/investments		
Royalty receipts	(8,40,22,162)	(7,45,15,110)
Operating profit before working capital changes	80,71,06,003	66,25,91,318
Adjusted for		
Trade and other receivables	(7,18,64,545)	(5,41,57,768)
Inventories	(41,33,74,449)	(9,08,08,284)
Trade payables	19,38,22,966	8,90,62,860
Cash generated from operations	51,56,89,975	60,66,88,126
Taxes paid	(12,86,44,173)	(8,17,79,494)
Net cash from operating activities	38,70,45,802	52,49,08,632
B Cash flow from Investing activities		
Purchase of fixed assets	(16,59,54,222)	(76,68,76,333)
Sale of fixed assets	25,85,139	5,11,044
Interest income	1,06,49,597	62,76,509
Dividend income	12,10,08,264	10,34,32,252
Purchase of Investments	(9,78,95,775)	
Sale of Investments		
State subsidy receipts	3,49,32,768	3,49,63,156
Royalty receipts	8,40,22,162	7,45,15,110
Net cash used in operating activities	(1,06,52,067)	(54,71,78,262)
C Cash flow from financing activities		
Proceeds from long term borrowing	(19,24,80,888)	70,34,56,470
Repayment of long term borrowings	0	0
Short term borrowings, net	39,66,68,630	(32,44,26,301)
Working capital changes	(25,26,89,110)	63,69,954
Dividend paid	(7,60,43,588)	(7,60,43,589)
Interest paid	(25,25,93,477)	(19,49,03,692)
Net cash from financing activities	(37,71,38,433)	11,44,52,842

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	Year Ended 31-Mar-2009	Year Ended 31-Mar-2008
Net increase / (decrease) in cash and cash equivalents	(7,44,698)	9,21,83,212
Opening balance of cash and cash equivalents	15,01,40,059	5,79,56,847
Closing balance of cash and cash equivalents	14,93,95,361	15,01,40,059

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

P.R. VENKETRAMA RAJA
Vice Chairman &
Managing Director

S. KRISHNAN
Company Secretary

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

Place : Chennai,
Date : 29th May, 2009

AUDITORS' CERTIFICATE

To

The Board of Directors
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited. The Statement has been prepared by the Company in accordance with the requirements of Listing Agreements entered into with the Stock Exchanges and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report of 29th May, 2009 to the members of the Company.

For Messrs. M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For Messrs. CNGSN & Associates
Chartered Accountants
C.N. GANGADARAN
Partner
Membership No.11205

Place : Chennai,
Date : 29th May, 2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

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

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

Public Issue Rights Issue
 Bonus Issue Private Placement

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS

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

IV. PERFORMANCE OF COMPANY

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

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY

(As per Monetary terms)

Item Code No. (ITC Code)
 Product Description

 Item Code No. (ITC Code)
 Product Description

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

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT.

- I Name of Subsidiary Company : **SUDHARSANAM INVESTMENTS LIMITED** (Wholly Owned Subsidiary)
- 1 The Company holds 42,50,000 shares of Rs.10/- each as on 31.03.2009
 - 2 The Net Loss of Rs.6,31,174/- of the Subsidiary Company for the year ended 31.03.2009 has not been dealt with in the Company's account.
 - 3 The Cumulative Net Loss of Rs.2,43,591/- for the previous financial years ended upto 31.03.2008 have not been dealt with in the Company's accounts.
- II Name of Subsidiary Company : **SRI RAMCO LANKA (PRIVATE) LIMITED, SRILANKA** (Wholly Owned subsidiary)
- 1 The Company holds 2,30,00,000 shares of SLR.10/- each as on 31.03.2009
 - 2 The Net Profit of SLR.21,17,96,301/- after providing Taxation, of the Subsidiary Company for the year ended 31.03.2009 has not been dealt with in the Company's account.
 - 3 The Cumulative Net Profit of SLR.57,47,00,265/- for the previous financial years ended upto 31.03.2008 have not been dealt with in the Company's accounts.

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

P.R. VENKETRAMA RAJA
Vice Chairman &
Managing Director

S. KRISHNAN
Company Secretary

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

Place : Chennai,
Date : 29th May, 2009

DETAILS OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2009

	Name of Subsidiary Company	Sudharsanam Investments Limited, Rajapalaiyam (in INR)	Sri Ramco Lanka (Private) Limited, Sri Lanka
1	Capital	4,25,00,000	SLR 23,00,02,020 INR 13,65,32,371
2	Reserves & Surplus	(-)8,74,765	SLR 67,14,95,558 INR 27,31,90,934
3	Total Assets	13,00,15,285	SLR 96,85,62,789 INR 43,91,22,417
4	Total Liabilities	13,00,15,285	SLR 96,85,62,789 INR 43,91,22,417
5	Total Investments	12,86,25,155	SLR NIL INR NIL
6	Total Income	52,15,200	SLR 197,76,98,392 INR 82,79,19,923
7	Profit before Taxation	(-) 6,31,174	SLR 33,39,51,522 INR 14,62,63,491
8	Provision for Taxation	NIL	SLR 12,21,55,221 INR 5,35,49,795
9	Profits after Taxation	(-) 6,31,174	SLR 21,17,96,301 INR 9,27,13,696
10	Proposed Dividends	NIL	SLR 4,60,00,404 INR 1,81,82,534

Exchange rate as on 31.03.2009 - 1 Sri Lankan Rupee (SLR) = INR 0.4384

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

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

We have examined the attached Consolidated Balance Sheet of Ramco Industries Limited and its subsidiaries as at 31st March, 2009 and the Consolidated Profit and Loss Account for the year ended 31st March 2009.

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

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

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

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

- (a) In the case of the Consolidated Balance Sheet of the consolidated state of affairs of Ramco Industries Limited and its subsidiaries as at March 31, 2009; and
- (b) In the case of the Consolidated Profit and Loss Account of the consolidated results of the operations of Ramco Industries Limited and its subsidiaries for the year then ended.
- (c) In the case of the Consolidated Cash Flow statements of the Cash flows of Ramco Industries Limited and its subsidiaries for the year then ended.

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

Chartered Accountants

K. SRINIVASAN

Partner

Membership No.21510

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

Chartered Accountants

C.N. GANGADARAN

Partner

Membership No. 11205

Place : Chennai

Date : May 29, 2009

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

BALANCE SHEET AS AT 31st MARCH, 2009

			As at 31.03.2009	As at 31.03.2008
	Schedule	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS				
1 SHAREHOLDERS' FUNDS				
(a) Share Capital	1	4,33,31,530	4,33,31,530	
(b) Reserves & Surplus	2	300,48,42,770	304,81,74,300	258,12,21,558
2 LOAN FUNDS				
(a) Secured Loans	3	190,44,78,941		233,54,31,825
(b) Unsecured Loans	4	70,55,35,072	261,00,14,013	30,88,66,442
3 DEFERRED TAX LIABILITY			30,42,08,310	
				33,53,31,363
	TOTAL (I)		596,23,96,623	560,41,82,718
II. APPLICATION OF FUNDS				
1 FIXED ASSETS	5			
Gross Block		433,42,80,267		413,99,87,884
Less: Depreciation		186,88,10,138		154,61,32,464
Net Block		246,54,70,129		259,38,55,420
Add: Capital works in progress		3,11,76,909	249,66,47,038	2,03,83,110
2 INVESTMENTS	6		197,57,60,046	182,89,16,383
3 CURRENT ASSETS				
LOANS AND ADVANCES				
a) Interest accrued on Investments & Deposits		1,17,144		114,404
b) Inventories	7	127,88,54,355		74,37,16,094
c) Sundry Debtors	8	36,85,78,232		32,86,91,387
d) Cash & Bank Balances	9	24,58,04,403		27,40,16,667
e) Loans & Advances	10	40,60,11,154		35,45,28,726
		229,93,65,288		170,10,67,278
Less: CURRENT LIABILITIES & PROVISIONS				
Current Liabilities	11	63,52,10,029		42,85,24,682
Provisions	12	17,41,65,720		11,18,09,262
		80,93,75,749		54,03,33,944
4 NET CURRENT ASSETS			148,99,89,539	116,07,33,334
5 MISCELLANEOUS EXPENDITURE			-	2,94,471
	TOTAL (II)		596,23,96,623	560,41,82,718
Contingent Liabilities as per note annexed				
Significant Accounting Policies	21			
Notes on Accounts	22			
The Schedules referred to above form part of the accounts				

As per our Report Annexed

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

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

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

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

Place : Chennai
Date : May 29, 2009

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
INCOME			
Sales	13	477,41,06,065	407,72,88,953
Power generated from Windmills		11,02,31,792	10,40,57,458
Other Income	14	23,40,24,473	21,01,64,982
(Increase) / Decrease in stocks	20	16,73,20,699	3,21,80,903
		<u>528,56,83,029</u>	<u>442,36,92,296</u>
EXPENDITURE			
Raw Materials consumed		299,18,47,623	248,68,38,694
Cost of resale materials		6,56,472	73,14,562
Stores consumed		12,00,08,549	10,53,03,237
Power and Fuel		32,77,63,657	28,96,65,506
Salaries, Wages, Bonus etc.	15	23,77,59,049	22,04,38,849
Managing Director's remuneration		3,13,42,826	1,96,79,206
Rates and Taxes		1,76,99,905	1,31,25,383
Interest and Finance charges	16	25,37,89,040	19,49,19,038
Repairs and Maintenance	17	14,77,45,673	11,33,91,817
Selling expenses	18	8,90,13,706	8,92,85,528
Administrative and Other expenses	19	14,66,03,355	12,88,37,904
Depreciation		32,60,58,167	29,88,61,114
Donations		66,16,438	41,49,025
Provision for Taxation			
Current		18,71,72,848	11,41,02,215
Deferred		(3,11,23,053)	3,74,56,747
Fringe Benefit		45,50,000	37,50,000
		<u>485,75,04,255</u>	<u>412,71,18,825</u>
PROFIT FOR THE YEAR		42,81,78,774	29,65,73,471
Add: Balance in P&L A./c b/f		22,09,17,678	18,03,87,795
Balance available for appropriation		<u>64,90,96,452</u>	<u>47,69,61,266</u>
Transfer to General Reserve		28,00,00,000	18,00,00,000
Equity Dividend -Interim		4,33,31,532	4,33,31,530
Equity Dividend -Final		2,16,65,765	2,16,65,765
Tax on Dividend		1,10,46,291	1,10,46,293
Balance carried over to Balance Sheet		<u>29,30,52,864</u>	<u>22,09,17,678</u>
		<u>64,90,96,452</u>	<u>47,69,61,266</u>
Earnings per Share			
Basic and Diluted earnings per share of Rs.10 each		99	68

As per our Report Annexed

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

Chartered Accountants
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants

C.N. GANGADARAN
Partner
Membership No.11205

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN

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

Place : Chennai
Date : May 29, 2009

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1 SHARE CAPITAL		
Authorised:		
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000
Issued, Subscribed and Paid-up 43,33,153		
Equity shares of Rs.10/- each fully paid up	4,33,31,530	4,33,31,530
(Of the above 33,35,000 equity shares were allotted as fully paid bonus shares)		
2 RESERVES AND SURPLUS		
Share Premium	2,09,53,206	2,09,53,206
General Reserve:		
As per Last Balance sheet	230,43,87,518	
Add: Transfer during the year	28,00,00,000	
	258,43,87,518	
Add: Translation difference on account of consolidation	3,65,53,258	
State Investment Subsidy	262,09,40,776	230,43,87,518
Balance in Profit & Loss Account	6,98,95,924	3,49,63,156
	29,30,52,864	22,09,17,678
TOTAL	300,48,42,770	258,12,21,558
3 SECURED LOANS		
(see item No.11 of Schedule 22)		
TERM LOAN:		
Rupee Loan from Banks	161,44,40,801	180,69,21,689
OTHERS		
Working Capital loan from Banks	29,00,38,140	52,85,10,136
TOTAL	190,44,78,941	233,54,31,825
4 UNSECURED LOANS		
FIXED DEPOSITS		
From Directors	13,96,071	30,11,517
From Others	41,39,001	58,54,925
SHORT TERM LOANS		
Rupee Loans from Banks	70,00,00,000	30,00,00,000
TOTAL	70,55,35,072	30,88,66,442

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2009

5. FIXED ASSETS

In Rupees

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	as at 01.4.2008	Additions	Withdrawals/ Adjustments	as at 31.3.2009	For the year 31.3.2009	As at 31.3.2009	As at 31.3.2008
LAND	17,19,06,600	3,23,10,100	-	20,42,16,700	-	20,42,16,700	17,19,06,600
LAND - LEASEHOLD	12,65,991	-	-	12,65,991	19,712	9,85,725	10,05,437
BUILDINGS	63,05,82,535	1,72,07,019	-	64,77,89,554	2,76,91,238	46,43,65,923	47,48,50,142
RAILWAY SIDINGS	20,68,254	-	-	20,68,254	16,096	1,03,414	1,19,510
PLANT & MACHINERY	303,22,88,337	12,71,71,632	13,59,490	315,81,00,489	27,59,70,076	165,35,01,473	180,41,10,502
ELECTRICAL MACHINERY	21,13,35,395	1,62,89,429	32,65,223	22,43,59,601	1,72,95,245	9,38,24,190	9,53,18,516
FURNITURE AND OFFICE EQUIPMENTS	4,25,14,066	10,51,367	14,950	4,35,50,483	15,26,749	1,95,17,361	2,00,06,770
VEHICLES	3,77,65,165	30,03,090	16,50,601	3,91,17,654	29,77,766	1,81,90,112	1,87,48,066
AIR CRAFT @	1,02,61,541	35,50,000	-	1,38,11,541	5,74,646	1,07,65,231	77,89,877
TOTAL	413,99,87,884	20,05,82,637	62,90,254	433,42,60,267	32,60,71,528	246,54,70,129	259,38,55,420

@ Represents 1/6th share in jointly owned Aircraft

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
6 INVESTMENTS		
I QUOTED		
Shares in Madras Cements Ltd:		
500,45,020 Nos. Equity shares of Re.1/- each fully paid-up	56,33,66,398	
Add : 2250000 Nos. Shares Purchased during the year	14,68,43,663	
Total 522,95,020 Shares of Re. 1/- each fully paid-up (Face value of Equity Shares subdivided into Re.1/- per Share during the year)	71,02,10,061	56,33,66,398
Shares in Rajapalayam Mills Ltd:		
4,33,680 nos. Equity Shares of Rs.10/- each fully paid-up	4,11,08,780	4,11,08,780
Shares in HDFC Ltd:		
62,040 nos. Equity Shares of Rs.10/- each fully paid-up	8,26,970	8,26,970
Shares in HDFC Bank Ltd:		
1,100 nos. Equity Shares of Rs.10/- each fully paid-up	11,000	11,000
1391 nos. Equity Shares of Rs. 10 each in Indian Bank	126,581	126,581
Shares in Ramco Systems Ltd:		
48,22,215 nos. Equity shares of Rs.10/- each fully paid up	122,16,19,454	122,16,19,454
Shares in Vysysa Bank Housing Finance Ltd:		
30,000 nos. Equity Shares of Rs.10/- each fully paid up	3,00,000	3,00,000
TOTAL	197,42,02,846	182,73,59,183
II UNQUOTED		
National Savings Certificates	52,000	52,000
Shares in Ramco Industries		
Employees Co-operative Stores Ltd, Arakkonam	2,500	2,500
Shares in Southern Asbestos Cement		
Employees Co-operative Stores Ltd, Karur	2,500	2,500
2 Nos. shares Simandhar Shopping Centre Owners Association	200	200
1,00,000 units of Rs.10/- each in HDFC Balanced Fund	10,00,000	10,00,000
5000 NOS. Shares of Rs.10/- each in OnTime Transport Co. Ltd	5,00,000	5,00,000
TOTAL	15,57,200	15,57,200
Total Investments	197,57,60,046	182,89,16,383
Aggregate amount of quoted Investments:		
At Cost	197,42,02,846	182,73,59,183
At Market value	413,15,11,123	938,96,75,940
Aggregate amount of unquoted Investments at Cost	15,57,200	15,57,200

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
7 INVENTORIES		
(Valued at the lower of cost or net realisable value)		
Stores and Spares	6,13,93,453	6,67,86,247
Raw Materials	56,73,02,219	17,78,67,442
Finished Goods	63,89,64,849	47,49,17,451
Stock in process	1,11,93,834	241,44,954
TOTAL	127,88,54,355	74,37,16,094
8 SUNDRY DEBTORS		
(Unsecured, Considered good)		
(a) Debts outstanding for a period exceeding six months Considered Doubtful	1,84,67,336	79,20,938
(b) Other Debts	35,01,10,896	32,07,70,449
TOTAL	36,85,78,232	32,86,91,387
9 CASH & BANK BALANCES		
Cash on Hand	14,83,476	14,32,890
Bank Balances:		
With Scheduled Banks in Current Accounts	17,30,85,820	17,04,41,500
With Scheduled Banks in Short Term Deposit Accounts	6,83,50,626	9,97,11,165
With Scheduled Banks in Unpaid Dividend Accounts	28,84,481	24,31,112
TOTAL	24,58,04,403	27,40,16,667
10 LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or kind	23,07,01,804	24,14,68,910
Advance Income tax and Tax deducted at Source	13,38,68,415	7,86,00,948
Deposits with Govt. Departments and Others	3,16,18,449	3,20,48,442
Prepaid Expenses	98,22,486	24,10,426
TOTAL	40,60,11,154	35,45,28,726
11 CURRENT LIABILITIES		
For Sundry Creditors	46,31,17,886	29,22,15,084
For Other liabilities	8,57,02,382	7,09,43,486
Trade Deposits	8,28,23,931	6,21,56,996
Interest accrued and not due on loans/deposits	6,81,349	7,78,004
Unclaimed Dividend	28,84,481	24,31,112
TOTAL	63,52,10,029	42,85,24,682
12 PROVISIONS		
Dividends	2,16,65,765	2,16,65,765
Tax on Dividend	36,82,097	36,82,097
Provision for Taxation	14,88,17,858	8,64,61,400
TOTAL	17,41,65,720	11,18,09,262

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
13 SALES		
Gross Sales (Net of Sales Tax and Central Excise Duty, wherever applicable)	545,40,68,321	471,80,14,172
Less: Excise duty	(25,10,79,500)	(26,99,50,974)
Less: Discounts, Rebates, Service Charges, etc.	(21,11,45,848)	(15,35,07,614)
Less: Commission to Sole Selling Agents	(3,28,13,079)	(2,91,32,488)
Less: Transportation	(18,49,23,829)	(18,81,34,143)
NET SALES	477,41,06,065	407,72,88,953
14 OTHER INCOME		
Interest received from Banks	2,38,68,326	1,57,79,348
Dividend received	10,80,40,930	8,18,62,443
Other Miscellaneous income	10,21,15,217	11,25,23,191
TOTAL	23,40,24,473	21,01,64,982
15 SALARIES, WAGES, BONUS ETC.,		
Salaries, Wages and Bonus	18,36,56,909	16,92,58,494
Gratuity & Superannuation Fund Contribution	1,74,04,287	1,43,85,342
Provident Fund Contribution	1,59,41,020	1,56,42,893
Workmen & Staff Welfare Expenses	2,07,56,833	2,11,52,120
TOTAL	23,77,59,049	22,04,38,849
16 INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	21,39,66,929	11,13,27,720
Interest on Others	3,98,22,111	8,35,91,318
TOTAL	25,37,89,040	19,49,19,038
17 REPAIRS & MAINTENANCE		
Plant & Machinery	12,54,39,281	9,53,92,791
Buildings	77,83,347	81,94,743
Others	1,45,23,045	98,04,283
TOTAL	14,77,45,673	11,33,91,817
18 SELLING EXPENSES		
Advertisement & Sales Promotion	3,99,19,442	3,74,33,854
Handling, Packing & Forwarding	4,67,91,810	4,79,31,005
Bad and Doubtful debts	23,02,454	39,20,669
TOTAL	8,90,13,706	8,92,85,528
19 ADMINISTRATIVE & OTHER EXPENSES		
Rent	39,20,545	38,63,558
Insurance	59,30,493	94,68,267
Directors' Sitting fees	6,20,000	7,05,000
Postage, Telephone, Telegrams, Telex & Email charges	87,83,255	1,29,02,036
Travelling & Conveyance	2,82,85,523	2,72,04,582
Printing & Stationery	43,42,129	33,87,199
Vehicles/Aircraft maintenance	1,01,85,140	97,34,157
Bank Charges	98,19,390	95,06,991
Audit, Accountancy & Legal Charges	1,43,72,343	1,30,13,310
Loss on sale of assets	31,606	6,24,735
Loss on Foreign Currency Transaction	2,17,17,682	68,26,948
Other Miscellaneous expenses	3,85,95,249	3,16,01,121
TOTAL	14,66,03,355	12,88,37,904

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	For the year ended 31.03.2009 Rs.	For the year ended 31.03.2008 Rs.
20 DECREASE IN STOCK		
Closing Stock of Finished Goods	65,03,65,225	49,90,62,405
Opening Stock of Finished Goods	49,90,62,404	46,69,10,858
(Increase) / Decrease	(15,13,02,821)	(3,21,51,547)
Excise duty on stock variance	(1,60,17,878)	(29,356)
(Increase) / Decrease	(16,73,20,699)	(3,21,80,903)

21 STATEMENT OF ACCOUNTING POLICIES:

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

b) PRINCIPLES OF CONSOLIDATION

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

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

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

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

c) OTHER SIGNIFICANT ACCOUNTING POLICIES

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

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA
Chairman
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 : May 29, 2009

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

22 NOTES ON ACCOUNTS :

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
1	Contingent Liabilities not provided for:-	
a.	Estimated amount of contracts remaining to be executed on Capital accounts	38,39,578
	6,63,05,446	
b.	Bank Guarantees	2,66,28,522
	2211,75,826	
c.	Letters of Credit	63,80,693
	—	
d.	Corporate Guarantee furnished by the company to AXIS Bank Ltd for Ramco Systems Limited to support their credit facilities	10,00,00,000
	13,75,00,000	
	Corporate Guarantee furnished by the Company to IDBI Bank Ltd for Ramco Systems Limited to support their credit facilities	NIL
	20,00,00,000	
2.	Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:	
	Statutory Audit Fees	5,42,158
	7,85,295	
	Tax Audit Fees	22,472
	22,472	
	Fees for certification	33,300
	33,300	
	Expenses of Audit	2,81,000
	3,44,484	
3.	The Deferred tax liability as on 31.03.2009 consists of Timing Difference on account of tax effect on depreciation between book depreciation and depreciation under Income Tax Acts.	
4.	The Company provides depreciation on all its Plant & machineries under Straight Line Method as per the rates prescribed in Section 205(2) (b) of the Companies Act, 1956, excepting those machineries & equipments acquired and commissioned at Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Sinugra, Calcium Silicate Board Plant at Arakkonam, Clinker Grinding unit at Kharagpur, Plastic storage containers units at Silvassa and Maksi and Wind Electric Generators, under Written Down Value method applying rates prescribed in Schedule XIV of the Companies Act, 1956. The Subsidiary Company in Sri Lanka provide depreciation on all assets under Straight Line Method as per rates prescribed under the laws of that country.	
6	Income Tax assessment has been completed upto the Accounting year 2005 – 2006 (i.e. Assessment year 2006-07). Demand raised by the Department amounting to Rs.120.19 lacs (Previous year Rs.72.75 lacs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.	
7	Sales Tax demands amounting to Rs. 0.89 crores (previous year Rs.1.18 crores) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision for tax has been considered necessary.	
8.	Current Liabilities:-	
	There are no dues to Micro and Small Enterprises as at 31.03.2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.	
10	The Parent Company's Shares are listed on Madras Stock Exchange, National Stock Exchange of India Ltd and The Stock Exchange, Mumbai and the listing fees in respect of all the three exchanges for the Financial year 2009 – 2010 have been paid.	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

- 11 a. Term Loans of Rs.7394.56 Lacs borrowed from banks 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.
- b. Term Loans of Rs.8750 Lacs borrowed from banks are secured by paripasu first charge on the fixed assets and paripasu second charge on current assets.
- c. 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.

12 Earnings Per Share

Particulars	For the year ended	
	31.03.2009 (Rs.)	31.03.2008 (Rs.)
Net Profit after Tax (A)	42,81,78,774	29,65,73,471
No. of Shares (B)	43,33,153	43,33,153
Basic and Diluted earnings per share of Rs.10 each (A/B)	99	68

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

13. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008	Year Ended 31.3.2009	Year Ended 31.3.2008
1. Revenue/Income from operations										
External Customers	4,28,21,03,695	3,72,51,68,013	56,71,65,041	44,86,71,908	11,67,92,738	10,96,64,803	15,23,00,856	10,80,06,669	5,11,83,62,330	4,39,15,11,393
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total Revenue	4,28,21,03,695	3,72,51,68,013	56,71,65,041	44,86,71,908	11,67,92,738	10,96,64,803	15,23,00,856	10,80,06,669	5,11,83,62,330	4,39,15,11,393
2. Results:										
Segment results Unallocated Corporate										
Expenses Operating Profit/ (Loss)	79,08,97,733	53,98,74,942	(4,36,98,187)	(52,01,775)	2,87,97,079	1,59,59,296	9,27,99,615	9,61,89,008	86,87,96,240	64,68,01,471
Interest expenses									25,96,29,512	19,49,19,038
Income Tax- Current									18,71,72,848	11,41,02,215
- Deferred									(3,11,23,053)	3,74,56,747
- Fringe Benefit Tax									45,50,000	37,50,000
Profit from Ordinary activities									42,81,78,774	29,65,73,471
Extraordinary Profit/Loss									-	-
Net Profit									42,81,78,774	29,65,73,471
3. Other Information										
Segment Assets	2,66,25,99,623	2,23,64,13,652	1,19,92,48,682	1,11,69,10,626	46,55,23,563	53,48,72,656	2,44,44,14,496	2,22,91,72,085	6,77,17,86,364	6,11,73,69,019
Unallocated corporate assets										
Total Assets	2,66,25,99,623	2,23,64,13,652	1,19,92,48,682	1,11,69,10,626	46,55,23,563	53,48,72,656	2,44,44,14,496	2,22,91,72,085	6,77,17,86,364	6,11,73,69,019
Segment Liabilities	32,59,21,042	1,27,36,84,931	67,00,55,273	79,80,50,617	(39,89,743)	17,51,48,712	2,73,26,75,062	1,23,37,55,683	3,72,46,61,634	3,48,06,39,943
Unallocated corporate liabilities										
Total Liabilities	32,59,21,042	1,27,36,84,931	67,00,55,273	79,80,50,617	(39,89,743)	17,51,48,712	2,73,26,75,062	1,23,37,55,683	3,72,46,61,634	3,48,06,39,943
Capital Expenditure	8,33,89,411	20,66,15,444	8,58,50,422	48,07,53,473	-	9,13,82,531	3,83,83,882	-	20,76,23,715	77,87,51,448
Depreciation	13,99,50,701	13,94,84,054	9,63,13,192	6,28,34,162	7,82,31,062	8,44,30,780	1,15,63,212	10,48,11,133	32,60,58,167	39,15,60,129
Non - cash expenses other than depreciation				50,880	-	-	-	-	-	50,880

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

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
 Gowri House Metal Works
 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
 Rajapalaiyam Spinners P Ltd

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

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2009 (Rs.)	Dr./Cr.
i.	Service Income:			
	The Ramaraju Surgical Cotton Mills Ltd			
	- Conversion Charges	1,85,408	NIL	
	Rajapalaiyam Mills Ltd			
	- Conversion Charges	2,43,059	NIL	
	Sandhya Spinning Mills Ltd			
	- Conversion Charges	676	NIL	
ii.	Sale of Goods:			
	Thanjavur Spinning Mill Limited			
	- Building Products	22,20,236	NIL	
	Sri Vishnu Shankar Mill Limited			
	- Building Products	11,14,666	NIL	
	Sandhya Spinning Mill Limited			
	- Building Products	10,87,701	NIL	
	- Waste Cotton	46,22,167	NIL	
	- Stores Items	29,644	NIL	
	Harini Textiles			
	- Building Products	27,590	NIL	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2009 (Rs.)	Dr./Cr.
	Rajapalaiyam Mills Limited			
	- Waste Cotton	3,14,31,461	NIL	
	- Stores Items	3,41,635	NIL	
	- Building Products	8,78,498	NIL	
	The Ramaraju Surgical Cotton Mills Ltd			
	- Waste Cotton	47,27,189	NIL	
	- Building Products	3,37,797	NIL	
	- Doff Basket	27,000	NIL	
	Madras Cements Limited			
	- Building Products	21,17,215	NIL	
iii.	Purchase of Goods:			
	Madras Cements Ltd			
	- Cement	35,11,26,258	NIL	
	- Clinker	2,45,66,690	NIL	
	- Fly Ash	3,09,019	NIL	
	- Cement Bags	12,950	NIL	
	- Power	57,32,408	NIL	
	Rajapalaiyam Mills Limited			
	- Cotton	31,30,203	NIL	
	- Conversion Charges	47,81,701	NIL	
	- Stores items	4,35,034	NIL	
	Sandhya Spinning Mill Ltd			
	- Cotton	1,04,22,578	NIL	
	- Conversion Charges	32,262	NIL	
	The Ramaraju Surgical Cotton Mills Ltd			
	- Cotton	92,73,106	NIL	
	- Conversion Charges	47,030	NIL	
	Sri Vishnu Shankar Mills Ltd			
	- Cotton	33,66,747	NIL	
	Thanjavur Spinning Mill Ltd			
	- Cotton	34,52,716	NIL	
	Gowri House Metal Works			
	- Drilling Screws	30,30,092	NIL	
	Ramco Systems Limited			
	- AMC Charges	18,31,261	NIL	
	- On Site Resource	53,04,155	4,68,775*	Cr
iv.	Corporate Guarantees Issued			
	Ramco Systems Limited	33,75,00,000	33,75,00,000	Dr

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd.)

Sl. No.	Name of the related party	Amount Rs.	Outstanding as on 31.03.2009 (Rs.)	Dr./Cr.
v.	Short Term Loans and Borrowings;			
	Shri P.R. Venketrama Raja		12,96,071	Cr
	Shri K.T. Ramachandran		1,00,000	Cr
vi.	Intercompany Loans Given			
	Ramco Systems Limited	1,25,00,000	NIL	
	Sudharsanam Investments Limited	5,00,00,000	8,75,15,285	Dr
vii.	Interest accrued on Inter Corporate Loans			
	Ramco Systems Limited	7,43,152	NIL	
	Sudharsanam Investments Limited	58,40,472	NIL	

* Since Received / Paid during April 2009

The above transactions were done in the ordinary course of business and at commercial rates. No amount has been written off or written back in the accounts

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

Name	Closing Balance as on 31.03.2009 inclusive of interest accrued	Interest Accrued	
	(Rs.)	Rs.	
Sri. P.R. Venketrama Raja	12,96,071	1,60,990	
Sri. K.T. Ramachandran	1,00,000	-	

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

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

As per our Report Annexed

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

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

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

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

Place : Chennai
Date : May 29, 2009

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit, after tax as per Profit and Loss Account	42,81,78,774	29,65,73,471
Adjusted for		
Provision for taxation		
Current tax	18,71,72,848	11,41,02,215
Deferred tax	(3,11,23,053)	3,74,56,747
Fringe Benefit Tax	45,50,000	37,50,000
Loss on sale of assets	31,606	6,24,735
Depreciation	32,60,58,167	29,88,61,114
Dividend Income	(10,80,40,930)	(8,18,62,443)
Interest income	(2,38,68,326)	(1,57,79,348)
Interest paid	25,37,89,040	19,49,19,038
Miscellaneous expenditure written off	-	1,10,689
Operating profit before working capital changes	1,03,67,48,126	84,87,56,218
Adjusted for		
Trade and other receivables	(3,58,10,075)	(6,03,10,603)
Inventories	(53,51,38,261)	(7,89,11,392)
Trade payables	24,32,38,605	6,95,11,413
Cash generated from operations	70,90,38,395	77,90,45,636
Taxes paid	(18,46,33,857)	(11,78,52,215)
Net cash from operating activities	52,44,04,538	66,11,93,421
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(21,10,83,422)	(77,87,51,448)
Sale of fixed assets	25,85,141	(22,55,720)
Interest income	2,38,68,326	1,57,79,348
Dividend income	10,80,40,930	8,18,62,443
Purchase of Investments	(14,68,43,663)	(42,36,971)
State subsidy receipts	3,49,32,768	3,49,63,156
Provsion for AS 15	-	(49,57,975)
Net cash used in operating activities	(18,84,99,920)	(65,75,97,167)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	(19,24,80,888)	77,67,11,121
Repayment of long term borrowings	-	(7,32,54,651)
Short term borrowings, net	39,66,68,630	(32,44,26,301)
Working capital changes	(23,84,71,996)	1,01,36,274
Dividend paid	(7,60,43,588)	(7,60,43,588)
Interest paid	(25,37,89,040)	(19,49,19,038)
Net cash from financing activities	(36,41,16,882)	11,82,03,817

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Net increase / (decrease) in cash and cash equivalents	(28212264)	121800071
Opening balance of cash and cash equivalents	274016667	152216596
Closing balance of cash and cash equivalents	245804403	274016667

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

P.R. VENKETRAMA RAJA
Vice Chairman &
Managing Director

S. KRISHNAN
Company Secretary

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

Place : Chennai,
Date : 29th May, 2009

AUDITORS' CERTIFICATE

To
The Board of Directors
Ramco Industries Limited,
Chennai - 600 004.

We have examined the above cash flow statement of Ramco Industries Limited and its subsidiaries. The Statement has been prepared based on and in agreement with the corresponding Consolidated Profit and Loss account and Balance Sheet of Ramco Industries Limited and its Subsidiaries covered by our report of 29th May 2009 to the members of the Company.

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

Place : Chennai
Date : May 29, 2009

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

