

Ramco Industries Limited

ANNUAL REPORT 2009 - 2010



Our Chairman Shri P.R. Ramasubrahmaneya Rajha and Vice-Chairman & Managing Director Shri P.R.Venketrama Raja, inspecting the new F.C. Sheet Plant at Gangaikondan, Tamilnadu



“Hatschek” Sheeting Machine at the Gangaikondan Plant



Slurry preparation Section at the Gangaikondan Plant



Board of Directors

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

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

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

Shri K.T. Ramachandran, B.E.

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

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

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

Registered Office

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

Corporate Office

“Auras Corporate Centre”, VI Floor
98-A, Dr. Radhakrishnan Road
Mylapore, CHENNAI — 600 004
Tamil Nadu

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

Factories

I. Building Products Division

Arakkonam, Tamil Nadu

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

Bankers

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

Auditors

M/s. M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
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	2005-06	2006-07	2007-08	2008-09	#2009-10
Earnings					
Sales & Other Income	25978	33267	37437	44217	51296
Operating Profit	7310	7702	8461	10227	11876
Cash Generation	6489	6108	6512	7701	9754
Net Profit (PAT)	3308	2432	2548	3565	5359
Assets Employed					
Net Fixed Assets	20436	20109	24946	23513	24335
Investments	18048	19283	19283	20262	20262
Net Current Assets	7477	8463	9984	12832	15711
TOTAL	45961	47855	54213	56607	60308
Financed By:					
A. Shareholders' Funds					
Equity Shareholders' original investment	100	100	100	100	100
Bonus Shares	333	333	333	333	767
Reserves and Surplus	20370	22069	24161	27315	32037
Deferred Tax Liability	2707	2802	3214	2939	2638
Total Shareholders' Funds (A)	23510	25304	27808	30687	35542
B. Borrowed Funds					
Short Term Borrowings including working capital	10344	11517	8336	9776	11854
Term Loans	12107	11034	18069	16144	12912
Total Borrowings (B)	22451	22551	26405	25920	24766
TOTAL (A) + (B)	45961	47855	54213	56607	60308
Book Value per Share (Rs.)	480	519	568	640	37.97
Earnings Per Share (Rs.)	76	56	59	82	6.18
Dividend %	150	150	150	150	85
Dividend Payout %	22	27	26	18	13.74
Operating Profit Ratio %	28.14	23.14	22.60	23.17	23.15
Gross Fixed Assets per Share (Rs.)	672	724	900	938	51.04
Debt - Equity Ratio	1.08	1.00	1.07	0.93	0.75
Current Ratio	0.80	0.80	1.12	1.18	1.20
Market Price of Share (Rs.)					
a. As on 31st March* (Close)	1456	779	733	375	57.40
b. high**	1500	1900	1740	925	73.30
c. low**	670	632	545	346	48.60
P/E Ratio as at 31st March [®]	19.16	13.91	12.42	4.56	9.27
Market Capitalisation [®] (Rs. in lakhs)	63091	33755	31762	16249	49744

* NSE Quotations.

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

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

For 2009-10, Figures relating to Shares are after Stock-Split and 1:1 Bonus Issue.

NOTICE TO THE MEMBERS

Notice is hereby given that the 45th Annual General Meeting of the Company will be held at 11.00 A.M. on Monday, the 2nd August, 2010 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 2010 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 2009-10.
3. To appoint a Director in the place of Shri P.R. Ramasubrahmaneya Rajha, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Dr. A. Ramakrishna who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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

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

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

Place: Chennai
Date : May 24, 2010

NOTES

- (i) A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
- (ii) Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (iii) The Register of Members and the Share Transfer Books of the Company will remain closed from 27.07.2010 to 02.08.2010 (both days inclusive).
- (iv) The Final Dividend, on declaration, will be paid in respect of Shares held in physical form to the Shareholders whose names appear in the Register of Members as on 02.08.2010 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 26.07.2010.
- (v) 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. Accordingly, Dividend will be credited through National Electronic Clearing Service (NECS) to the Investors wherever NECS facility / Bank details are available. In the absence of NECS facility, the Company will print the Bank Account details, if available, on the payment instrument for distribution of the Dividend. The Company is in compliance with SEBI's directive in this regard.
- (vi) Under the provisions of Section 205C 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 claim. 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
31.03.2003	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
31.03.2009 I Interim Dividend II Interim Dividend Final Dividend	23.10.2008 29.01.2009 05.08.2009	22.10.2015 28.01.2016 04.08.2016	20.11.2015 26.02.2016 02.09.2016

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

1. Shri P.R. RAMASUBRAHMANEYA RAJHA

Shri P.R. Ramasubrahmaneya Rajha, aged 74 years, is a leading Industrialist, heading the RAMCO Group of Companies as the Chairman. The RAMCO Group with interests in the businesses of Cotton Yarn, Cement, Fibre Cement Sheets and other Building Products, Software and Bio-Technology has a Turnover of around Rs.4,500 Crores. Under the leadership of Shri P.R. Ramasubrahmaneya Rajha, the RAMCO Group has increased its volume of business manifold and is one of the most respected Industrial / Corporate Groups in the Country achieving international recognition for its quality products and services.

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

1. Madras Cements Limited	Chairman & Managing Director
2. Rajapalayam Mills Limited	Chairman
3. Ramco Systems Limited	Chairman
4. The Ramaraju Surgical Cotton Mills Limited	Chairman
5. Thanjavur Spinning Mill Limited	Chairman
6. Sri Vishnu Shankar Mill Limited	Chairman
7. Sandhya Spinning Mill Limited	Chairman
8. Sudharsanam Investments Limited	Chairman
9. Madras Chipboard Limited	Chairman
10. Sri Harini Textiles Limited	Chairman
11. Sri Sandhya Farms (India) Private Limited	Director
12. Sri Saradha Deepa Farms Private Limited	Director
13. Ramamandiram Agricultural Estate Private Limited	Director
14. Nalina Agricultural Farms Private Limited	Director
15. Nirmala Shankar Farms & Estates Private Limited	Director
16. Sri Nithyalakshmi Farms Private Limited	Director
17. Ram Sandhya Farms Private Limited	Director
18. RCDC Securities and Investments Private Limited	Director
19. Ramco Systems Corporation, USA	Director
20. Sri Ramco Lanka (Private) Limited, Sri Lanka	Director

He holds 63,14,540 Shares of Re.1/- each in the Company.

2. Dr. A. RAMAKRISHNA

Dr. A. Ramakrishna, aged 70 years holds a B.E (Civil Engineering), M.Sc. (Structural Engineering) and also a Honorary Degree of Doctorate of Sciences from Andhra University. Dr. Ramakrishna had served in various capacities like President, Deputy Managing Director and Advisor of L&T. With his specialized knowledge in Structural Engineering — pre cast and pre-stressed concrete and industrialized methods of construction — he had provided leadership for construction of scores of Cement Plants, Steel Plants, Power Projects, Bridges, Harbors, Airports and Nuclear Power Plants in and outside India.

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

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

1. Madras Cements Limited
2. The KCP Limited
3. The Andhra Sugars Limited
4. Andhra Petrochemicals Limited
5. Teesta Urja Limited
6. Brigade Enterprises Limited
7. SPEL Semiconductor Limited
8. Taj GVK Hotels and Resorts Limited
9. GVK Industries Limited
10. GVK Power & Infrastructure Limited
11. GVK Gautami Power Limited
12. GVK Jaipur Expressway Private Limited
13. International Infrastructure Consultants Private Limited
14. Mumbai International Airport Private Limited

He does not hold any Share in the Company.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their 45th Annual Report and the Audited Accounts of the Company for the Year ended 31st March 2010.

	For the Year ended 31.03.2010 (Rs in Lakhs)	For the Year ended 31.03.2009 (Rs in Lakhs)
FINANCIAL RESULTS		
Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)	11876	10227
Less : Interest and Finance charges	2122	2526
Profit before Depreciation and Tax (PBDT)	9754	7701
Less : Depreciation	2895	3066
Profit before Tax (PBT)	6859	4635
Less : Provision for Taxation - Current	1800	1300
Deferred	(300)	(275)
Fringe Benefit	-	45
Profit after Tax (PAT)	5359	3565
Add : Balance Profit from last year	356	351
Surplus for Appropriation	5715	3916
Transfer to General Reserve	4200	2800
1 st Interim Dividend-Re.0.45 per Equity Share* (P.Y:Rs.5.00 per Equity Share of Rs.10/- each)	390	217
2 nd Interim Dividend-(P.Y: Rs.5.00 per Equity Share of Rs.10/- each)	Nil	217
Final Dividend-Re.0.40 per Equity Share* (P.Y: Rs.5.00 per Equity Share of Rs.10 each)	347	216
Tax on Dividend	124	110
Balance carried over to Balance Sheet	654	356
TOTAL	5715	3916

* on the Post-Stock Split and Post-Bonus Paid-up Capital of Rs.8,66,63,060/- comprising 8,66,63,060 Equity Shares of Re.1/- each.

DIVIDEND

Your Directors have pleasure in recommending a Final Dividend of Re.0.40 per Equity Share of Re.1/- each (P.Y: Rs.5.00 per Equity Share of Rs.10/-each ie. before the Stock Split and issue of Bonus Shares in the ratio of 1:1). Together with the Interim Dividend of Re.0.45 per Equity Share of Re.1/- each paid during the year, (P.Y: Two Interim Dividends of **each** Rs.5.00 per Equity Share of Rs.10/- each) the Total Dividend for the year 2009-10 is Re. 0.85 per Equity Share of Re.1/- each (P.Y: Rs.15.00 per Equity Share of Rs.10/- each).

TAXATION

An amount of Rs.1,800 Lakhs towards Current year Income-Tax and Rs.124 Lakhs towards Dividend Tax have been provided for the year 2009-10. In respect of Deferred Tax, an amount of Rs.300 Lakhs has been adjusted against liability.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Review of Operations and Current Trends

A. BUILDING PRODUCTS DIVISION

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER Rs. in Lakhs	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Fibre Cement Sheets	4,93,213	4,66,120	4,66,250	4,40,362	34,889	30,507
Calcium Silicate Boards	11,969	11,887	11,216	10,823	2,232	2,041

(a) Fibre Cement (FC) Sheets

Production and Sale of F.C. Sheets during the year 2009-10 were moderately higher when compared to the previous year, in tune with the demand and supply positions for the F.C. Sheets in the Country.

However, with higher sales realisation, turnover had increased by 14.4%. Further, with effective control over expenses, profitability of the F.C. Sheets Division had improved during the year under review, despite increase in cost of major Raw Materials viz., Fibre and Cement.

Your Directors have pleasure to inform that additional capacities are being added and the implementation of the new project for manufacture of F.C. Products at the SIPCOT Industrial Growth Centre, Gangaikondan, Tirunelveli District, Tamilnadu is progressing on schedule. Commercial Production from this Plant is expected shortly, taking the number of Plants manufacturing F.C. Products to eight.

Further, setting up of another new Plant for manufacture of F.C. Products has also been taken up at the Industrial Area, Bihiya, Bhojpur District in the State of Bihar to cater to the markets of the Eastern and North Eastern Regions. This Plant will also have an Installed Capacity of 1.20 Lakh M.T and the estimated Cost of the Project is about Rs.35 Crores. For this Project, about 20 Acres of Land has been taken on Lease for 90 Years from Bihar Industrial Area Development Authority, Patna.

(b) Fibre Cement Pressure Pipes

In the Pressure Pipes Division, an amount of Rs.150 Lakhs has been received as the Minimum Licence Fee during the year under review from M/s. Kanoria Sugar and General Manufacturing Company Limited, the Licencee, for the production of 7,991 M.T. (previous year: Rs.228 Lakhs as Licence Fee for the production of 25,309 M.T.). Due to sluggish demand, the Licencee was not able to produce and sell higher volumes of the Pressure Pipes.

(c) Calcium Silicate Boards (CSBs)

During 2009-10, quantitative Production and Sale of CSBs were slightly higher when compared to the previous year as indicated above. The Turnover for the year was at Rs.2,232 Lakhs as against Rs.2041 Lakhs during the previous year.

The implementation of the new CSB Project at Rajasthan was kept on hold in view of the unfavorable market scenario. Same will be taken up as soon as the market conditions turn favorable.

(d) Cement Clinker Grinding (CCG) Plant at Kharagpur, W.B

With the arrangements for continuous supply of Clinker and sale of Cement, the CCG Plant had reported good performance during the year under review. The Plant had produced 1,05,320 M.T of Cement during the year under review as against 54,487 M.T of Cement 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 54,973 M.T during the last year to 1,05,534 M.T during 2009-10.

(e) Plastic Storage Container Plants at Maksi and Silvassa

During the year under review, your Directors have taken a conscious decision to exit from the production and sale of the Plastic Storage Containers, considering the lower profit margin available in this type of operation. This would also enable focused attention to production of F.C. Sheets and CSBs. The machineries used in this production (which cannot be used in FC Sheet Division also) with an aggregate Written Down Value of Rs.142.49 Lacs are proposed to be sold to some of the small time operators in this line of production, who have shown interest in buying the machineries. Keeping in view the expected sale price for the said machineries, adequate provision has been made in the 2009-10 Accounts for Impairment of the Assets as per the applicable Accounting Standard issued by the Institute of Chartered Accountants of India.

B. WIND MILLS

During the Financial Year 2009-10, 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	:	369 Lakh Units (P.Y: 335 Lakh Units)
Income earned*	:	Rs.1200 Lakhs (P.Y: Rs.1168 Lakhs)

* (by generation/sale of power)

C. COTTON YARN DIVISION-SRI RAMCO SPINNERS

Production and Sales

During the year 2009-10, with the demand for Yarn picking up in the last 4 months, the Unit had produced 33.24 Lakh Kgs. of Cotton Yarn as compared to 26.19 Lakh Kgs. produced during the previous year. The Unit had registered a good performance with its sale of Yarn of 33.66 Lakh Kgs during the year under review as against 26.63 Lakh Kgs during 2008-09. Turnover for the year was also considerably higher at Rs.7,186 Lakhs compared to Rs.5,530 Lakhs in the previous year.

Outlook for 2010-11

Though the Cotton prices continue to be high, with the expected good demand for the Yarn and higher realizations, the Unit will, in all probability, 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 80,563 M.T. during the year ended 31.3.2010 as against 88,161 M.T. during the corresponding previous year. The Subsidiary sold 81,308 M.T. during 2009-10 as compared to 85,117 M.T. during 2008-09. The Net Sales was SLR.18,177 Lakhs (INR.7,498 Lakhs) as against SLR 19,441 Lakhs (INR 8,138 Lakhs) during the corresponding previous year.

With the economic scenario improving in Sri Lanka, it has been proposed to set up a second Unit in Sri Lanka with an Installed Capacity of 72,000 M.T at an estimated cost of SLR.780 Million (Indian Rs.30 Crores). The Subsidiary is expected to show better results from the next F.Y onwards.

TAXES AND DUTIES

During the year under review, Customs / Central Excise Duties paid on the Company's products amounted to Rs.34.15 Crores. Together with VAT, CST etc., the Company's contribution to the Public Exchequer was Rs.85.86 Crores.

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

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

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES

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

RESEARCH AND DEVELOPMENT EFFORTS

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

DIRECTORS

Since the last AGM held on 05.08.2009, there has been no change in the composition of the Board of Directors. In accordance with the provisions of the Companies Act, 1956 / Articles of Association, Shri P.R. Ramasubrahmaneya Rajha and Dr. A. Ramakrishna are the Directors who will be retiring by rotation and are eligible for re-election.

PUBLIC DEPOSITS

The Total Deposits from the general public outstanding with the Company as on 31st March 2010 were Rs.17.57 Lakhs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956.

SHARES

With the approval of the Members of the Company at the Extraordinary General Meeting held on 03.09.2009 and with the approvals from the Ministry of Corporate Affairs, New Delhi, Authorized Share Capital of the Company was increased to Rs.20 Crores; Face Value of each of the Company's Equity Shares of Rs.10/- was sub-divided into 10 Equity Shares of Face Value Re.1/- each and also Bonus Shares in the ratio of 1:1 were issued during September 2009. The sub-divided Equity Shares of Re.1/- each and the new Bonus Shares were listed immediately in the three Stock Exchanges viz., The Madras Stock Exchange Limited, Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Company's Shares are already listed. The Annual Listing Fees have also been paid to the three Stock Exchanges for the F.Y 2010-11.

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 45th Annual General Meeting and are eligible for re-appointment.

SUBSIDIARIES

Government of India, Ministry of Company Affairs, vide their letter No: 47/284/2010 — CL III dated 29.04.2010, 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., M/s. Sudharsanam Investments Limited, India and M/s. Sri Ramco Lanka (Private) Limited, Sri Lanka, along with the Company's accounts for the year ended 31.3.2010.

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. Details of the Accounts of the above two Subsidiaries will also be uploaded in the Company's Website.

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

CONSOLIDATED FINANCIAL STATEMENTS

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the two Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31.3.2010 along with the Auditors' Report thereon are annexed hereto and the same form part of this Annual Report.

CORPORATE GOVERNANCE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that —

- In the preparation of the annual accounts for the year ended 31st March 2010, 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 the employees at all levels for their commitment and contribution.

Place : CHENNAI
Date : May 24, 2010

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

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2010

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 has been furnished for the year ended 31.03.2010.

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

(a)	Energy conservation measures taken	Generally, high efficiency Centrifugal Fans are being installed in waste collection system, by way of direct suction from the Machines to ensure Power saving. In the Blow Room, since the Machines have positive pressure of round air duct, Axial Flow Fan has been installed for substantial Power saving.
(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 have been savings in energy cost due to the above measures taken.
(d)	Total energy consumption per unit of production of goods	Particulars given in Form A (pertaining to Cotton Yarn Division)

B. TECHNOLOGY ABSORPTION

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

(f)	(i) Activities relating to Exports	Cotton Yarn is being exported to Japan and Italy.
	(ii) Initiatives taken to increase exports	Executed Exports to other European Countries like Germany. Effective steps taken to market the Company's Yarn in US also.
	(iii) Development of new export markets for products and service	
	(iv) Export plans	
(g)	(i) Total foreign exchange used	Rs.2,808 Lakhs
	(ii) Total foreign exchange earned	Rs.645 Lakhs

Form – A (See rule – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

1 ELECTRICITY		Year ended 31.03.2010	Year ended 31.03.2009	
(a)	Units Purchased	2,28,87,747	1,92,96,037	
	Total amount	Rs. 10,60,03,545	Rs. 8,81,54,413	
	Rate/unit	Rs. 4.63	Rs. 4.57	
(b)	Own Generation			
	(i)	Thro Diesel Generator		
		Units	4,63,254	14,01,371
		Units per ltr. of diesel oil	3.63	3.73
	(ii)	Thro HFO Generator		
		Units	21,70,100	24,35,430
		Units per ltr. of furnace oil	3.70	3.68
	(iii)	Thro Steam Turbine Generator		
		Units	-	-
		Units per ltr. of fuel oil/gas	-	-
	Cost/Unit	Rs. 7.04	Rs. 5.67	
	Cost/Unit	-	-	
	Cost/Unit	-	-	
2	COAL	-	-	
3	OTHERS	-	-	

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 2010, the Board consists of 7 Directors out of which 6 Directors are Non-Executive, including 4 Independent Directors. Independent Directors constitute more than 50% of the total strength of the Board of Directors as required under the Code of Corporate Governance. There is no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

During the year under review, four Board Meetings were held, one each on 29.05.2009, 23.07.2009, 27.10.2009 and 28.01.2010.

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 Meetings attended	% of Board 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	2	50
3.	Shri S.S. Ramachandra Raja	NED	4	100
4.	Shri N.K. Shrikantan Raja	NEID	3	75
5.	Shri K.T. Ramachandran	NEID	4	100
6.	Dr. A. Ramakrishna	NEID	3	75
7.	Shri R.S. Agarwal	NEID	4	100

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

The previous Annual General Meeting of the Company was held on 5th August, 2009 at Rajapalayam. The following Directors attended the Annual General Meeting.

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

CODE OF CONDUCT

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

1. FOR DIRECTORS

A Director being a Trustee of the Shareholders shall —

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

2. FOR SENIOR MANAGEMENT PERSONNEL

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

A Senior Management personnel shall —

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

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

3. COMMITTEES OF THE BOARD OF DIRECTORS

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

a) AUDIT COMMITTEE

The terms of reference of the Audit Committee include :

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

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

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

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

No. of Meetings held during the year : 4

Date of Meetings : 28.05.2009, 21.07.2009, 26.10.2009 & 27.01.2010

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

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

b) REMUNERATION COMMITTEE

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

No. of Meeting held during the year : One

Date of the Meeting : 28.05.2009

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

During 2009-10, apart from the requests from Shareholders for revalidation of the Dividend Warrants, there was only 1 Complaint from one Shareholder and the same had also been fully redressed. Hence no meeting of this Committee was held in 2009-10.

d) SHARE TRANSFER COMMITTEE

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

During the year under review, two meetings were held on 18.05.2009 and 04.09.2009 to consider transfer and transmission of Shares. There was no Debenture.

All the above Committees meet as and when required.

4. BOARD PROCEDURE

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

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

5. REMUNERATION OF DIRECTORS

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

The Non-Executive Directors do not draw any remuneration from the Company except Sitting Fees which is being paid at the rate of Rs.15,000 for each meeting of the Board and also each meeting of the Audit, Remuneration and Investor Grievances Committees of the Board of Directors of the Company attended by them. Sitting Fee of Rs.2500 is being paid for attending each of the Share Transfer Committee Meeting.

6. DISCLOSURE OF SHAREHOLDINGS OF NON-EXECUTIVE DIRECTORS

Following are the details of Shareholdings of the Non-Executive Directors in the Company, in their names, as on 31.03.2010 :-

Sl. No.	Name of the Non-Executive Director	# No. of Shares held as on 31st March 2010	% to Paid-up Capital
1.	Shri P.R. Ramasubrahmaneya Rajha	63,14,540	7.29
2.	Shri S.S. Ramachandra Raja	4,07,680	0.47
3.	Shri N.K. Shrikantan Raja	1,20,140	0.14
4.	Shri K.T. Ramachandran	2,20,000	0.25
5.	Shri R.S. Agarwal	NIL	-
6.	Dr. A. Ramakrishna	NIL	-

Equity Share of Re.1/- each after Stock-split and issue of Bonus Shares in the ratio of 1:1 in September 2009.

7. MANAGEMENT

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

8. SHAREHOLDERS

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

Other Shareholder Information

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

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

Plant Locations

(a) Building Products Division (i) Fibre Cement Sheet Units	<ol style="list-style-type: none"> 1. Arakkonam, Tamil Nadu 2. Karur, Karnataka 3. Maksi, Madhya Pradesh 4. Silvassa, U.T of Dadra & Nagar Haveli 5. Kharagpur, West Bengal 6. Ibrahimpattanam, 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
(b) Textile Division Cotton Yarn Spinning unit	Rajapalayam , Tamil Nadu
(c) Wind farm Division	<ol style="list-style-type: none"> 1. Tirunelveli and Coimbatore Districts, Tamil Nadu 2. Chitradurga and Hassan Districts, Karnataka 3. Kutch District, Gujarat

Person to be contacted for Shareholder enquiries

S. KRISHNAN

Company Secretary (Compliance Officer) & General Manager (Legal)

Ramco Industries Limited

"Auras Corporate Centre", VI Floor

98-A, Dr.Radhakrishnan Road, Mylapore, **CHENNAI - 600 004**

Phone: 044-2847 8585; Fax: 044-2847 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 2010-11 have been paid to all the three Stock Exchanges.

Stock Code

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

General Meetings

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

Year ended	Date	Time	Venue
31.03.2007	27.07.2007	11.15 A.M.	P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2008	11.08.2008	11.00 A.M.	- do -
31.03.2009	05.08.2009	11.00 A.M.	- do -

Apart from the above 3 AGMs, one Extraordinary General Meeting (EGM) was held on 03.09.2009 at the Registered Office of the Company, seeking Shareholders' approval for (i) Sub-division of Face Value of each of the Equity Share of Rs.10 into 10 Equity Shares of Re.1/- each (ii) increase of Authorized Equity Share Capital to Rs.20 Crores; and (iii) issue of Bonus Shares in the ratio of 1:1 by capitalization of the Profits of the Company. All the above proposals were unanimously approved by the Members of the Company at the EGM. For the Stock Split and also for the issue of Bonus Shares, as mentioned above, 15.09.2009 was fixed as the Record Date. After ensuring all the required statutory formalities, the new Equity Shares were listed in the three Stock Exchanges where the Shares of the Company are already listed.

No resolution on matters requiring Postal Ballot as per Section 192 A of The Companies Act, 1956 and no Special Resolution was passed in the last 3 AGMs.

Ensuing Annual General Meeting

Date	Time	Venue
02.08.2010	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 Special Resolution is proposed to be conducted through Postal Ballot in the ensuing 45th AGM.

Financial Calendar for AGM / Dividend Payment (For the Financial Year April 2009 to March 2010)

Board Meeting for consideration of Audited Accounts and recommendation of Final Dividend for 2008-09	24.05.2010
Posting of Annual Report	On or before 08.07.2010
Book Closure dates	27.07.2010 to 02.08.2010 (Both days inclusive)
Last date for receipt of Proxy forms	31.07.2010 (Before 11.00 a.m.)
Date of the 45 th AGM	02.08.2010
Dividend Payment date	On or after the date of AGM but within 30 days

Tentative Financial Calendar for 2010-11

1.	Unaudited results for Q.E. 30.06.2010	Before 14th August, 2010
2.	Unaudited results for Q.E. 30.09.2010	Before 14th November, 2010
3.	Unaudited results for Q.E. 31.12.2010	Before 14th February, 2011
4.	Audited results for Quarter/Year ended 31.03.2011	Before 30th May, 2011
5.	AGM for the year ended 31.03.2011	July / August 2011

Means of Communication

The Unaudited Quarterly and Half-yearly Financial Results and Audited Annual Results were published in English in Financial Express (All editions) and in Tamil Paper in Makkal Kural (All editions in TN) All the Financial Results were also 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.

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 2010, 90.88 % 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 614A01028.

Corporate Identity Number (CIN)

The CIN allotted to the Company by the Ministry of Corporate Affairs is: L26943TN1965PLC005297.

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.

Permanent Account Number

The Securities Exchange Board of India (SEBI) vide its earlier circulars have made the Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction. Further to this, SEBI had vide its circular No. MRD\Dop\Cir-05\2009, dated May 20, 2009, directed that for securities market transactions and off market transactions involving transfer of Shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish a copy of the PAN card to the Company/RTA, as the case may be, for registration of transfer of Shares. In continuation to this circular, SEBI had vide its circular No. SEBI/MRD/Dop/SE/RTA/Cir-03/2010 dated, January 7, 2010, had clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- (i) Deletion of name of the deceased Shareholder(s), where the Shares are held in the name of two or more Shareholders.
- (ii) Transmission of Shares to the legal heir(s), where deceased Shareholder was the sole holder of Shares.
- (iii) Transposition of Shares - when there is a change in the order of names in which physical Shares are held jointly in the names of two or more Shareholders.

In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the Investors, the PAN card as submitted by the transferee(s) can be provided by furnishing sufficient evidence in support of the identity of the transferee(s) like passport, Voter Card ID, Driving License, Photo Identity Cards issued by Statutory Bodies, Banks, Public Sector Undertakings etc.

Redressal of Grievances

There was no pending Share transfer as on 31.03.2010.

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

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

Disclosures

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

Corporate Social Responsibility (CSR)

The Company's total expenditure towards CSR for various Charitable causes including for renovation of Temples and for Social development amounted Rs.82.97 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 2010.

Place : Chennai
Date : May 24, 2010

For RAMCO INDUSTRIES LIMITED
P. R. VENKETRAMA RAJA
VICE-CHAIRMAN & MANAGING DIRECTOR

AUDITORS' CERTIFICATE

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

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
FRN : 001208S
K. SRINIVASAN
Partner
Membership No. 21510

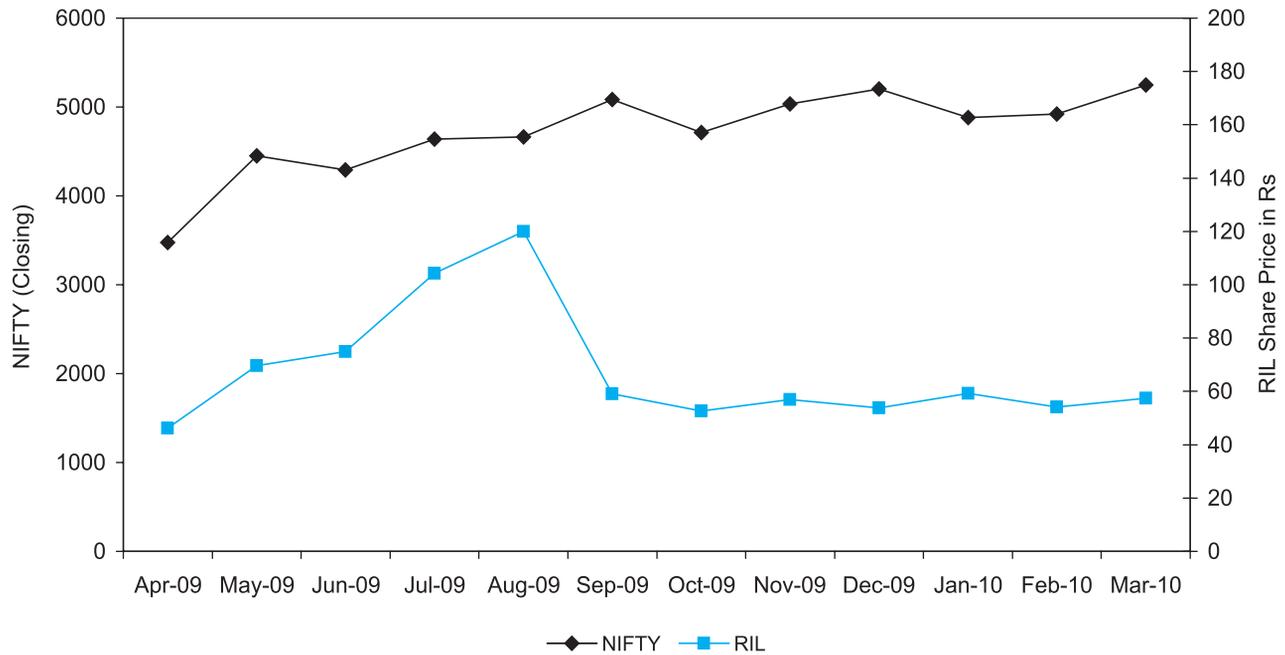
For CNGSN & ASSOCIATES
Chartered Accountants
FRN : 004915S
C.N. GANGADARAN
Partner
Membership No. 11205

Place : Chennai
Date : May 24, 2010

STATISTICAL DATA
Share Price - High & Low / Volume
(During April 2009 to March 2010 in NSE & BSE)

Month	National Stock Exchange of India Ltd			Bombay Stock Exchange Ltd		
	High Price (Rs.)	Low Price (Rs.)	No. of Shares Traded	High Price (Rs.)	Low Price (Rs.)	No. of Shares Traded
April, 2009 (Rs.10 Paid-up)	490.00	377.75	7,372	516.00	370.00	6,255
May, 2009	748.95	452.00	5,836	735.25	465.00	7,992
June, 2009	898.95	690.00	8,770	885.00	682.00	19,553
July, 2009	1,250.00	695.00	52,296	1,105.00	690.55	45,244
August, 2009	1,232.00	1,002.20	32,061	1,228.00	1,000.00	31,954
Sep, 2009 (Upto 11-9-09-Rs.10 Paid-up)	1,396.15	1,161.00	18,725	1,385.25	1,160.00	30,757
Sep, 2009 (from 12-9-09-Re.1 Paid-up)	73.30	58.10	364,060	72.80	58.15	384,444
October, 2009 (Re.1 Paid-up)	62.90	51.00	384,225	64.10	50.65	346,344
November, 2009	61.50	48.60	353,639	61.85	48.65	461,686
December, 2009	60.00	52.00	548,327	60.00	52.10	487,506
January, 2010	71.80	54.05	1,925,468	71.65	53.85	1,331,358
February, 2010	64.90	54.00	437,786	62.50	54.00	333,575
March, 2010	64.00	54.25	594,256	65.90	54.20	503,665

Share Price Movement - RIL Vis-a-Vis NSE's NIFTY



Share Prices have been re-calculated for the F.V. of Re.1/- per Share for the entire year.

Pattern of Shareholding as on 31st March 2010

Description	Total No. of Shareholders	%	No. of Shares held	% to Capital
A. PROMOTERS HOLDING				
Promoter & Promoter Group	19	0.23	4,38,01,220	50.54
B. NON-PROMOTERS HOLDING				
1. Mutual Funds & UTI	3	0.04	9,000	0.01
2. F.Is / Banks	5	0.06	72,72,498	8.39
3. Central/State Govt/s; VCF; Ins. Companies	-	-	-	-
4. Foreign Institutional Investors	1	0.01	2,000	0.00
5. Bodies Corporate	340	4.17	31,42,991	3.63
6. Individual Shareholders holding nominal Share Capital :				
a. Up to Rs.1.00 Lac	7403	90.77	129,45,989	14.94
b. In excess of Rs.1.00 Lac	56	0.69	175,07,697	20.20
7. Others—HUF/NRI/Clearing Members etc.	329	4.03	19,81,665	2.29
Grand Total	8,156	100.00	866,63,060	100.00

Distribution of Shareholding as on 31st March 2010

Range (No. of Shares of Re.1 each)	Total Shareholders	%	Total No. of Shares of Re.1 each	%
Up to 500	7576	92.89	48,19,102	5.56
501 to 1000	209	2.56	15,91,625	1.84
1001 to 2000	124	1.52	18,71,764	2.16
2001 to 3000	68	0.83	17,57,293	2.03
3001 to 4000	43	0.53	15,59,355	1.80
4001 to 5000	24	0.30	10,66,394	1.23
5001 to 10000	35	0.43	24,64,366	2.84
10001 & above	77	0.94	715,33,161	82.54
Total	8,156	100.00	866,63,060	100.00

Category of Shareholding as on 31st March 2010

Category	Total Shareholders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	5,331	65.36	597,15,637	68.91
CDSL	2,450	30.04	190,42,243	21.97
Physical Form	375	4.60	79,05,180	9.12
Total	8,156	100.00	866,63,060	100.00

AUDITORS' REPORT TO SHAREHOLDERS

1. We have audited the attached Balance Sheet of **Ramco Industries Limited, Rajapalayam** as at 31st March, 2010 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, 2010;
 - 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

FRN: 001208S

K. Srinivasan

Partner

Membership No. 21510

Chennai

May 24, 2010

For **CNGSN & Associates**

Chartered Accountants

FRN: 004915S

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.12.70 crores (maximum outstanding at any time during the year Rs.12.70 crores, outstanding as on 31st March, 2010 - Rs.8.45 crores) to parties (3 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 from two parties aggregating to Rs.3.06 crores (maximum amount outstanding at any time during the year Rs.1.73 Crores; outstanding as on 31st March, 2010 Rs.0.86 Crores) from 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. 0.89 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	Sales-tax Act	High Court	0.89

- 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
FRN: 001208S
K. Srinivasan
Partner
Membership No. 21510

Chennai
May 24, 2010

For **CNGSN & Associates**
Chartered Accountants
FRN: 004915S
C.N. Gangadaran
Partner
Membership No. 11205

BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	As at 31st March 2010		As at 31st March 2009	
		Rs.		Rs.	
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Share Capital	1	8,66,63,060		4,33,31,530	
Reserves & Surplus	2	<u>320,36,70,022</u>		<u>273,14,77,631</u>	
			329,03,33,082		277,48,09,161
LOAN FUNDS					
Secured Loans	3	196,62,04,029		188,64,95,507	
Unsecured Loans	4	<u>51,03,83,030</u>		<u>70,55,35,072</u>	
			247,65,87,059		259,20,30,579
DEFERRED TAX LIABILITY					
			<u>26,38,55,594</u>		<u>29,38,55,594</u>
TOTAL (I)			<u>603,07,75,735</u>		<u>566,06,95,334</u>
II. APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	5	417,32,80,973		405,62,54,668	
Less: Depreciation		<u>198,95,92,251</u>		<u>171,31,77,211</u>	
Net Block		<u>218,36,88,722</u>		<u>234,30,77,457</u>	
Add: Capital works in progress		<u>24,97,90,705</u>	<u>243,34,79,427</u>	<u>82,58,104</u>	<u>235,13,35,561</u>
			202,61,67,262		202,61,67,262
INVESTMENTS					
	6				
CURRENT ASSETS, LOANS AND ADVANCES					
Interest accrued on Investments & deposits		1,79,921		1,17,144	
Inventories	7	129,29,55,003		109,71,13,134	
Sundry Debtors	8	29,33,06,249		29,09,15,754	
Cash & Bank balances	9	17,72,76,300		14,93,95,361	
Loans & Advances	10	<u>59,23,94,421</u>		<u>48,55,26,356</u>	
		<u>235,61,11,894</u>		<u>202,30,67,749</u>	
Less: CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	11	54,25,12,367		56,12,64,195	
Provisions	12	<u>24,24,70,481</u>		<u>17,86,11,043</u>	
		<u>78,49,82,848</u>		<u>73,98,75,238</u>	
NET CURRENT ASSETS			157,11,29,046		128,31,92,511
TOTAL (II)			<u>603,07,75,735</u>		<u>566,06,95,334</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
FRN: 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN: 004915S
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 24, 2010

S. KRISHNAN
Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010

		For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME	Schedule		
Sales	13	468,13,85,591	398,87,24,465
Power generated from Wind Mills		12,11,29,627	11,02,31,792
Other Income	14	32,71,31,485	32,27,78,994
Increase / (decrease) in stock	20	11,86,57,775	11,51,51,446
		<u>524,83,04,478</u>	<u>453,68,86,697</u>
EXPENDITURE			
Raw Materials consumed		291,63,23,185	245,84,77,909
Cost of Resale Materials		58,66,096	2,01,19,929
Stores consumed		11,18,82,343	11,08,46,167
Power and Fuel		33,99,32,691	30,47,50,469
Salaries, Wages, Bonus etc.	15	26,17,21,619	20,88,81,948
Managerial remuneration		3,49,04,026	3,13,42,826
Rates and Taxes		1,98,73,633	1,69,94,666
Interest and Finance charges	16	21,21,69,506	25,25,93,477
Repairs and Maintenance	17	12,71,07,377	12,91,96,390
Selling expenses	18	9,97,78,236	8,24,84,932
Administrative and Other expenses	19	12,50,42,462	14,46,19,320
Depreciation		28,94,77,244	30,66,26,532
Corporate Social Responsibility expenses		82,97,051	64,17,721
Exceptional items -(refer: 17 of notes on accts.)		99,74,514	-
Provision for Taxation			
Current Tax		18,00,00,000	13,00,00,000
Deferred Tax		(3,00,00,000)	(2,75,00,000)
Fringe Benefit Tax		-	45,50,000
		<u>471,23,49,983</u>	<u>418,04,02,286</u>
PROFIT FOR THE YEAR		53,59,54,495	35,64,84,411
Balance brought forward from previous year		3,55,41,566	3,51,00,744
Balance available for Appropriation		<u>57,14,96,061</u>	<u>39,15,85,155</u>
Appropriated as :-			
Transfer to General Reserve		42,00,00,000	28,00,00,000
Interim Equity Dividend		3,89,98,378	4,33,31,532
Tax on Interim Equity Dividend		66,27,774	73,64,194
Final Equity Dividend		3,46,65,224	2,16,65,765
Tax on Final Equity Dividend		57,57,461	36,82,098
Balance transferred to Balance Sheet		<u>6,54,47,224</u>	<u>3,55,41,566</u>
		<u>57,14,96,061</u>	<u>39,15,85,155</u>
Earnings Per Share			
Basic and Diluted Earnings Per Share of Re.1 each		6	4

As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
FRN: 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN: 004915S
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 24, 2010

S. KRISHNAN
Company Secretary

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1 SHARE CAPITAL		
Authorised: 20,00,00,000 Equity Shares of Re.1/- each (PY: 50,00,000 Equity Shares of Rs.10/- each)	<u>20,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid-up 8,66,63,060 Equity shares of Re.1/- each (Of the above 7,66,81,530 equity shares were allotted as fully paid Bonus shares by capitalisation of General Reserve) (PY: 43,33,153 Equity Shares of Rs.10/- each)	<u>8,66,63,060</u>	<u>4,33,31,530</u>
2 RESERVES AND SURPLUS		
Share Premium	2,09,53,206	2,09,53,206
General Reserve: As per Last Balance Sheet	260,50,86,935	
Add: Transfer during the year	<u>42,00,00,000</u>	
LESS: Capitalised during the year by way of Bonus Shares issued (See Note No.12 of Schedule 22)	<u>302,50,86,935</u> <u>4,33,31,530</u>	
	298,17,55,405	260,50,86,935
Investment Subsidy Reserve (see Note No.14 of Schedule 22)	13,55,14,187	6,98,95,924
Balance in Profit and Loss Account	<u>6,54,47,224</u>	<u>3,55,41,566</u>
TOTAL	<u>320,36,70,022</u>	<u>273,14,77,631</u>
3 SECURED LOANS (see Note No.10 of Schedule 22)		
Rupee Term Loans from Banks	129,12,04,029	161,44,40,801
Working Capital Loans from Banks	<u>67,50,00,000</u>	<u>27,20,54,706</u>
TOTAL	<u>196,62,04,029</u>	<u>188,64,95,507</u>
4 UNSECURED LOANS		
Fixed Deposits		
From Directors	86,26,030	13,96,071
From Others	17,57,000	41,39,001
Short Term Loans		
Rupee Loans from Banks	<u>50,00,00,000</u>	<u>70,00,00,000</u>
TOTAL	<u>51,03,83,030</u>	<u>70,55,35,072</u>

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH 2010

5. FIXED ASSETS

(In Rupees)

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at 01.04.2009	Additions	Withdrawals/ Adjustments	As at 31.03.2010	For the Year	As at 31.03.2010	As at 31-3-2009
LAND	20,42,16,700	1,14,77,256	-	21,56,93,956	-	21,56,93,956	20,42,16,700
LAND-LEASEHOLD	6,28,549	-	-	6,28,549	6,349	4,50,777	4,57,126
BUILDINGS	57,90,47,607	1,36,18,577	7,43,492	59,19,22,692	2,49,39,492	40,02,92,800	41,16,65,209
RAILWAY SIDINGS	20,68,254	-	-	20,68,254	-	1,03,414	1,03,414
PLANT & MACHINERY	297,91,15,981	10,04,85,723	2,13,31,952	305,82,69,752	24,63,10,608	144,21,21,141	159,79,64,062
ELECTRICAL MACHINERY	20,64,60,983	55,40,037	6,69,000	21,13,32,020	1,29,10,951	7,58,74,709	8,39,01,599
FURNITURE AND OFFICE EQUIPMENTS	3,78,83,685	9,94,433	24,878	3,88,53,240	10,26,307	1,66,60,208	1,67,08,781
VEHICLES	3,30,21,368	1,09,74,817	32,95,216	4,07,00,969	35,20,031	2,24,89,992	1,72,95,395
AIRCRAFT @	1,38,11,541	-	-	1,38,11,541	7,63,506	1,00,01,725	1,07,65,231
	405,62,54,668	14,30,90,843	260,64,538	417,32,80,973	28,94,77,244	218,36,88,722	234,30,77,457

Note :

- @ 1/6th share in a jointly owned Aircraft
- Withdrawal during the year include Impairment of Assets pertaining to Plastic Storage Tank unit

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
6 INVESTMENTS		
I Quoted		
Shares in Madras Cements Ltd: 4,93,12,420 nos. Equity shares of Re.1/- each fully paid-up	58,15,84,906	58,15,84,906
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	184,55,77,691
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, Sri Lanka	13,65,32,371	13,65,32,371
TOTAL	17,90,32,371	17,90,32,371
GRAND TOTAL	202,61,67,262	202,61,67,262
Aggregate amount of quoted investments :		
At Cost	184,55,77,691	184,55,77,691
At Market Value	681,27,51,895	391,84,04,353
Aggregate amount of unquoted investments at cost	18,05,89,571	18,05,89,571

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
7 INVENTORIES		
Stores and Spares	4,86,39,324	4,78,13,630
Raw Materials	48,64,68,520	49,08,89,246
Finished Goods	74,42,22,101	54,72,16,424
Stock in process	1,36,25,058	1,11,93,834
TOTAL	<u>129,29,55,003</u>	<u>109,71,13,134</u>
8 SUNDRY DEBTORS		
(See Note No.07 of Schedule 22)		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	55,28,550	184,67,336
Considered doubtful	18,57,765	24,63,222
Less: Provision for Doubtful Debts	(18,57,765)	(24,63,222)
Other Debts, considered good	28,77,77,699	27,24,48,418
TOTAL	<u>29,33,06,249</u>	<u>29,09,15,754</u>
9 CASH & BANK BALANCES		
Cash on Hand	6,75,433	5,15,999
Bank Balances:		
With Scheduled Banks in Current Accounts	16,93,23,343	14,51,15,027
With Scheduled Banks in Short Term Deposit Accounts	35,29,854	8,79,854
With Scheduled Banks in Unpaid Dividend Accounts	37,47,670	28,84,481
TOTAL	<u>17,72,76,300</u>	<u>14,93,95,361</u>
10 LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or kind	36,02,53,145	31,03,43,711
Advance Income tax and Tax deducted at source	18,00,07,923	13,38,68,415
Deposits with Govt. Departments and Others	4,02,48,076	3,14,91,744
Prepaid Expenses	1,18,85,277	98,22,486
TOTAL	<u>59,23,94,421</u>	<u>48,55,26,356</u>
11 CURRENT LIABILITIES		
Sundry Creditors	26,72,30,700	40,24,92,432
Other Liabilities	16,38,71,266	7,36,37,796
Trade Deposits	10,73,41,849	8,15,68,137
Interest accrued and not due on loans / deposits	3,20,882	6,81,349
Unclaimed Dividend	37,47,670	28,84,481
TOTAL	<u>54,25,12,367</u>	<u>56,12,64,195</u>
12 PROVISIONS		
Proposed Dividend	3,46,65,224	2,16,65,765
Tax on Dividend	57,57,461	36,82,098
Provision for Taxation	18,00,00,000	13,00,00,000
Fringe Benefit Tax	-	45,50,000
Provision for Leave Encashment	2,20,47,796	1,87,13,180
TOTAL	<u>24,24,70,481</u>	<u>17,86,11,043</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	For the Year ended 31.03.2010 Rs.	For the Year ended 31.03.2009 Rs.
13 SALES		
Gross Sales (Net of Sales Tax)	550,64,17,948	465,35,88,263
Less:		
Excise Duty	(34,14,28,537)	(25,10,79,500)
Discounts, Rebates, Service Charges, etc.	(28,35,35,991)	(20,36,40,419)
Commission to Sole Selling Agents	(2,98,33,223)	(2,60,19,283)
Transportation	(17,02,34,606)	(18,41,24,596)
TOTAL	<u>468,13,85,591</u>	<u>398,87,24,465</u>
14 OTHER INCOME		
Interest received (TDS Rs. 5,52,443/-)	83,82,584	1,06,49,597
Dividend received	14,57,61,903	12,10,08,264
Royalty received	7,49,79,136	8,40,22,162
Other Miscellaneous income	9,80,07,862	10,70,98,971
TOTAL	<u>32,71,31,485</u>	<u>32,27,78,994</u>
15 SALARIES, WAGES, BONUS ETC.,		
Salaries, Wages and Bonus	21,49,35,220	16,20,40,475
Gratuity & Superannuation Fund Contribution	1,13,94,317	1,60,68,036
Provident Fund Contribution	1,69,13,093	1,44,45,815
Workmen & Staff Welfare Expenses	1,84,78,989	1,63,27,622
TOTAL	<u>26,17,21,619</u>	<u>20,88,81,948</u>
16 INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	19,70,70,928	21,39,66,929
Interest on Others	1,50,98,578	3,86,26,548
TOTAL	<u>21,21,69,506</u>	<u>25,25,93,477</u>
17 REPAIRS & MAINTENANCE		
Plant & Machinery	10,17,83,563	10,81,47,094
Buildings	88,96,788	67,50,745
Others	1,64,27,026	1,42,98,551
TOTAL	<u>12,71,07,377</u>	<u>12,91,96,390</u>
18 SELLING EXPENSES		
Advertisement & Sales Promotion	3,76,04,142	3,69,80,525
Handling, Packing & Forwarding	6,21,74,094	4,55,04,407
TOTAL	<u>9,97,78,236</u>	<u>8,24,84,932</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	For the Year ended 31.03.2010 Rs.	For the Year ended 31.03.2009 Rs.
19 ADMINISTRATIVE & OTHER EXPENSES		
Rent	38,33,505	35,96,248
Insurance	53,56,229	48,39,379
Directors' Sitting Fees	5,50,000	6,20,000
Telephones and communications	74,41,529	75,22,575
Travelling & Conveyance	2,75,71,274	2,62,33,792
Printing & Stationery	34,42,193	39,64,219
Vehicles / Aircraft Maintenance	1,02,80,041	98,78,405
Bank Charges	78,21,471	86,70,904
Audit, Accountancy & Legal Charges	2,21,80,279	1,40,07,271
Loss on Sale of Assets	510,217	31,606
Profit / Loss on Foreign Currency Transaction	-	2,11,45,480
Other Miscellaneous expenses	3,60,55,724	4,41,09,441
TOTAL	12,50,42,462	14,46,19,320
20 INCREASE / (DECREASE) IN STOCK		
Closing Stock of Finished Goods	73,33,26,423	54,72,47,616
Closing Stock of Process Stock	1,36,25,058	1,11,93,834
	74,69,51,481	55,84,41,450
Opening Stock of Finished Goods	54,72,47,616	43,51,62,928
Opening Stock of Process Stock	1,11,93,834	2,41,44,954
	55,84,41,450	45,93,07,882
Increase / (Decrease)	18,85,10,031	9,91,33,568
ED on stock variance	(6,98,52,256)	1,60,17,878
Increase / (Decrease)	11,86,57,775	11,51,51,446

21. SIGNIFICANT ACCOUNTING POLICIES

A Basis of preparation of financial statements

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

B Sales

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

C Employee Benefits

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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

3 Defined Benefit Plan:

Gratuity:

The Company has its 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 to 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 and Textiles Division.

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:

- 1 Expenditure on Research & Development of revenue nature incurred by the Company is charged to Profit and Loss Account under the respective 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 Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

22. NOTES ON ACCOUNTS:

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1. Contingent Liabilities not provided for:-		
a. Estimated amount of contracts remaining to be executed on Capital accounts	1,19,55,000	6,63,05,446
b. Bank Guarantees	18,20,23,938	22,11,75,826
c. Letters of Credit	1,47,08,148	-
d. Corporate Guarantee furnished by the Company for Ramco Systems Limited:		
To support their credit facilities to AXIS Bank Ltd	8,00,00,000	13,75,00,000
To support their credit facilities to IDBI Bank Ltd	7,00,00,000	20,00,00,000
To support their credit facilities to Punjab & Sind Bank	20,00,00,000	-
Corporate Guarantee furnished by the Company to AXIS Bank Ltd for Sri Harini Textiles Ltd., to support their credit facilities	36,29,00,000	-
e. Sales Tax	89,00,000	89,00,000
2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:		
Statutory Audit Fees	6,61,800	6,61,800
Tax Audit Fees	44,120	22,060
Fees for certification	33,090	30,333
Expenses of Audit	3,18,501	3,10,994
3. The break up of Deferred tax liability as at 31.03.2010 of Rs.2638.56 lacs is as under:		
Timing Difference on account of	Rs. In Lacs	
Tax effect on difference between book depreciation and depreciation under the Income — Tax Act, 1961	2,616.33	
Tax effect of provision for Leave Encashment	22.23	
4. The Company has not utilized Short Term Loans for Long Term purposes.		
5. Income Tax assessment has been completed upto the Accounting year 2006 - 2007 (i.e. Assessment year 2007-08). Demand raised by the Department amounting to Rs.120.19 lacs (Previous year Rs.72.75 lacs) have been fully adjusted against the refund due for the Asst. Year 2008-09 as per provisional assessment u/s 143(1) of the Income Tax Act.		
6. Sales Tax demands amounting to Rs. 89 lacs have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed, no provision has been considered necessary.		
7. Sundry Debtors include Dues from Overseas Subsidiary Company viz., Sri Ramco Lanka (Private) Ltd., Sri Lanka to the extent of Rs. 2,38,01,609/- - Maximum amount due during the year — Rs. 2,38,01,609/-		
8. Current Liabilities:-		
There are no dues to Micro and Small Enterprises as at 31-3-2010. 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 2010-2011 have been paid.		
10. a. Term Loans of Rs.6512.04 Lacs borrowed from banks for expansion of Textile and Wind Mill division under TUF Scheme are secured by paripassu first charge on the fixed assets and paripassu second charge on current assets of the company.		
b. Term Loans of Rs.6400 Lacs borrowed from banks are secured by paripassu first charge on the fixed assets and paripassu 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.		

NOTES ON ACCOUNTS (Contd.)

11. Computation of Profits as per the provisions of Section 349 of the Companies Act 1956, for the purpose of determining remuneration to Vice Chairman and Managing Director for the year ended 31.03.2010

	Rs.	Rs.
Net Profit After Tax as per Profit And Loss Account		53,59,54,495
Add:		
Provision for Current Tax	18,00,00,000	
Provision for Deferred Tax	(3,00,00,000)	
Directors Sitting Fees	5,50,000	
Remuneration of Managing Director	3,49,04,026	
		18,54,54,026
Profit for the year		72,14,08,521
Remuneration to Managing Director at 5% of the Net Profit		3,60,70,426
Less : Remuneration received from Ramco Systems Limited in which the Managing Director is CEO and Managing Director		11,66,400
Remuneration payable to Managing Director in accordance with the provisions.		3,49,04,026

Break up of remuneration:

Salary including allowance		11,52,000
Contribution to PF		86,400
Contribution to Superannuation		1,08,000
Medical reimbursement		17,900
Commission		3,35,39,726
		3,49,04,026

12. In Sept.2009, the Equity Shares of Rs.10/- each were sub-divided into 10 shares of Re.1/- each and 4,33,31,530 Equity Shares of Re.1/- each were issued as Bonus Shares by capitalization of General Reserves

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.42.39 lacs (PY: Rs. 7.31 lacs) has been amortized and the same is included in Interest and Finance charges.

14. The Company has availed Incentives of Rs.747.44 Lacs during the year 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. During the year incentives amounting to Rs.654.42 lacs has been capitalized (PY: Rs.291.81 lacs) together with Rs.550.71 lacs capitalized upto 31.03.2009, the incentives capitalized so far is Rs.1205.13 lacs, being 50% of the total incentives of Rs.2410.26 lacs availed upto 31.03.2010.

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.446.72 lacs (Previous Year: Rs.287.58 lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account. A sum of Rs.1.76 lacs accrued as State Capital Investment Subsidy for the year (Previous Year: Rs.57.51 lacs) is treated as Capital Receipt. With this, the total incentive capitalized is Rs.150 lacs as on 31st March, 2010.

Interest subsidy under Technology Upgradation Fund (TUF) is credited to Interest and Finance Charges account.



RAMCO INDUSTRIES LIMITED
NOTES ON ACCOUNTS (CONTD.)

15. 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 31.03.10 MT	For the year ended 31.03.09 MT	For the year ended 31.03.10 MT	For the year ended 31.03.09 MT	For the year ended 31.03.10 MT	For the year ended 31.03.09 MT	For the year ended 31.03.10 Spindles	For the year ended 31.03.09 Spindles	For the year ended 31.03.10 MT	For the year ended 31.03.09 MT	For the year ended 31.03.10 Litres	For the year ended 31.03.09 Litres	
Installed Capacity	534,000	494,000	30,000	30,000	40,000	40,000	43,296	43,296	216,000	216,000	636.51 Lacs	636.51 Lacs	
Opening Stock	91,415	65,657	-	-	9,148	8,084	1,85,123 kgs	1,85,123 kgs	283	785	842340	842340	
Production for Sale	493,213	466,120	-	-	11,969	11,887	3324443 kgs	26,18,846 kgs	105,320	54,487	966600	966600	
Closing Stock	118,378	91,415	-	-	9,901	9,148	99696 Kgs	1,40,980 kgs	69	283	68090	68090	
Units generated from Windmills (KWH)	3,69,67,792	3,35,01,902											
(b) Turnover	For the year ended 31.03.2010											For the year ended 31.03.2009	
	Quantity											Quantity	
	Rs.											Net Value Rs.	
Fibre Cement Sheets and Accessories (MT)	4,66,250		3,48,88,70,595						4,40,362		3,05,70,90,431		
Fibre Cement Pressure Pipes & Pipe Accessories (MT)	1,05,534		24,09,44,678						54,973		13,69,09,739		
Clinker grinding (MT) (including self consumption)	11,216		22,31,89,657						10,823		20,40,97,409		
Calcium Silicate Board (MT)			61,70,305								2,16,69,080		
Export of Machinery			71,85,96,801						26,62,989		55,30,04,009		
Cotton Yarn (Kgs)	3,365,727		36,13,555						77,06,700		1,59,53,797		
Plastic Tank - Ltrs													
(c) Raw material consumed													
Fibre (MT)	45,452		1,49,24,37,442						41,172		1,16,46,40,563		
Cement (MT)	2,30,283		74,94,96,441						2,19,226		73,39,17,079		
Fly Ash (MT)	1,59,272		9,94,31,474						1,27,317		7,03,03,762		
Clinker (MT)	76,609		17,47,72,728						44,414		10,64,08,457		
Cotton (Kgs)	45,65,449		38,44,91,378						38,83,691		31,29,81,143		
Others (MT)	14,231		1,56,93,722						28,807		7,02,26,905		

NOTES ON ACCOUNTS (CONTD...)

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

(d) CIF Value of Imports	Year Ended 31.03.2010 Rs.	Year Ended 31.03.2009 Rs.		
Raw Materials	1,37,91,11,223	1,52,67,79,515		
Spares	1,28,34,535	29,91,551		
Capital Goods	4,75,34,861	5,42,25,170		
(e) Expenditure in Foreign Currency on account of Travelling & Other matters	1,11,02,634	89,81,014		
(f) Number of Non - resident Shareholders	98	51		
(g) Amount remitted in Foreign currency on account of dividends	NIL	NIL		
	Year Ended 31.03.2010 Value Rs.	Year Ended 31.03.2009 Value Rs.	Percentage	Percentage
(h) Value of Consumption of Imported and indigenous raw materials and spares				
Raw Materials				
Imported	1,44,03,08,703	49%	1,27,61,15,598	52%
Indigenous	1,47,60,14,482	51%	1,18,23,62,311	48%
Spares				
Imported			33,63,630	3%
Indigenous	11,15,03,898	100%	10,74,82,537	97%
(I) Earnings in Foreign Currency				
Export of Goods	11,79,50,449		29,35,34,979	
Royalty Income	7,49,79,136		8,40,22,162	
Dividend from Srilankan Subsidiary	1,92,23,452		1,81,82,534	

16. Earnings Per Share:

Particulars	For the year ended	
	31.03.2010 Rs.	31.03.2009 Rs.
Net Profit after Tax (A)	53,59,54,495	35,64,84,411
No. of Shares (B)	8,66,63,060	8,66,63,060
Basic and Diluted earnings per share of Rs.1 each (A/B)	6.18	4.11

Consequent to split and bonus issue during the year 2009-10, the earnings per share for the previous year is restated in accordance with AS 20.

17. Exceptional income / expenses comprises of :

	2009-10 (Rs.)
Impairment loss written off - Plastic storage tank	99,74,514

Consequent to the decision to exit Plastic Storage Tanks business, the difference between estimated resale value of Assets of this division and value reflected in the books has been accounted towards impairment loss in terms of AS 28.

NOTES ON ACCOUNTS (Contd.)

18. As per Accounting Standard 15 (Revised 2005) “Employee Benefits”, the disclosures of employee benefits as defined in the Accounting Standard are given below:

Defined Contribution Plan:	2009-10 Rs.
Employer’s Contribution to Provident Fund	1,69,13,093
Employer’s Contribution to Superannuation Fund	31,28,098

Rs. in thousands

	Gratuity (Funded)	Leave Encashment (Unfunded)
Reconciliation of opening and closing balances of defined benefit plan:		
Defined Benefit obligation as on 1-4-2009	58802	18713
Current Service Cost	3927	1531
Interest Cost	4516	1368
Actuarial (gain) / loss	4704	3670
Benefits paid	(4691)	(3234)
Defined Benefit obligation as on 31-3-2010	67258	22048
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 1-4-2009	58682	0
Expected return on plan assets	5610	0
Actuarial gain / (loss)	(314)	0
Employer contribution	7971	3234
Benefits paid	(4691)	(3234)
Fair value of plan assets as on 31-3-2010	67258	0
Actual Return of plan assets:		
Expected return on plan assets	5610	0
Actuarial gain / (loss) on plan assets	(314)	0
Actual return on plan assets	5296	0
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	67258	0
Present value of obligation	67258	22048
Difference	0	22048
Unrecognized transitional liability	0	0
Unrecognized past service cost — non vested benefits	0	0
Amount recognized in Balance Sheet	0	22048
Expense recognized during the year:		
Current Service Cost	3926	1531
Interest Cost	4517	1368
Expected return on plan assets	(5610)	0
Actuarial (gain) / loss	5018	3670
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	7851	6569
Investment Details as on 31-3-2010:		
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.)

19. 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 31.3.2010	Year Ended 31.3.2009								
1. Revenue/Income from operations										
External Customers	4,02,70,18,525	3,49,67,22,095	73,14,83,254	56,71,65,041	12,11,29,627	11,67,92,738	25,00,15,297	24,10,55,377	5,12,96,46,703	4,42,17,35,251
Inter-segment	2,25,70,394	5,53,69,683	4,69,43,293	86,24,035	(6,95,13,687)	(6,39,93,718)	-	-	-	-
Total Revenue	4,04,95,88,919	3,55,20,91,778	77,84,26,547	57,57,89,076	5,16,15,940	5,27,99,020	25,00,15,297	24,10,55,377	5,12,96,46,703	4,42,17,35,251
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	78,58,94,292	64,34,38,679	1,30,53,636	(4,36,98,187)	3,68,10,763	2,87,97,079	6,23,65,310	8,75,90,317	89,81,24,001	71,61,27,888
Interest expenses										
Interest Income/ Dividend Income										
Income Tax - Current										
- Deferred										
- Fringe Benefit Tax										
Profit from Ordinary activities										
Extraordinary Profit/Loss										
Net Profit										
3. Other Information										
Segment Assets	2,57,01,71,544	2,24,09,76,615	1,29,41,94,525	1,19,92,48,682	38,89,13,726	46,55,23,563	2,38,24,70,865	2,49,48,21,712	6,63,57,50,660	6,40,05,70,572
Unallocated corporate assets										
Total Assets	2,57,01,71,544	2,24,09,76,615	1,29,41,94,525	1,19,92,48,682	38,89,13,726	46,55,23,563	2,38,24,70,865	2,49,48,21,712	6,63,57,50,660	6,40,05,70,572
Segment Liabilities	30,94,40,858	21,30,89,234	77,15,56,080	67,00,55,273	29,76,619	(39,89,743)	2,44,14,51,944	2,72,12,58,784	3,52,54,25,501	3,60,04,13,548
Unallocated corporate liabilities										
Total Liabilities	30,94,40,858	21,30,89,234	77,15,56,080	67,00,55,273	29,76,619	(39,89,743)	2,44,14,51,944	2,72,12,58,784	3,52,54,25,501	3,60,04,13,548
Capital Expenditure	31,46,98,534	5,75,88,960	5,78,14,181	8,58,50,422	-	-	2,03,66,834	3,83,83,882	39,28,81,548	18,18,23,264
Depreciation	10,92,83,889	12,05,19,066	10,08,99,177	9,63,13,192	6,62,38,240	7,82,31,062	1,30,55,938	1,15,63,212	28,94,77,244	30,66,26,532
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

NOTES ON ACCOUNTS (Contd.)

20. RELATED PARTY DISCLOSURE

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

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

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

Rajapalayam Mills Ltd
Madras Cements Ltd
Ramco Systems Ltd
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:

i. Export of Machinery and Spares:

Name of the related Party	Amount Rs.	Outstanding as on 31.03.2010 (Rs.)
Sri Ramco Lanka (Private) Ltd Machinery / Spares	54,66,981	NIL

ii. Service income:

Name of the related Party	Amount Rs.	Outstanding as on 31.03.2010 (Rs.)	Dr/Cr
Sri Ramco Lanka (Private) Ltd - Royalty Income (Accrued but not due)	7,49,79,135	2,38,01,609	Dr
The Ramaraju Surgical Cotton Mills Ltd - Conversion Charges	8,70,298	NIL	
Thanjavur Spinning Mills Limited - Conversion charges	9,81,634	NIL	
Rajapalayam Mills Ltd - Conversion Charges	79,341	NIL	
Rajapalayam Textiles	16,047	NIL	
Sandhya Spinning Mills Ltd - Conversion Charges	9,66,429	NIL	
Rajapalayam Spinners Pvt. Ltd - Conversion charges	864,881	NIL	

NOTES ON ACCOUNTS (Contd.)

Name of the related Party	Value Rs.	Outstanding as on 31.03.2010 (Rs.)	Dr/Cr
iii. Sale of Goods:			
Thanjavur Spinning Mill Limited			
- Building Products	1,73,583	NIL	
- Waste Cotton	2,76,597	NIL	
Sri Vishnu Shankar Mill Limited			
- Building Products	1,97,786	NIL	
- Cotton	68,53,224	NIL	
Sandhya Spinning Mill Limited			
- Building Products	6,76,781	NIL	
- Waste Cotton	81,66,991	NIL	
- Cotton	1,10,66,505	NIL	
Sri Harini Textiles Limited			
- Building Products	2,46,263	NIL	
Rajapalayam Mills Limited			
- Waste Cotton	2,89,10,836	NIL	
- Cotton Stores Items	1,04,94,042	NIL	
- Building Products	1,66,852	NIL	
- Computer	6,000	NIL	
Rajapalayam Textiles			
- Cotton	1,89,48,504	NIL	
Rajapalayam Spintext			
- Cotton	1,70,35,981	NIL	
- Spares	39,603	NIL	
The Ramaraju Surgical Cotton Mills Ltd			
- Waste Cotton	89,48,268	NIL	
- Building Products	4,60,710	NIL	
- Cotton	1,73,01,348	NIL	
Madras Cements Limited			
- Building Products	25,13,075	NIL	
iv. Purchase of Goods:			
Madras Cements Ltd			
- Cement	45,52,05,411	NIL	
- Scrap Barrel	6,750	NIL	
- Power	3,14,92,181	NIL	
- Spares	2,91,874	NIL	
Rajapalayam Mills Limited			
- Cotton	1,32,22,700	NIL	
- Conversion Charges	13,61,356	NIL	
- DEP B License	13,50,633	NIL	
- Spares	1,04,000	NIL	
Rajapalayam Spintext			
- Cotton	1,14,491	NIL	
- DEP B License	71,38,412	NIL	
- Machinery	60,469	NIL	

NOTES ON ACCOUNTS (Contd.)

Name of the related Party	Value Rs.	Outstanding as on 31.03.2010 (Rs.)	Dr/Cr
Sandhya Spinning Mill Ltd			
- Plastic cheese	30,825	NIL	
- Conversion Charges	3,15,841	NIL	
- DEP B License	20,77,203	NIL	
The Ramaraju Surgical Cotton Mills Ltd			
- Cotton	14,48,645	NIL	
- Conversion Charges	48,495	NIL	
- DEP B License	44,01,340	NIL	
Sri Vishnu Shankar Mills Ltd			
- Cotton	1,52,77,858	NIL	
- Conversion Charges	1,12,006	NIL	
- Spares	5,962	NIL	
- DEP B License	71,60,250	NIL	
Shri Ramco Biotech			
- DEP B License	4,57,959	NIL	
Rajapalayam Textiles Ltd			
- DEP B License	99,19,460	NIL	
- Conversion charges	4,42,132	NIL	
Ramco Systems Limited			
- AMC Charges	64,71,497	NIL	
- On Site Resource	20,79,919	NIL	
- User License	1,36,18,241	NIL	
v. Corporate Guarantees Issued			
Ramco Systems Limited	35,00,00,000	35,00,00,000	Dr.
Shri Harini Textiles Limited	36,29,00,000	36,29,00,000	Dr.
vi. Short Term Loans and Borrowings			
Shri P.R. Venketrama Raja		86,26,030	Cr
Shri K.T. Ramachandran		1,00,000	Cr
vii. Intercorporate Loans Given			
Ramco Systems Limited	1,25,00,000	NIL	
Sudharsanam Investments Limited		8,45,42,271	Dr
Rajapalayam Mills Limited	3,00,00,000	NIL	
viii. Interest accrued on Inter Corporate Loans			
Ramco Systems Limited	152,055	NIL	
Sudharsanam Investments Limited	50,29,986	NIL	
Rajapalayam Mills Limited	1,08,493	NIL	

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.

NOTES ON ACCOUNTS (Contd.)

21. SHORT TERM LOANS AND BORROWINGS UNDER “UNSECURED LOANS” INCLUDE LOANS FROM DIRECTORS AS PER THE FOLLOWING BREAK-UP:

Name	Closing Balance as on 31.03.2010 (Rs.)	Interest Accrued & Paid (Rs.)
Sri. P.R. Venketrana Raja	86,26,030	5,38,487
Sri. K.T. Ramachandran	1,00,000	7,665

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

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

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
FRN: 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN: 004915S
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 24, 2010

S. KRISHNAN
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

Rs. in lacs

	Year Ended 31-Mar-2010	Year Ended 31-Mar-2009
A Cash flow from operating activities		
Net profit, after tax as per Profit and Loss Account	5359.54	3564.84
Adjusted for		
Provision for taxation		
Current tax	1800.00	1300.00
Deferred tax	(300.00)	(275.00)
Fringe Benefit Tax	-	45.50
Loss on sale of assets	5.10	0.32
Depreciation	2894.76	3066.27
Dividend Income	(1457.62)	(1210.08)
Interest income	(83.83)	(106.50)
Interest paid	2121.70	2525.93
Royalty receipts	(749.79)	(840.22)
Operating profit before working capital changes	9589.86	8071.06
Adjusted for		
Trade and other receivables	(631.82)	(718.65)
Inventories	(1958.42)	(4133.74)
Trade payables	(160.98)	1938.23
Cash generated from operations	6838.64	5156.90
Taxes paid	(1800.08)	(1286.44)
Net cash from operating activities	5038.56	3870.46
B Cash flow from Investing activities		
Purchase of fixed assets	(3846.23)	(1659.54)
Sale of fixed assets	124.92	25.85
Interest income	83.83	106.50
Dividend income	1457.62	1210.08
Purchase of Investments	-	(978.96)
State subsidy receipts	656.19	349.33
Royalty receipts	749.79	840.22
Net cash used in Investing operating activities	(773.88)	(106.52)
C Cash flow from financing activities		
Proceeds from long term borrowing	(3232.37)	(1924.81)
Short term borrowings, net	(1951.51)	3966.69
Working capital changes	4029.45	(2526.89)
Dividend paid	(709.74)	(760.44)
Interest paid	(2121.70)	(2525.93)
Net cash from financing activities	(3985.87)	(3771.38)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010 (Contd...)

	Year Ended 31-Mar-2010	Year Ended 31-Mar-2009
	Rs. in lacs	
Net increase / (decrease) in cash and cash equivalents	278.81	(7.45)
Opening balance of cash and cash equivalents	1493.95	1501.40
Closing balance of cash and cash equivalents	1772.76	1493.95

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SRIKANTAN RAJA
DR. A. RAMAKRISHNA
R.S. AGARWAL
Directors

S. KRISHNAN
Company Secretary

Chennai,
May 24, 2010

Auditors' Certificate

To

The Board of Directors
Remco 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 24th May, 2010 to the members of the Company.

For M/s. M.S. Jagannathan &
N. Krishnaswami
Chartered Accountants
FRN : 001208S
K. Srinivasan
Partner
Membership No. 21510

For M/s. CNGSN & Associates
Chartered Accountants
FRN : 004915S
C.N. Gangadaran
Partner
Membership No.11205

Chennai.
May 24, 2010.

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, 1956

- I Name of Subsidiary Company : **SUDHARSANAM INVESTMENTS LIMITED** (Wholly Owned Subsidiary)
- 1 The Company holds 42,50,000 shares of Rs.10/- each as on 31.03.2010
 - 2 The Net Profit of Rs.24,11,006/- of the Subsidiary Company for the year ended 31.03.2010 has not been dealt with in the Company's account.
 - 3 The Cumulative Net Loss of Rs.874,765/- for the previous financial years ended upto 31.03.2009 have not been dealt with in the Company's accounts.
- II Name of Subsidiary Company : **SRI RAMCO LANKA (PRIVATE) LIMITED, SRI LANKA** (Wholly Owned subsidiary)
- 1 The Company holds 2,30,00,000 shares of SLR.10/- each as on 31.03.2010
 - 2 The Net Profit of SLR.9,11,03,036/- after providing Taxation, of the Subsidiary Company for the year ended 31.03.2010 has not been dealt with in the Company's account.
 - 3 The Cumulative Net Profit of SLR.67,14,95,558/- for the previous financial years ended upto 31.03.2009 have not been dealt with in the Company's accounts.

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

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

S.S. RAMACHANDRA RAJA
K.T. RAMACHANDRAN
N.K. SRIKANTAN RAJA
DR. A. RAMAKRISHNA
R.S. AGARWAL
Directors

S. KRISHNAN
Company Secretary

Chennai,
May 24, 2010

RAMCO INDUSTRIES LIMITED
DETAILS OF SUBSIDIARY COMPANIES
for the year ended 31.03.2010

Sl.No.	Name of Subsidiary Company	Sudharsanam Investments Limited, Rajapalayam (in INR)	Sri Ramco Lanka (Private) Limited, Sri Lanka	
			SLR	INR
1	Capital	45,200,000	SLR	230,002,020
			INR	136,532,371
2	Reserves & Surplus	1,536,242	SLR	716,598,190
			INR	260,820,424
3	Total Assets	128,578,513	SLR	967,942,850
			INR	405,854,940
4	Total Liabilities	128,578,513	SLR	967,942,850
			INR	405,854,940
5	Total Investments	128,625,155	SLR	NIL
			INR	NIL
6	Total Income	7,656,500	SLR	1,847,410,651
			INR	762,056,894
7	Profit before Taxation	2,411,006	SLR	169,701,050
			INR	60,829,330
8	Provision for Taxation	NIL	SLR	78,598,013
			INR	30,949,540
9	Profits after Taxation	2,411,006	SLR	91,103,037
			INR	29,879,790
10	Dividends	NIL	SLR	46,000,404
			INR	19,223,452

Exchange rate as on 31.03.2010 - 1 Srilankan Rupee (SLR) = INR 0.39377

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, 2010 and the Consolidated Profit and Loss Account for the year ended 31st March 2010.

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, 2010; 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
FRN : 001208S
K.Srinivasan
Partner
Membership No. 21510

For **M/s. CNGSN & ASSOCIATES**
Chartered Accountants
FRN : 004915S
C.N. Gangadaran
Partner
Membership No. 11205

Chennai
May 24, 2010

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

BALANCE SHEET AS AT 31st MARCH, 2010

		As at 31.03.2010		As at 31.03.2009	
Schedule	Rs.	Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
1 SHAREHOLDERS' FUNDS					
(a) Share Capital	1	8,66,63,060		4,33,31,530	
(b) Reserves & Surplus	2	346,60,26,687		300,48,42,770	
			<u>355,26,89,747</u>		<u>304,81,74,300</u>
2 LOAN FUNDS					
(a) Secured Loans	3	196,65,31,788		190,44,78,941	
(b) Unsecured Loans	4	51,03,83,030		70,55,35,072	
			<u>247,69,14,818</u>		<u>261,00,14,013</u>
3 DEFERRED TAX LIABILITY					
			<u>27,20,29,979</u>		<u>30,42,08,310</u>
TOTAL (I)			<u>630,16,34,544</u>		<u>596,23,96,623</u>
II. APPLICATION OF FUNDS					
1 FIXED ASSETS					
Gross Block	5	445,42,50,625		433,42,80,267	
Less: Depreciation		216,27,57,081		186,88,10,138	
Net Block		<u>229,14,93,544</u>		<u>246,54,70,129</u>	
Add: Capital works in progress		<u>27,29,49,583</u>		<u>3,11,76,909</u>	
			<u>256,44,43,127</u>		<u>249,66,47,038</u>
2 INVESTMENTS					
			<u>197,57,60,046</u>		<u>197,57,60,046</u>
3 CURRENT ASSETS					
LOANS AND ADVANCES					
a) Interest accrued on Investments & Deposits		1,79,921		1,17,144	
b) Inventories	7	141,81,19,147		127,88,54,355	
c) Sundry Debtors	8	36,70,08,206		36,85,78,232	
d) Cash & Bank Balances	9	32,49,33,034		24,58,04,403	
e) Loans & Advances	10	51,35,34,987		40,60,11,154	
			<u>262,37,75,295</u>		<u>229,93,65,288</u>
Less: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	11	61,05,18,817		63,52,10,029	
Provisions	12	25,18,25,107		17,41,65,720	
			<u>86,23,43,924</u>		<u>80,93,75,749</u>
4 NET CURRENT ASSETS					
			<u>176,14,31,371</u>		<u>148,99,89,539</u>
TOTAL (II)			<u>630,16,34,544</u>		<u>596,23,96,623</u>
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
FRN : 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN No.004915S
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 24, 2010

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Sales	13	542,50,06,651	478,08,99,861
Power generated from Windmills		12,11,29,627	11,02,31,792
Other Income	14	24,76,20,940	23,40,24,473
Increase / (Decrease) in stocks	20	10,55,00,028	16,73,20,699
		<u>589,92,57,246</u>	<u>529,24,76,825</u>
EXPENDITURE			
Raw Materials consumed		341,14,96,414	299,18,47,623
Cost of resale materials		-	6,56,472
Stores consumed		12,17,16,767	12,00,08,549
Power and Fuel		35,72,67,446	32,77,63,657
Salaries, Wages, Bonus etc.	15	29,19,33,415	23,77,59,049
Managing Director's remuneration		3,49,04,026	3,13,42,826
Rates and Taxes		2,04,05,812	1,76,99,905
Interest and Finance charges	16	21,25,88,111	25,37,89,040
Repairs and Maintenance	17	14,68,12,123	14,77,45,673
Selling expenses	18	10,82,68,941	8,90,13,706
Administrative and Other expenses	19	13,39,29,194	15,33,97,151
Depreciation		30,73,23,072	32,60,58,167
Corporate Social Responsibility Expenses		1,29,70,242	66,16,438
Exceptional items		99,74,514	
Provision for Taxation			
Current		21,31,27,870	18,71,72,848
Deferred		(3,21,78,331)	(3,11,23,053)
Fringe Benefit		-	45,50,000
		<u>535,05,39,616</u>	<u>48,64,29,805</u>
PROFIT FOR THE YEAR		<u>54,87,17,630</u>	<u>42,81,78,774</u>
Add: Balance in P&L A./c b/f		29,30,52,864	22,09,17,678
Balance available for Appropriation		<u>84,17,70,494</u>	<u>64,90,96,452</u>
Appropriated as :			
Transfer to General Reserve		42,00,00,000	28,00,00,000
Equity Dividend -Interim		3,89,98,378	4,33,31,532
Equity Dividend -Final		3,46,65,224	2,16,65,765
Tax on Dividend		1,23,85,235	1,10,46,291
Balance carried over to Balance Sheet		<u>33,57,21,657</u>	<u>29,30,52,864</u>
		<u>84,17,70,494</u>	<u>64,90,96,452</u>
Earnings Per Share		<u>6</u>	<u>5</u>
Basic and Diluted Earnings Per Share of Re.1 each		<u>6</u>	<u>5</u>

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
FRN : 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN No.004915S
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 24, 2010

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1 SHARE CAPITAL		
Authorised:		
20,00,00,000 Equity Shares of Re.1/-each (PY:50,00,000 Equity Shares of Rs.10/- each)	<u>20,00,00,000</u>	<u>5,00,00,000</u>
Issued, Subscribed and Paid-up 8,66,63,060 Equity Shares of Re.1/- each fully paid up (PY: 43,33,153 Equity Shares of Rs.10/-each) (Of the above 7,66,81,530 Equity Shares were allotted as fully paid Bonus Shares)	<u>8,66,63,060</u>	<u>4,33,31,530</u>
2 RESERVES AND SURPLUS		
Share Premium	2,09,53,206	2,09,53,206
General Reserve:		
As per Last Balance sheet	2,62,09,40,776	
Add: Transfer during the year	<u>42,00,00,000</u>	
	3,04,09,40,776	
Less: Capitalised during the year	<u>4,33,31,530</u>	
	2,99,76,09,246	
Less: Translation difference on account of consolidation	<u>2,37,71,609</u>	262,09,40,776
State Investment Subsidy	13,55,14,187	6,98,95,924
Balance in Profit & Loss Account	33,57,21,657	29,30,52,864
TOTAL	<u><u>346,60,26,687</u></u>	<u><u>300,48,42,770</u></u>
3 SECURED LOANS		
(See Note No.9 of Schedule 22)		
TERM LOAN:		
Rupee Loan from Banks	129,12,04,029	161,44,40,801
OTHERS		
Working Capital Loan from Banks	<u>67,53,27,759</u>	<u>29,00,38,140</u>
TOTAL	<u><u>196,65,31,788</u></u>	<u><u>190,44,78,941</u></u>
4 UNSECURED LOANS		
FIXED DEPOSITS		
From Directors	86,26,030	13,96,071
From Others	17,57,000	41,39,001
SHORT TERM LOANS		
Rupee Loans from Banks	<u>50,00,00,000</u>	<u>70,00,00,000</u>
TOTAL	<u><u>51,03,83,030</u></u>	<u><u>70,55,35,072</u></u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2010

5. FIXED ASSETS

In Rupees

Particulars	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at 01.4.2009	Additions	Withdrawals/ Adjustments	As at 31.3.2010	For the year	Up to 31.3.2010	As at 31.3.2009
LAND	20,42,16,700	1,14,77,256	-	21,56,93,956	-	-	20,42,16,700
LAND - LEASEHOLD	12,65,991	-	-	12,65,991	19,516	2,99,585	9,85,728
BUILDINGS	64,77,89,554	1,43,21,800	7,43,492	66,13,67,862	2,69,52,316	20,96,83,949	46,43,65,921
RAILWAY SIDINGS	20,68,254	-	-	20,68,254	-	19,64,840	1,03,414
PLANT & MACHINERY	315,81,00,489	10,24,46,556	2,13,31,951	323,92,15,094	25,98,32,192	175,31,17,294	165,35,01,474
ELECTRICAL MACHINERY	22,43,59,601	56,67,225	6,69,000	22,93,57,826	1,43,04,455	14,48,26,843	9,38,24,190
FURNITURE AND OFFICE EQUIPMENTS	4,35,50,483	12,90,407	24,878	4,48,16,012	15,22,920	2,55,47,863	1,95,17,361
VEHICLES	3,91,17,654	1,11,31,135	35,94,700	4,66,54,089	39,28,167	2,35,06,891	1,81,90,110
AIR CRAFT @	1,38,11,541	-	-	1,38,11,541	7,63,506	38,09,816	1,07,65,231
TOTAL	433,42,80,267	14,63,34,379	2,63,64,021	445,42,50,625	30,73,23,072	216,27,57,081	246,54,70,129

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

Withdrawal during the year include Impairment of Assets pertaining to Plastic Storage Tank unit of the Parent Company

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st March 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 6.
6. INVESTMENTS		
I QUOTED		
Shares in Madras Cements Ltd: 522,95,020 nos. Equity Shares of Rs.1/- each fully paid-up	71,02,10,061	71,02,10,061
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 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		
Shares in Indian Bank Rs.10/- each fully paid-up	11,000	11,000
1391 nos. Equity Shares of Rs.10/- each	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	197,42,02,846
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 in 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 On Time Transport Co. Ltd	5,00,000	5,00,000
TOTAL	15,57,200	15,57,200
Total Investments	197,57,60,046	197,57,60,046
Aggregate amount of quoted investments :		
At cost	197,42,02,846	197,42,02,846
At Market value	717,58,83,445	413,15,11,123
Aggregate amount of unquoted investments at cost	15,57,200	15,57,200
7. INVENTORIES		
(Valued at the lower of cost or net realisable value)		
Stores and Spares	6,01,90,719	6,13,93,453
Raw Materials	52,13,15,241	56,73,02,219
Finished Goods	82,29,88,129	63,89,64,849
Stock in process	1,36,25,058	1,11,93,834
TOTAL	141,81,19,147	127,88,54,355

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO BALANCE SHEET AS AT 31st March 2010

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
8 SUNDRY DEBTORS		
(Unsecured, Considered good)		
(a) Debts outstanding for a period exceeding six months	20,36,955	1,84,67,336
(b) Other Debts	36,49,71,251	35,01,10,896
TOTAL	<u>36,70,08,206</u>	<u>36,85,78,232</u>
9 CASH & BANK BALANCES		
Cash on Hand	35,81,669	14,83,476
Bank Balances:		
With Scheduled Banks in Current Accounts	22,02,29,905	17,30,85,820
With Scheduled Banks in Short Term Deposit Accounts	9,73,73,790	6,83,50,626
With Scheduled Banks in Unpaid Dividend Accounts	37,47,670	28,84,481
TOTAL	<u>32,49,33,034</u>	<u>24,58,04,403</u>
10 LOANS AND ADVANCES		
(Unsecured, Considered good)		
Advances recoverable in cash or kind	28,12,67,006	23,07,01,804
Advance Income tax and Tax deducted at Source	18,01,34,628	13,38,68,415
Deposits with Govt. Departments and Others	4,02,48,076	3,16,18,449
Prepaid Expenses	1,18,85,277	98,22,486
TOTAL	<u>51,35,34,987</u>	<u>40,60,11,154</u>
11 CURRENT LIABILITIES		
For Sundry Creditors	31,72,13,485	46,31,17,886
For Other liabilities	18,05,29,622	8,57,02,382
Trade Deposits	10,87,07,158	8,28,23,931
Interest accrued and not due on loans/deposits	3,20,882	6,81,349
Unclaimed Dividend	37,47,670	28,84,481
TOTAL	<u>61,05,18,817</u>	<u>63,52,10,029</u>
12 PROVISIONS		
Dividends	3,46,65,224	2,16,65,765
Tax on Dividend	57,57,461	36,82,097
Provision for Taxation	21,14,02,422	14,88,17,858
TOTAL	<u>25,18,25,107</u>	<u>17,41,65,720</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the Year ended 31.03.2010 Rs.	For the Year ended 31.03.2009 Rs.
13 SALES		
Gross Sales (Net of Sales Tax)	631,77,59,349	545,40,68,321
Less: Excise duty	38,56,66,802	25,10,79,500
Less: Discounts, Rebates, Service Charges, etc.	30,70,18,067	21,11,45,848
Commission to Sole Selling Agents	2,98,33,223	2,60,19,283
Transportation	17,02,34,606	18,49,23,829
NET SALES	<u>542,50,06,651</u>	<u>478,08,99,861</u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the Year ended 31.03.2010 Rs.	For the Year ended 31.03.2009 Rs.
14 OTHER INCOME		
Interest received from Banks	1,92,37,968	2,38,68,326
Dividend received	13,39,94,951	10,80,40,930
Other Miscellaneous income	9,43,88,021	10,21,15,217
TOTAL	24,76,20,940	23,40,24,473
15 SALARIES, WAGES, BONUS ETC.,		
Salaries, Wages and Bonus	23,88,45,958	18,36,56,909
Gratuity & Superannuation Fund Contribution	1,18,44,831	1,74,04,287
Provident Fund Contribution	1,86,49,414	1,59,41,020
Workmen & Staff Welfare Expenses	2,25,93,212	2,07,56,833
TOTAL	29,19,33,415	23,77,59,049
16 INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	19,70,70,928	21,39,66,929
Interest on Others	1,55,17,183	3,98,22,111
TOTAL	21,25,88,111	25,37,89,040
17 REPAIRS & MAINTENANCE		
Plant & Machinery	11,85,86,005	12,54,39,281
Buildings	1,10,11,936	77,83,347
Others	1,72,14,182	1,45,23,045
TOTAL	14,68,12,123	14,77,45,673
18 SELLING EXPENSES		
Advertisement & Sales Promotion	4,17,75,927	3,99,19,442
Handling, Packing & Forwarding	6,48,43,014	4,67,91,810
Bad and Doubtful debts	16,50,000	23,02,454
TOTAL	10,82,68,941	8,90,13,706
19 ADMINISTRATIVE & OTHER EXPENSES		
Rent	41,62,680	39,20,545
Insurance	64,23,126	59,30,493
Directors' Sitting fees	5,50,000	6,20,000
Postage, Telephone, Telegrams, Telex & Email charges	85,68,851	87,83,255
Travelling & Conveyance	3,00,86,633	2,82,85,523
Printing & Stationery	37,00,259	43,42,129
Vehicles/Aircraft maintenance	1,06,05,103	1,01,85,140
Bank Charges	87,94,735	98,19,390
Audit, Accountancy & Legal Charges	2,27,69,635	1,43,72,343
Loss on sale of assets	5,10,217	31,606
Loss on Foreign Currency Transaction	-	2,17,17,682
Other Miscellaneous expenses	3,77,57,955	4,53,89,045
TOTAL	13,39,29,194	15,33,97,151

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the Year ended 31.03.2010 Rs.	For the Year ended 31.03.2009 Rs.
20 DECREASE IN STOCK		
Closing Stock of Finished Goods	82,57,17,509	65,03,65,225
Opening Stock of Finished Goods	65,03,65,225	49,90,62,404
(Increase) / Decrease	(17,53,52,284)	(15,13,02,821)
Excise duty on stock variance	6,98,52,256	(1,60,17,878)
(Increase) / Decrease	(10,55,00,028)	(16,73,20,699)

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
FRN : 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN No.004915S
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 24, 2010

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

22. NOTES ON ACCOUNTS

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
1. Contingent Liabilities not provided for:-		
a. Estimated amount of contracts remaining to be executed on Capital accounts	1,19,55,000	6,63,05,446
b. Bank Guarantees	18,20,23,938	22,11,75,826
c. Letters of Credit	1,47,08,148	-
d. Corporate Guarantee furnished by the Company for Ramco Systems Limited:		
To support their credit facilities to AXIS Bank Ltd	8,00,00,000	13,75,00,000
To support their credit facilities to IDBI Bank Ltd	7,00,00,000	20,00,00,000
To support their credit facilities to Punjab & Sind Bank	20,00,00,000	-
Corporate Guarantee furnished by the Company to AXIS Bank Ltd for Sri Harini Textiles Ltd., to support their credit facilities	36,29,00,000	-
e. Sales Tax	89,00,000	89,00,000
2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:		
Statutory Audit Fees	8,51,076	7,85,295
Tax Audit Fees	44,120	22,472
Fees for certification	33,090	30,300
Expenses of Audit	3,18,501	3,44,484
3. The break up of Deferred tax liability as at 31.03.2010 of Rs. 27.20 Crores is as under: Timing Difference on account of		
Tax effect on difference between book depreciation and depreciation under the Income tax Act, 1961	Rs. In Crores 26.98	
Tax effect of provision for Leave Encashment	0.22	
4. Short Term Loans have not been utilized for Long Term purposes.		
5. Income Tax assessment has been completed upto the Accounting year 2006-2007 (i.e. Assessment year 2007-08). Demand raised by the Department amounting to Rs. 1.20 Crores (Previous year Rs.1.20 crores) have been fully adjusted against the refund due for the Asst. Year 2008-09 as per provisional assessment u/s 143(1) of the I.T. Act.		
6. Sales Tax demands amounting to Rs. 0.89 crores (previous year Rs. 0.89 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. Current Liabilities:-		
There are no dues to Micro and Small Enterprises as at 31-3-2010. 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.		
8. 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 2010 - 2011 have been paid.		
9. a. Term Loans of Rs.65.12 crores borrowed from banks for expansion of Textile and Wind Mill division under TUF Scheme are secured by pari-passu first charge on the fixed assets and pari-passu second charge on current assets of the Company.		
b. Term Loans of Rs.64 crores borrowed from banks are secured by pari-passu first charge on the fixed assets and pari-passu 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.		

10. Earnings Per Share:

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Net Profit after Tax (A)	54,87,17,630	42,81,78,774
No. of Shares (B)	866,63,060	8,66,63,060
Basic and Diluted earnings per share of Rs.1 each (A/B)	6.33	4.94

Consequent to split and bonus issue during the year 2009-10, the earnings per share for the previous year is restated in accordance with AS 20.

11. Exceptional income / expenses comprises of :

	2009-10 (Rs.)
Impairment loss written off - Plastic storage tank	99,74,514

The impairment loss has been accounted as per AS 28- Impairment of Assets (after estimating the re-sale value of the machineries which would not be in use) since the management has decided to exit from the production of Plastic storage containers.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

12. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Revenue/Income from operations										
External Customers	4,79,58,69,215	4,28,88,97,491	73,14,83,254	56,71,65,041	12,11,29,827	11,67,92,738	14,52,75,122	15,23,00,856	5,79,37,57,218	5,12,51,56,126
Inter-segment	2,25,70,394	5,53,69,683	4,69,43,293	86,24,035	(6,95,13,687)	(6,39,93,718)	-	-	-	-
Total Revenue	4,81,84,39,609	4,34,42,67,174	77,84,26,547	57,57,89,076	5,16,15,940	5,27,99,020	14,52,75,122	15,23,00,856	5,79,37,57,218	5,12,51,56,126
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	83,00,25,571	76,46,69,102	1,30,53,636	(4,36,98,187)	3,68,10,763	2,87,97,079	6,23,65,310	9,27,99,615	94,22,55,280	84,25,67,609
Interest expenses									21,25,88,111	25,37,89,040
Interest Income/ Dividend income									21,31,27,870	18,71,72,848
Income Tax - Current									(3,21,78,331)	(3,11,23,053)
- Deferred									-	45,50,000
- Fringe Benefit Tax									54,87,17,630	42,81,78,774
Profit from Ordinary activities									-	-
Extraordinary Profit/Loss									-	-
Net Profit									54,87,17,630	42,81,78,774
3. Other Information										
Segment Assets	2,96,69,94,565	2,66,25,99,623	1,29,41,94,525	1,19,92,48,682	38,89,13,726	46,55,23,563	2,3,320,63,649	2,44,44,14,496	6,98,21,66,465	6,11,73,69,019
Unallocated corporate assets										
Total Assets	2,96,69,94,565	2,66,25,99,623	1,29,41,94,525	1,19,92,48,682	38,89,13,726	46,55,23,563	2,33,20,63,649	2,44,44,14,496	6,98,21,66,465	6,11,73,69,019
Segment Liabilities	38,65,89,784	32,59,21,042	77,15,56,080	67,00,55,273	29,76,619	(39,89,743)	2,40,96,59,684	2,73,26,75,062	3,57,07,82,167	3,72,46,61,634
Unallocated corporate liabilities										
Total Liabilities	38,65,89,784	32,59,21,042	77,15,56,080	67,00,55,273	29,76,619	(39,89,743)	2,40,96,59,684	2,73,26,75,062	3,57,07,82,167	3,72,46,61,634
Capital Expenditure	31,81,82,142	8,33,89,411	5,78,14,181	8,58,50,422			2,03,68,834	3,83,83,882	39,63,65,157	20,76,23,715
Depreciation	12,71,29,717	13,99,50,701	10,08,99,177	9,63,13,192	6,62,38,240	7,82,31,062	1,30,55,938	1,15,63,212	30,73,23,072	32,60,58,167
Non - cash expenses other than depreciation										

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

13. RELATED PARTY DISCLOSURE

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

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

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

Name of the related Party	Amount Rs.	Outstanding as on 31.03.2010 (Rs.)	Dr/Cr
i. Service income:			
The Ramaraju Surgical Cotton Mills Ltd			
- Conversion Charges	8,70,298	NIL	
Thanjavur Spinning Mills Limited			
- Conversion charges	9,81,634	NIL	
Rajapalaiyam Mill Ltd			
- Conversion Charges	79,341	NIL	
Rajapalaiyam Textiles			
- Conversion Charges	16,047	NIL	
Sandhya Spinning Mill Ltd			
- Conversion Charges	9,66,429	NIL	
Rajapalayam Spinners Pvt. Ltd			
- Conversion charges	8,64,881	NIL	
ii. Sale of Goods:			
Thanjavur Spinning Mill Limited			
- Building Products	1,73,583	NIL	
- Waste Cotton	2,76,597	NIL	
Sri Vishnu Shankar Mill Limited			
- Building Products	1,97,786	NIL	
- Cotton	68,53,224	NIL	
Sandhya Spinning Mill Limited			
- Building Products	6,76,781	NIL	
- Waste Cotton	81,66,991	NIL	
- Cotton	1,10,66,505	NIL	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

Name of the related Party	Value Rs.	Outstanding as on 31.03.2010 (Rs.)	Dr/Cr
Sri Harini Textiles Limited			
- Building Products	2,46,263	NIL	
Rajapalaiyam Mills Limited			
- Waste Cotton	2,89,10,836	NIL	
- CottonStores Items	1,04,94,042	NIL	
- Building Products	1,66,852	NIL	
- Computer	6,000	NIL	
Rajapalayam Textiles			
- Cotton	1,89,48,504	NIL	
Rajapalayam Spintext			
- Cotton	1,70,35,981	NIL	
- Spares	39,603	NIL	
The Ramaraju Surgical Cotton Mills Ltd			
- Waste Cotton	89,48,268	NIL	
- Building Products	4,60,710	NIL	
- Cotton	1,73,01,348	NIL	
Madras Cements Limited			
- Building Products	25,13,075	NIL	
iii. Purchase of Goods:			
Madras Cements Ltd			
- Cement	45,52,05,411	NIL	
- Scrap Barrel	6,750	NIL	
- Power	3,14,92,181	NIL	
- Spares	2,91,874	NIL	
Rajapalaiyam Mills Limited			
- Cotton	1,32,22,700	NIL	
- Conversion Charges	13,61,356	NIL	
- DEPB License	13,50,633	NIL	
- Spares	1,04,000	NIL	
Rajapalayam Spintext			
- Cotton	1,14,491	NIL	
- DEPB License	71,38,412	NIL	
- Machinery	60,369	NIL	
Sandhya Spinning Mill Ltd			
- Plastic cheese	30,825	NIL	
- Conversion Charges	3,15,841	NIL	
- DEPB License	20,77,203	NIL	
The Ramaraju Surgical Cotton Mills Ltd			
- Cotton	14,48,645	NIL	
- Conversion Charges	48,495	NIL	
- DEPB License	44,01,340	NIL	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

Name of the related Party	Value Rs.	Outstanding as on 31.03.2010 (Rs.)	Dr./Cr.
Sri Vishnu Shankar Mills Ltd			
- Cotton	1,52,77,858	NIL	
- Conversion Charges	1,12,006	NIL	
- Spares	5,962	NIL	
- DEPB License	71,60,250	NIL	
Shri Ramco Biotech			
- DEPB License	4,57,959	NIL	
Rajapalayam Textiles Ltd			
- DEPB License	99,19,460	NIL	
- Conversion charges	4,42,132	NIL	
Ramco Systems Limited			
- AMC Charges	64,71,497	NIL	
- On Site Resource	20,79,919	NIL	
- User License	1,36,18,241	NIL	
iv. Corporate Guarantees Issued:			
Ramco Systems Limited	35,00,00,000	35,00,00,000	Dr
Shri Harini Textiles Limited	36,29,00,000	36,29,00,000	Dr.
v. Short Term Loans and Borrowings:			
Shri P.R. Venketrama Raja		86,26,030	Cr
Shri K.T. Ramachandran		1,00,000	Cr
vi. Intercorporate Loans Given:			
Ramco Systems Limited	1,25,00,000	NIL	
Rajapalayam Mills Limited	3,00,00,000	NIL	
vii. Interest accrued on Inter Corporate Loans:			
Ramco Systems Limited	152,055	NIL	
Rajapalayam Mills Limited	1,08,493	NIL	

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

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ON ACCOUNTS (Contd...)

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

Name	Closing Balance as on 31.03.2010 (Rs.)	Interest Paid (Rs.)
Sri. P.R. Venketrana Raja	86,26,030	5,38,487
Sri. K.T. Ramachandran	1,00,000	7,665

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

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

As per our Report Annexed

For M/s.M.S.JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
FRN : 001208S
K. SRINIVASAN
Partner
Membership No.21510

For M/s.CNGSN & ASSOCIATES
Chartered Accountants
C.N. GANGADARAN
FRN No.004915S
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 24, 2010

S. KRISHNAN
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	Rs. in lacs	
	Year Ended 31-MAR-2010	Year Ended 31-MAR-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit, after tax as per Profit and Loss Account	5487.18	4281.79
Adjusted for		
Provision for taxation		
Current tax	2131.28	1871.73
Deferred tax	(321.78)	(311.23)
Fringe Benefit Tax	-	45.50
Loss on sale of assets	5.11	0.32
Depreciation	3073.23	3260.58
Dividend Income	(1339.95)	(1080.41)
Interest income	(192.38)	(238.68)
Interest paid	2125.88	2537.89
	10968.57	10367.49
Adjusted for		
Trade and other receivables	(1060.17)	(358.10)
Inventories	(1392.65)	(5351.38)
Trade payables	125.45	2432.39
Cash generated from operations	8641.20	7090.40
Taxes paid	(2131.28)	(1846.34)
Net cash from operating activities	6509.92	5244.06
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3881.07)	(2110.83)
Sale of fixed assets	124.78	25.85
Interest income	192.38	238.68
Dividend income	1339.95	1080.41
Purchase of Investments	-	(1468.44)
State subsidy receipts	656.18	349.33
Provsion for AS 15	(237.72)	-
Net cash used in investing activities	(1805.50)	(1885.00)

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010 (Contd...)

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	(3232.37)	(1924.81)
Short term borrowings, net	(1951.52)	3966.69
Working capital changes	3852.90	(2384.72)
Dividend paid	(456.26)	(760.44)
Interest paid	(2125.88)	(2537.89)
Net cash from financing activities	(3913.13)	(3641.17)
Net increase / (decrease) in cash and cash equivalents	791.29	(282.11)
Opening balance of cash and cash equivalents	2458.04	2740.17
Closing balance of cash and cash equivalents	3249.33	2458.06

P.R. RAMASUBRAHMANEYA RAJHA
Chairman

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

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

S. KRISHNAN
Company Secretary

Place : Chennai,
Date : May 24, 2010

AUDITORS' CERTIFICATE

To

The Board of Directors
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited and its subsidiaries. The Statement has been prepared based on and in agreement with the corresponding Consolidated Profit and Loss Account and Balance Sheet of Ramco Industries Limited and its Subsidiaries covered by our report of 24th May 2010 to the members of the Company.

For **M/s. M.S. Jagannathan & N. Krishnaswami**
Chartered Accountants
Firm Membership No.001208S

For **M/s. CNGSN & Associates**
Chartered Accountants
Firm Membership No.004915S

K. SRINIVASAN
Partner
Membership No.21510

C.N. GANGADARAN
Partner
Membership No.11205

Chennai,
May 24, 2010



Our Chairman and other Executives at the Arakkonam Module's Stockists' Meet



Company's Calcium Silicate Boards Stall at "Constro" Exhibition at Pune



A view of the Carding machine installed at Sri Ramco Spinners, Rajapalayam (Yarn Division)

