

**Ramco Industries Limited**

**ANNUAL REPORT 2011 - 2012**



**Our Chairman Shri P.R. Ramasubrahmaneya Rajha visiting Gangaikondan Plant.**



**Our Vice-Chairman and Managing Director Shri P.R. Venketrama Raja during "Bhoomi Pooja" on the inauguration of new Calcium Silicate Board Project at Kotputli, Rajasthan.**



**Board of Directors**

Shri P.R. Ramasubrahmaneya Rajha, B.Sc.  
Chairman  
Shri P.R. Venketrama Raja, B.Tech., MBA  
Vice-Chairman & Managing Director  
Shri S.S. Ramachandra Raja, B.Sc.  
Shri K.T. Ramachandran, B.E.  
Shri N.K. Shrikantan Raja, B.Com.  
Dr. A. Ramakrishna, B.E., M.Sc.  
Shri R. S. Agarwal, B.Sc., B.E.

**Bankers**

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

**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](http://www.ramcoindltd.com)  
[www.ramcohilux.com](http://www.ramcohilux.com)

**Factories**

**I. Building Products Division**

**Arakkonam**, Tamil Nadu  
**Bihiya**, Bihar  
**Gangaikondan**, Tamil Nadu  
**Karur**, Karnataka  
**Kharagpur**, West Bengal  
**Maksi**, Madhya Pradesh  
**Sinugra**, Gujarat  
**Silvassa**, Union Territory of Dadra & Nagar Haveli  
**Vijayawada**, Andhra Pradesh

**II. Textile Division (Cotton Yarn)**

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

**Subsidiary Companies**

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

**Auditors**

M/s. M.S. Jagannathan & N. Krishnaswami  
Chartered Accountants  
Unit - 5, Ground Floor, Abirami Apartments,  
No.14, V.O.C. Road, Cantonment,  
TIRUCHIRAPALLI – 620 001, Tamil Nadu

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

**Contents**

	Page No.
Financial Highlights	2
Notice to the Members	3-5
Directors' Report	6-11
Corporate Governance Report	12-18
Shareholders' Information	19-20
Auditors' Report and Financial Statements of Ramco Industries Limited	21-48
Auditors' Report and Consolidated Financial Statements of Ramco Industries Limited and its Subsidiaries	49-68

₹ in lakhs

<b>FINANCIAL HIGHLIGHTS</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>#2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
<b>Earnings</b>						
Sales & Other Income	38,011	40,268	47,069	54,297	57,788	71,593
Operating Profit	7,702	8,461	10,227	11,876	11,927	12,885
Cash Generation	6,108	6,512	7,701	9,754	9,858	10,624
Net Profit (PAT)	2,432	2,548	3,565	5,359	5,321	6,134
<b>Assets Employed</b>						
Net Fixed Assets	20,109	24,946	23,513	24,335	25,577	27,491
Investments	19,283	19,283	20,262	20,262	20,262	20,262
Other Net Assets net off other Liabilities	8,463	9,984	12,832	15,711	17,776	21,737
<b>TOTAL</b>	<b>47,855</b>	<b>54,213</b>	<b>56,607</b>	<b>60,308</b>	<b>63,615</b>	<b>69,490</b>
<b>Financed By:</b>						
<b>A. Shareholders' Funds</b>						
Share Capital	100	100	100	100	100	100
Bonus Shares	333	333	333	767	767	767
Reserves and Surplus	22,069	24,161	27,315	32,037	36,505	41,531
Deferred Tax	2,802	3,214	2,939	2,638	2,408	2,289
<b>Total Shareholders' Funds (A)</b>	<b>25,304</b>	<b>27,808</b>	<b>30,687</b>	<b>35,542</b>	<b>39,780</b>	<b>44,687</b>
<b>B. Borrowed Funds</b>						
Short Term and Long Term	22,551	26,405	25,920	24,766	23,835	24,803
<b>Total Borrowings (B)</b>	<b>22,551</b>	<b>26,405</b>	<b>25,920</b>	<b>24,766</b>	<b>23,835</b>	<b>24,803</b>
<b>TOTAL (A) + (B)</b>	<b>47,855</b>	<b>54,213</b>	<b>56,607</b>	<b>60,308</b>	<b>63,615</b>	<b>69,490</b>
Book Value per Share (₹)	510	558	631	36.95	42.10	47.90
Earnings Per Share (₹)	56	59	82	6.18	6.14	7.08
Dividend Per Share (₹)	15	15	15	0.85	0.90	1.10
Dividend Payout (₹ in Lakhs)	651	650	650	737	780	953
Dividend Payout Ratio %	27	25	18	14	15	16
Operating Profit Ratio %	20.26	21.01	21.73	21.87	20.64	18.00
Gross Fixed Assets per Share (₹)	724	900	938	51.04	52.86	66.74
Debt - Equity Ratio	1.00	1.07	0.93	0.75	0.64	0.59
Market Price of Share (₹)						
a. As on 31st March* (Close)	779	733	375	57.40	45.95	44.75
b. high**	1,900	1,740	925	73.30	83.35	46.00
c. low**	632	545	346	48.60	41.60	44.10
P/E Ratio as at 31st March <sup>@</sup>	13.87	12.46	4.55	9.29	7.49	6.32
Market Capitalisation <sup>@</sup> (₹ in lakhs)	33,755	31,762	16,249	49,744	39,822	38,782

\* NSE Quotations.

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

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

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

### NOTICE TO THE MEMBERS

Notice is hereby given that the 47<sup>th</sup> Annual General Meeting of the Company will be held at 11.00 a.m. on Thursday, the 2<sup>nd</sup> August, 2012 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 31<sup>st</sup> March 2012 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 2011-12.
3. To appoint a Director in the place of Shri K.T. Ramachandran, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri R.S. Agarwal, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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

“**RESOLVED** THAT M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants and M/s. CNGSN & Associates, Chartered Accountants be and are hereby jointly appointed as the Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting on a remuneration of Rs.3,50,000/-(Rupees Three Lakhs and fifty thousand only) each, exclusive of out-of-pocket expenses.”

Place: Chennai  
Date : 24.05.2012

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

#### NOTES

- (i) A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
- (ii) Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (iii) The Register of Members and the Share Transfer Books of the Company will remain closed from 28.07.2012 to 02.08.2012 (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 02.08.2012 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 28.07.2012.
- (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 through National Electronic Clearing Service (NECS) to the Investors wherever NECS facility / Bank details are available. In the absence of NECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend.
- (vi) Under the provisions of Section 205-C of the Companies Act, 1956, Dividends remaining unpaid for a period of over 7 years will be transferred to the Investors' Education & Protection Fund (IEPF) of the Central Government. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the members who have not encashed/claimed their Dividends relating to the Financial Year 2004-05 and thereafter may write to the Company for claiming the amount before it is so transferred to the IEPF. The details of due dates for transfer of such Un-claimed Dividends to the said Fund are given below:

Dividend for the Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming the Dividend Amount	Due Date for transfer to IEP Fund
<b>31.03.2005</b> 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
<b>31.03.2006</b> 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
<b>31.03.2007</b> 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
<b>31.03.2008</b> 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
<b>31.03.2009</b> 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
<b>31.03.2010</b> Interim Dividend Final Dividend	27.10.2009 02.08.2010	26.10.2016 01.08.2017	24.11.2016 30.08.2017
<b>31.03.2011</b> Interim Dividend Final Dividend	25.10.2010 10.08.2011	24.10.2017 09.08.2019	24.11.2017 07.09.2018
<b>31.03.2012</b> Interim Dividend	21.03.2012	20.03.2019	20.04.2019

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

##### 1. Shri K.T. RAMACHANDRAN:

Shri K.T. Ramachandran, aged 74 years, is B.E. in Civil Engineering from Madras University. He was first appointed as a Director of the Company in 1986 and since then he continues to be a Director extending valuable guidance. He is a Member of the Audit Committee, Remuneration Committee and the Share Transfer Committee of the Board of Directors of the Company. He holds 2,20,000 Shares of the Company in his name.

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

**2. SHRI R.S. AGARWAL:**

Shri R.S. Agarwal, aged 69 years, is a Science Graduate and B.E. in Chemical Engineering. He started his career in 1965 and after serving in various capacities with a leading Paper Mill in North India for 9 years and with Industrial Development Bank of India (IDBI) for 28 years retired as the Executive Director of IDBI. He has been a Director of the Company since 2008 extending valuable guidance.

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

1. Madras Cements Ltd.
2. Ramco Systems Ltd.
3. Surya Lakshmi Cotton Mills Ltd.
4. Surya Lata Spinning Mills Ltd.
5. GVK Jaipur Expressway Pvt. Ltd.
6. Elegant Marbles & Grani Industries Ltd.
7. Liberty Videocon General Insurance Company Ltd.
8. Videocon Industries Ltd.

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

He holds 192 equity Shares of the Company in his name.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 47<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2012.

## FINANCIAL RESULTS

	For the Year ended 31.03.2012 (` in Lakhs)	For the Year ended 31.03.2011 (` in Lakhs)
<b>Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)</b>	12,885	11,927
Less : Interest and Finance charges	2,415	2,068
<b>Profit before Depreciation and Tax (PBDT)</b>	10,470	9,859
Less : Depreciation	3,339	2,948
Add : Exceptional items	153	-
<b>Profit before Tax (PBT)</b>	7,284	6,911
Less: Provision for Taxation - Current	1,270	1,820
Deferred	(120)	(230)
<b>Profit after Tax (PAT)</b>	6,134	<b>5,321</b>
Add : Balance Profit from last year	867	654
<b>Surplus for Appropriation</b>	<u>7,001</u>	<u><b>5,975</b></u>
Transfer to General Reserve	4,900	4,200
Interim Dividend - ` 0.90 per Equity Share (P.Y: ` 0.50 per Equity Share of ` 1/- each)	779	433
Final Dividend- ` 0.20 per Equity Share (P.Y: ` 0.40 per Equity Share of ` 1/- each)	173	347
Tax on Dividend	155	128
Balance carried over to Balance Sheet	994	867
<b>TOTAL</b>	<u><b>7,001</b></u>	<u><b>5,975</b></u>

## DIVIDEND

Your Directors have pleasure in recommending a Final Dividend of ` 0.20 per Equity Share of ` 1/- each. Together with the Interim Dividend of ` 0.90 per Equity Share of ` 1/- each paid during the year, the total Dividend for the year 2011-12 is ` 1.10 per Equity Share of ` 1/- each. (During the Previous Year 2010-11, an Interim Dividend of ` 0.50 and a Final Dividend of ` 0.40 per Equity Share of ` 1/- each were paid making a total Dividend of ` 0.90 per Equity Share).

## TAXATION

An amount of ` 1,270 Lakhs towards Current year Income-Tax and ` 155 Lakhs towards Dividend Tax have been provided for the year 2011-12. In respect of Deferred Tax, an amount of ` 120 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 ` in Lakhs	
	31.03.12	31.03.11	31.03.12	31.03.11	31.03.12	31.03.11
Fibre Cement Sheets	5,65,026	4,76,699	5,50,026	4,80,333	49,270	38,185
Calcium Silicate Boards	13,375	13,027	14,603	14,382	3,001	3,184

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

During the year under review, the Production of Fibre Cement Sheets (FC Sheets) increased by 88,327 M.T. registering a growth of 19% over the corresponding previous year. The Sales of FC Sheets increased by 69,693 M.T. recording a growth of 15% over the corresponding previous year. The Turnover was higher at ` 49,270 lakhs during the Financial Year under review as against ` 38,185 lakhs in the corresponding previous year. The New Unit at Bihiya commenced Commercial Production during the year. This addition along with improved output from the other plants contributed to the increase.

**(b) Calcium Silicate Boards (CSBs):**

During 2011-12, quantitative Production and Sale of CSBs were higher when compared to the previous year as indicated above. The Turnover for the year was at ` 3,001 Lakhs as against ` 3,184 Lakhs during the previous year. Work is under way for setting up of a State-of-the-Art Project for manufacture of Calcium Silicate Boards with an annual capacity of 48,000 M.T. at Kotputli, Rajasthan.

**(c) Cement Clinker Grinding (CCG) Plant at Kharagpur, W.B.:**

The Unit recorded continuous improvement in its performance during the year under review. The Plant had produced 1,30,152 M.T of Cement during the year under review as against 1,15,727 M.T of Cement during the previous year, registering 12% growth.

Similarly, Sale of Cement also increased from 1,15,355 M.T during the last year to 1,30,038 M.T during 2011-12. Profitability of this Unit had also improved during the year ended 31.03.2012.

**(d) Fibre Cement Pressure Pipes:**

Operations of Pressure Pipes continued to be under pressure owing to the slow down in infrastructural activities during the year under review. Accordingly, the minimum Licence fee receivable from the Licencee during the Current year is Rs.100 lakhs.

**B. WIND MILLS :**

During the Financial Year 2011-12, 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	:	302 Lakh Units (P.Y: 326 Lakh Units)
Income earned (by generation/sale of power)	:	` 1,224 Lakhs (P.Y: ` 1,185 Lakhs)

Units generated were lower during the year under review due to reduction in Grid availability.

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

**Production and Sales :**

During the year 2011-12, the Unit had produced 24.65 Lakh Kgs. of Cotton Yarn as compared to 31.12 Lakh Kgs. produced during the previous year. The Unit had registered its sale of Yarn at 24.98 Lakh Kgs during the year under review as against 30.33 Lakh Kgs. during 2010-11.

The cotton prices have gone up too steeply during the season 2010-11. The Mills were forced to buy good quality cotton at abnormally higher prices during that season which was consumed during the financial year 2011-12. The mounting pressure of inventory with Indian Mills and their eagerness to get rid of their inventory before the arrival of new cotton, virtually pushed the global yarn prices down by more than 30 per cent within a month.

The power cut in Tamil Nadu has worsened during the year and severe power cut measures were announced and the power availability was only 25% from March 2012 and is still continuing. The mismatch between increased demand for electricity and shortage in the supply has affected the capacity utilization of Mills in Tamil Nadu. Timely decision taken by your Directors to install Windmills in previous years and purchase of power from Third Party have helped the Company to tide over the power crisis. Still to meet the full requirements, the Company has to use Diesel Generator sets resulting in higher costs.

The cumulative effect of the above factors have adversely affected the performance of the Textile division of the Company.

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

Performance of the Company's Wholly Owned Sri Lankan Subsidiary during the year under review, recorded substantial improvements in terms of Production, Sales, Turnover and also Profitability. The production at the FC Sheet Plant of the Subsidiary, was 1,11,888 M.T. during the year ended 31.03.2012 as against 1,06,801 M.T. during the corresponding previous year. The Subsidiary sold 1,13,842 M.T. during 2011-12 as compared to 1,08,609 M.T. during 2010-11. The Net Sales were SLR 32,839 lakhs ( ` 13,990 lakhs) as against SLR.25,492 Lakhs ( ` 10,365 Lakhs) during the corresponding previous year.

Your Directors have pleasure to inform that the Company's step-down Subsidiary viz. M/s. Sri Ramco Roofings Lanka (Private) Limited (SRRLPL) incorporated for manufacture of Fibre Cement Products at Pallegodowatta Industrial Estate, Mathugama in the District of Kalutara in Sri Lanka, with an annual capacity of 1,20,000 M.T. commenced Commercial Operations on 30<sup>th</sup> March, 2012. This Company will enjoy tax and other benefits from the Government of Sri Lanka.

**E. TAXES AND DUTIES:**

During the year under review, Central Excise Duties paid on the Company's products amounted to ` 6,041.43 Lakhs. Together with VAT and CST amounting to ` 7,440.87 Lakhs, the Company's total contribution to the Public Exchequer was ` 13,482.30 Lakhs say ` 135 Crores.

**F. 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.

**G. 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.

**H. PARTICULARS OF EMPLOYEES:**

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

**I. 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.

**J. INTERNAL CONTROL SYSTEM:**

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

**K. DIRECTORS:**

Since the last AGM held on 10.08.2011, there had 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 K.T. Ramachandran and Shri R.S. Agarwal are the Directors who will be retiring by rotation and are eligible for re-election.

**L. PUBLIC DEPOSITS:**

The Total Deposits from the general public outstanding with the Company as on 31<sup>st</sup> March 2012 were ` 14.69 Lakhs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956.

**M. SHARES:**

The Annual Listing Fees have been paid to the three Stock Exchanges for the F.Y 2012-13.

**N. 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 47<sup>th</sup> Annual General Meeting and are eligible for re-appointment.

As per order dt 24.1.2012 issued by the Government of India, Ministry of Corporate Affairs, New Delhi, from the Financial Year commencing from 1 April, 2012, the Cost Accounting Records pertaining to Company's Textiles division will have to be audited by a Cost Auditor. Accordingly, the Board of Directors has appointed M/s. Geeyes & Co., Cost Accountants, Chennai, as the Cost Auditor for the Financial Year 2012-13.

**O. SUBSIDIARY COMPANIES :**

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

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

**P. CONSOLIDATED FINANCIAL STATEMENTS:**

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the three Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31.03.2012 along with the Auditors' Report thereon are annexed hereto and the same form part of this Annual Report.

**Q. 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 31<sup>st</sup> March 2012, the applicable Accounting Standards had been followed:

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

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

The Annual Accounts were prepared on a going concern basis.

**ACKNOWLEDGEMENT:**

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

Place : CHENNAI  
Date : 24.05.2012

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

**ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2012**

In terms of Section 217(1) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2012.

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

(a)	Energy conservation measures taken	Nil
(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 is savings in energy cost due to the measures taken during the last few years.
(d)	Total energy consumption per unit of production of goods	Particulars given in Form A (pertaining to Cotton Yarn Division)

**B. TECHNOLOGY ABSORPTION**

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

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

(a)	(i) Activities relating to Exports	Exporting Cotton Yarn to Japan, Italy at minimum level.
	(ii) Initiatives taken to increase exports (iii) Development of new export markets for products and services (iv) Export plans	At present, export market is not encouraging. However, we are trying our level best to obtain Export orders.
(b)	Total foreign exchange used Total foreign exchange earned	

**Form – A : (See rule-2) FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

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

1 ELECTRICITY	Year ended 31.03.2012	Year ended 31.03.2011
(a) Units Purchased	2,07,67,488	2,19,31,928
Total amount	∞ 10,50,16,602	∞ 10,29,77,293
Rate/unit	∞ 5.06	∞ 4.70
(b) Own Generation		
(i) Thro Diesel Generator		
Units	1,064,088	21,14,546
Units per ltr. of diesel oil	3.63	3.65
Cost/Unit	∞ 9.97	∞ 9.86
(ii) Thro HFO Generator		
Units	9,72,430	19,11,830
Units per ltr. of furnace oil	3.62	3.72
Cost/Unit	∞ 11.52	∞ 7.90
(iii) Thro Steam Turbine Generator		
Units	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/Unit	-	-
2 COAL	-	-
3 OTHERS	-	-

**B. CONSUMPTION PER UNIT OF PRODUCTION**

(pertaining to Cotton Yarn Division)

	Standards (if any)	Current year 2011-12	Previous Year 2010-11
<b>Products (with details)</b>			
100% Cotton Yarn 40's converted production(Numbers)	-	38,46,681	43,64,113
<b>Unit per Kg.</b>			
Electricity	-	5.13	5.01
Furnace Oil	-	-	-
Coal (Specify quality) %	-	-	-
Others (Specify)	-	-	-

**Form - B : FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY**

**A. RESEARCH AND DEVELOPMENT (R&D)**

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

**In Building Products Division :**

Different combinations of Fibres were developed to yield more economic Fibre furnishes.  
New Substitutes for Asbestos Fibre are being tried with improved quality and reduction of cost.  
Further Development of Non Asbestos Calcium Silicate Boards.

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

Cost of production reduced without affecting the quality of the Product and also to overcome the reduction in availability of Asbestos Fibre.

**3. FUTURE PLAN OF ACTION**

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

**4. EXPENDITURE ON R&D**

Recurring expenditure : ₹ 7.26 Lakhs  
Capital Expenditure : Nil  
Total : ₹ 7.26 Lakhs  
R&D expenditure as a % age of total turnover of FC Sheets : Negligible

**B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

(pertaining to Cotton Yarn Division)

- |                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. Efforts, in brief, made towards technology Absorption, adaptation and innovation</p>                                                                                                                                                                                                                                                           | <p>1. In 'B' unit, we have additionally installed one new LMW LC 333-VI card with high technology and thereby production capacity is increased in Spinning with excellent quality &amp; started production for very sensitive corporate buyers.</p> <p>2. In 'A' unit we have replaced one set sliver lap &amp; ribbon lap machine with one set LD2 drawing &amp; LH15 lap former to increase the productivity with better quality and to increase the capacity for Corporate Buyers.</p> <p>3. In 'A' unit we have replaced 6 Cherry Combers with two LK-64 High technology combers of LMW to increase the productivity with better quality.</p> <p>4. In 'A' unit one Aspire retrofit Autodoffer kit installed to reduce the man power and reduce the doffing time in one ringframe.</p> <p>5. In 'C' unit, one number SSM Soft Package machine was installed specially suitable for 2ply yarn to avail benefit of market trend and supplying lots to corporate buyers.</p> |
| <p>2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.</p>                                                                                                                                                                                                 | <p>Improved product being offered for Indian and International Yarn market with less manpower</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>3. In case of imported technology (imported during last 5 years reckoned from the beginning of the financial year) following information may be furnished (a)Technology Imported; (b) Year of Import; (c) Had technology been fully absorbed (d) If not, areas where this had not taken place, reason therefore &amp; future plans of action.</p> | <p>Not Applicable</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

## REPORT ON CORPORATE GOVERNANCE

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

Good Corporate Governance inspires and strengthens investors' confidence. Ramco Industries Limited is assiduously following its self-determined goals on Corporate Governance, since its inception, by ensuring its commitment to higher growth and profits. The object and focus of the Company is towards sustainable development, protection and enhancing the value of all the Stakeholders of the Company viz., Shareholders, Creditors, Customers and Employees. It strives to achieve these objectives through application of best management practices, compliance of law and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility.

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 31<sup>st</sup> March 2012, 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, five Board Meetings were held, one each on 25.05.2011, 09.08.2011, 07.11.2011, 03.02.2012 and 21.03.2012.

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 during the year	% of Board Meetings attended
1.	Shri P.R. Ramasubrahmaneya Rajha (Chairman - Non-Executive)	PD	5	100
2.	Shri P.R. Venketrama Raja (Vice-Chairman & Managing Director)	PD	3	60
3.	Shri S.S. Ramachandra Raja	NED	5	100
4.	Shri N.K. Shrikantan Raja	NEID	5	100
5.	Shri K.T. Ramachandran	NEID	4	80
6.	Dr. A. Ramakrishna	NEID	4	80
7.	Shri R.S. Agarwal	NEID	5	100

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

The previous Annual General Meeting of the Company was held on 10<sup>th</sup> August, 2011 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 to divulge to any member of the press or media any matter concerning the company unless authorised by the Management.
- vii. Not to 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](http://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	5
2.	Shri K.T. Ramachandran	4
3.	Dr. A. Ramakrishna	4

No. of Meetings held during the year : 5  
 Date of Meetings : 24.05.2011, 09.08.2011, 06.11.2011, 01.02.2012 & 21.03.2012

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

All the three members of the Audit Committee are Independent Directors as against the requirement of 2/3<sup>rd</sup> 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 : 24.05.2011

**c) INVESTOR GRIEVANCES COMMITTEE**

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

No. of Meeting held during the year : One  
 Date of the Meeting : 21.03.2012

**d) SHARE TRANSFER COMMITTEE**

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

During the year under review, one meeting was held on 18.04.2011 to consider transfer and transmission of Shares.

**All the above Committees meet as and when necessity arises.**

**4. BOARD PROCEDURE**

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

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

**5. REMUNERATION OF DIRECTORS**

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

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

## 6. DISCLOSURE OF SHAREHOLDINGS OF NON-EXECUTIVE DIRECTORS

Following are the details of Shareholdings of the Non-Executive Directors in the Company, in their names, as on 31.03.2012 :-

Sl. No.	Name of the Non-Executive Director	No. of Shares held as on 31st March 2012	% to Paid-up Capital
1.	Shri P.R. Ramasubrahmaneya Rajha	80,80,040	9.32
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	192	-
6.	Dr. A. Ramakrishna	-	-

## 7. MANAGEMENT

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

## 8. SHAREHOLDERS

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

### Other Shareholder Information

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

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

### Plant Locations

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

### Person to be contacted for shareholder enquiries:

#### V.S. NAVIN SHUSHANT

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 : nsv@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 2012-13 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
31.03.2009	05.08.2008	11.00 A.M.	P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2010	02.08.2010	11.00 A.M.	- do -
31.03.2011	10.08.2011	11.00 A.M.	- do -

During the year under review, the following matters requiring Postal Ballot as per Section 192 A of The Companies Act, 1956 were passed on 16.11.2011 :-

- Altering the Objects Clause of the Memorandum of Association of the Company by inserting a new Sub-Clause relating to Bio-tech business.
- Commencement of the above-said new business.
- Increasing the Limit of Corporate Social Responsibility Expenditure.

#### Ensuing Annual General Meeting

Date	Time	Venue
02.08.2012	11.00 A.M.	P.A.C.R.Centenary Community Hall Sudharsan Gardens, P.A.C.Ramasamy Raja Salai <b>Rajapalayam 626 108 (Tamil Nadu)</b>

#### Financial Calendar for AGM / Dividend Payment (For the Financial Year April 2011 to March 2012)

Board Meeting for consideration of Audited Accounts and recommendation of Final Dividend for 2011-12	24.05.2012
Posting of Annual Report	On or before 08.07.2012
Book Closure dates	28.07.2012 to 02.08.2012 (Both days inclusive)
Last date for receipt of Proxy forms	30.07.2012
Date of the 47 <sup>th</sup> AGM	02.08.2012
Dividend Payment date	On or after the date of AGM but within 30 days from the date of AGM.

**Tentative Financial Calendar for 2012-13**

1.	Unaudited results for Q.E. 30.06.2012	Before 15th August, 2012
2.	Unaudited results for Q.E. 30.09.2012	Before 15th November, 2012
3.	Unaudited results for Q.E. 31.12.2012	Before 15th February, 2013
4.	Audited results for Quarter / Year ending 31.03.2013	Before 30th May, 2013
5.	AGM for the year ending 31.03.2013	August 2013

**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 in Makkal Kural (all editions in TN). All the Financial Results were also faxed/ e-mailed immediately to the three Stock Exchanges where the Shares of the Company are listed and also displayed on the Company's website [www.ramcoindltd.com](http://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 31<sup>st</sup> March 2012, 91.97 % of the Company's Shares have been dematerialized.

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

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

**Shares Held in Electronic Form**

Shareholders holding Shares in electronic form may please note that :

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

**Redressal of Grievances**

There is no pending Share transfer as on 31.03.2012.

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 has already been referred to Courts.

Any Shareholder who is having grievance may kindly send e-mail to [investors\\_grievances@ril.co.in](mailto:investors_grievances@ril.co.in).

### Disclosures

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

### Social Commitments

During the year 2011-12, the Company's contribution for various Charitable causes, including renovation of temples and other social causes amounted to ` 271.82 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 31<sup>st</sup> March 2012.

Place : Chennai  
Date : 14.05.2012

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.

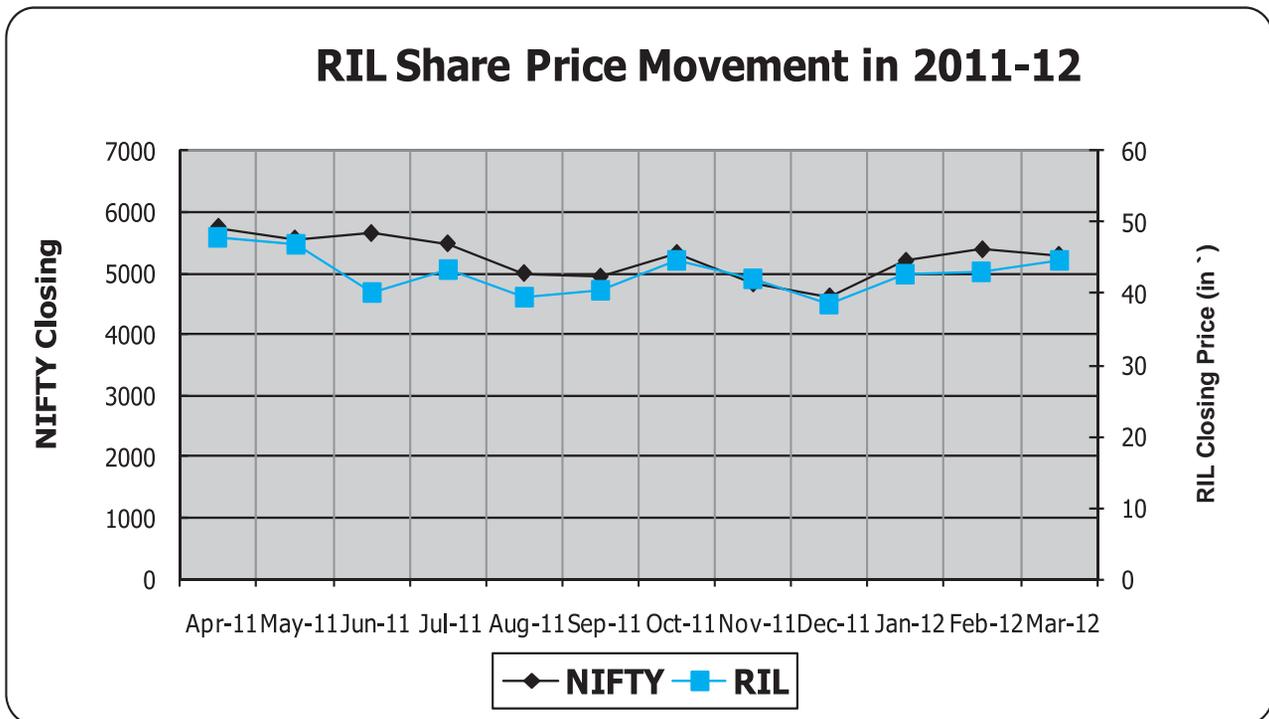
For **M.S. JAGANNATHAN & N. KRISHNASWAMI**  
Chartered Accountants  
(FRN: 001208S)  
**P.SANTHANAM**  
Partner  
Membership No.018697  
Place : Chennai  
Date : 24.05.2012

For **CNGSN & ASSOCIATES**  
Chartered Accountants  
(FRN: 004915S)  
**C.N. GANGADARAN**  
Partner  
Membership No.011205

**STATISTICAL DATA**  
**Share Price - High & Low-Traded Volume**  
 (During April 2011 to March 2012 in NSE & BSE)

Month	NSE			BSE		
	High Price (₹)	Low Price (₹)	Qty. Traded	High Price (₹)	Low Price (₹)	Qty. Traded
April, 2011	53.45	45.70	2,71,930	54.00	46.00	1,66,906
May, 2011	49.05	42.70	15,83,540	49.00	42.00	1,57,791
June, 2011	48.00	39.55	6,12,894	48.00	38.70	3,19,661
July, 2011	46.50	40.00	7,59,352	47.20	39.80	4,06,408
August, 2011	45.20	37.00	2,95,280	45.00	37.10	2,09,362
September, 2011	42.15	38.75	2,31,315	42.25	38.35	1,66,870
October, 2011	44.85	39.75	2,79,000	44.85	39.55	73,821
November, 2011	45.85	40.55	5,75,313	46.00	41.50	1,62,319
December, 2011	43.30	33.00	2,81,390	43.30	33.15	65,782
January, 2012	44.10	37.20	2,09,959	45.25	37.00	50,063
February, 2012	50.00	41.15	4,66,689	49.90	41.00	2,51,141
March, 2012	49.50	42.60	4,66,459	46.90	42.10	1,22,987

**Share Price Movement - RIL vis-a-vis NSE's NIFTY**



**Pattern of Shareholding as on 31st March 2012**

Description	Total No. of Shareholders	%	No. of Shares of ₹1/- each	% to Capital
<b>A. PROMOTERS HOLDING</b>				
Promoter & Promoter Group	17	0.17	4,65,80,600	53.75
<b>B. NON-PROMOTERS HOLDING</b>				
1. Mutual Funds & UTI	3	0.03	9,000	0.01
2. F.Is / Banks	4	0.03	57,07,011	6.59
3. Central/State Govt/s; VCF; Ins. Companies	0	0.00	0	0.00
4. Foreign Institutional Investors	1	0.01	2,000	0.01
5. Bodies Corporate	326	3.20	23,42,950	2.70
6. Individual Shareholders holding nominal Share Capital :				
a. Up to ₹ 1.00 Lac	9,318	91.38	1,34,70,046	15.54
b. In excess of ₹ 1.00 Lac	49	0.48	1,63,28,846	18.84
7. Others—HUF/NRI/Clearing Members etc.	479	4.70	22,22,607	2.56
<b>Grand Total</b>	<b>10,197</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

**Distribution of Shareholding as on 31st March 2012**

Range (No. of Shares of ₹ 1 each)	Total Shareholders	%	Total No. of Shares of ₹ 1 each	%
Upto - 500	7,058	69.22	11,70,492	1.35
501 to 1000	1,240	12.16	10,97,740	1.27
1001 to 2000	756	7.41	12,94,988	1.49
2001 to 3000	249	2.44	6,64,339	0.77
3001 to 4000	191	1.87	7,26,396	0.84
4001 to 5000	105	1.03	5,00,395	0.58
5001 to 10000	218	2.14	16,46,886	1.90
10001 & above	380	3.73	7,95,61,824	91.80
<b>Total</b>	<b>10,197</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

**Category of Shareholding as on 31st March 2012**

Category	Total Shareholders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	6,654	65.25	6,04,88,912	69.80
CDSL	3,209	31.47	1,92,16,908	22.17
Physical Form	334	3.28	69,57,240	8.03
<b>Total</b>	<b>10,197</b>	<b>100.00</b>	<b>8,66,63,060</b>	<b>100.00</b>

## AUDITORS' REPORT TO SHAREHOLDERS

1. We have audited the attached Balance Sheet of **Ramco Industries Limited, Rajapalayam** as at 31st March, 2012 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 31<sup>st</sup> March, 2012;
    - 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

**P.SANTHANAM**

Partner

Membership No.018697

Place : Chennai

Date : 24.05.2012

For **CNGSN & ASSOCIATES**

Chartered Accountants

FRN: 004915S

**C.N. GANGADARAN**

Partner

Membership No.011205

**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 loan to one party listed in the register maintained under section 301 of the Companies Act, 1956.(maximum amount outstanding at any time during the year is ` 835.48 lacs; outstanding as on 31st March, 2012 is ` 738.45 lacs)
  - 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 ` 274.35 lacs (maximum amount outstanding at any time during the year ` 99.92 lacs; outstanding as on 31st March, 2012 ` 21.43 lacs) 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 control 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 prescribed maintenance of cost records under clause (a) of sub-section (1) of section 209 of the Companies Act, 1956 for Textile Industry and the said records are maintained by the company for its Textile Division.
- 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 ` 2,188.90 lacs 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 (` In lacs)
1	Sales-tax Act	High Court	9.90
2	Income Tax	CIT (Appeals)	2,179.00

- 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. Based on information and explanations given to us, the terms and conditions of the guarantee given by the Company to parties consisting of related parties ([Ramco Systems Limited – Guarantee given ` 5,500 lacs; Loans outstanding ` 4,433.81 lacs]; [Sri Harini Textiles Limited – Guarantee given ` 3,629 lacs; Loans outstanding ` 2,538.79 lacs], [Deccan Renewable Wind Electrics Limited / Axis Wind Energy Limited – Guarantee given ` 770 lacs ; Loans outstanding ` 761 lacs]; to secure loans availed from banks by the respective companies are not prejudicial to the interests of Ramco Industries Limited.
- 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

**P.SANTHANAM**

Partner

Membership No.018697

Place : Chennai

Date : 24.05.2012

For **CNGSN & ASSOCIATES**

Chartered Accountants

FRN: 004915S

**C.N. GANGADARAN**

Partner

Membership No.011205

**BALANCE SHEET AS AT 31st MARCH 2012**

	Note No.	As at 31st March 2012 in Lacs		As at 31st March 2011 in Lacs	
<b>I. EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS' FUNDS</b>					
Share Capital	1	866.63		866.63	
Reserves & Surplus	2	<u>41,531.41</u>	<u>42,398.04</u>	<u>36,504.90</u>	37,371.53
<b>NON CURRENT LIABILITIES</b>					
Long - Term Borrowings	3	11,419.22		9,067.76	
Deferred Tax Liabilities (Net)	4	2,288.56		2,408.56	
Other Long Term Liabilities	5	1,577.24		1,336.97	
Long Term Provisions	6	<u>294.33</u>	<u>15,579.35</u>	<u>198.60</u>	13,011.89
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	7	5,724.43		7,417.66	
Trade Payables		3,776.77		3,761.21	
Other Current Liabilities	8	9,357.16		10,074.45	
Short Term Provisions	9	<u>2,220.49</u>	<u>21,078.85</u>	<u>3,074.22</u>	<u>24,327.54</u>
<b>TOTAL</b>			<u><b>79,056.24</b></u>		<u><b>74,710.96</b></u>
<b>II ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Tangible Assets	10	26,512.87		22,855.09	
Intangible Assets	11	228.91		195.94	
Capital Work in Progress		748.97		2,526.44	
Non Current Investments	12	20,261.68		20,261.68	
Long Term Loans and Advances	13	1,477.14		3,642.23	
Other Non Current Assets		<u>1,399.03</u>	<u>50,628.60</u>	<u>810.88</u>	50,292.26
<b>CURRENT ASSETS</b>					
Inventories	14	15,117.55		12,776.38	
Trade Receivables	15	5,969.17		4,979.66	
Cash and Cash Equivalents	16	1,388.15		2,285.04	
Other Current Assets	17	<u>5,952.77</u>	<u>28,427.64</u>	<u>4,377.62</u>	<u>24,418.70</u>
<b>TOTAL</b>			<u><b>79,056.24</b></u>		<u><b>74,710.96</b></u>
Significant Accounting Policies					
Notes on Financial Statements	1-25				

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

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

Place : Chennai  
Date : 24.05.2012

V.S.NAVIN SHUSHANT  
Company Secretary

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012

	Note No.	For the year ended 31.03.2012 in Lacs	For the year ended 31.03.2011 in Lacs
<b>INCOME</b>			
Revenue from operations	18	67,460.66	55,962.28
Other Income	19	4,132.39	1,825.86
<b>Total Revenue</b>		<b>71,593.05</b>	<b>57,788.14</b>
<b>EXPENDITURE</b>			
Cost of materials	20	39,772.15	30,244.78
Cost of Resale materials		1,776.56	245.20
Change in inventories	21	(1,836.85)	(1,037.96)
Employee benefit expenses	22	4,226.92	3,505.68
Finance costs	23	2,415.38	2,068.54
Other expenses	24	14,768.24	12,903.41
Depreciation		3,339.08	2,947.69
<b>Total Expenses</b>		<b>64,461.48</b>	<b>50,877.34</b>
Profit before exceptional and extraordinary items and tax		7,131.57	6,910.80
Exceptional Items		152.89	-
Profit before Tax		7,284.46	6,910.80
Tax expense			
Current Tax		1,270.00	1,820.00
Deferred Tax		(120.00)	(230.00)
<b>Profit for the year</b>		<b>6,134.46</b>	<b>5,320.80</b>
Significant Accounting Policies			
Notes on Financial Statements	1-25		
Earnings per equity share - Basic & Diluted (in `)		<b>7.08</b>	6.14

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

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

Place : Chennai  
Date : 24.05.2012

V.S.NAVIN SHUSHANT  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012**

	` in lacs	
	Year Ended 31-Mar-2012	Year Ended 31-Mar-2011
<b>A Cash flow from operating activities</b>		
Net profit, after tax as per Profit and Loss Account	<b>6,134.46</b>	5,320.81
Adjusted for		
Provision for taxation		
Current tax	<b>1,270.00</b>	1,820.00
Deferred tax	<b>(120.00)</b>	(230.00)
Loss on sale of assets	<b>7.84</b>	-
Depreciation	<b>3,339.08</b>	2,947.68
Dividend Income	<b>(2,296.05)</b>	(395.75)
Other income	<b>-</b>	55.57
Interest income	<b>(44.29)</b>	(59.60)
Effects on Exchange rate	<b>77.43</b>	-
Interest paid	<b>2,337.95</b>	2,068.54
Royalty receipts	<b>(1,407.88)</b>	(1,036.49)
	<b>3,164.08</b>	5,169.95
Operating profit before working capital changes	<b>9,298.54</b>	10,490.76
Adjusted for		
Trade and other receivables	<b>(989.51)</b>	(2,258.04)
Inventories	<b>(2,341.16)</b>	153.17
Trade payables	<b>15.55</b>	1,730.82
Other Current Assets	<b>(1,575.15)</b>	385.97
Other Current Liabilities	<b>(1,310.16)</b>	1,877.18
	<b>(6,200.43)</b>	1,889.10
<b>Cash generated from operations</b>	<b>3,098.11</b>	12,379.86
Taxes paid	<b>(1,329.42)</b>	(1,580.30)
<b>Net cash from operating activities</b>	<b>1,768.69</b>	10,799.56
<b>B Cash flow from Investing activities</b>		
Purchase of fixed assets	<b>(7,173.15)</b>	(4,195.71)
Sale of fixed assets	<b>135.47</b>	33.88
Interest income	<b>44.29</b>	59.60
Dividend income	<b>2,296.05</b>	395.75
Changes in WIP	<b>1,777.47</b>	(28.53)
Royalty receipts	<b>1,407.88</b>	1,036.49
<b>Net cash used in Investing activities</b>	<b>(1,511.99)</b>	(2,698.52)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012 (Contd...)**

	Year Ended 31-Mar-2012	Year Ended 31-Mar-2011
		in lacs
<b>C Cash flow from financing activities</b>		
Proceeds from long term borrowing	2,351.46	88.15
Changes in other long term liabilities	240.28	213.62
Changes in other non current assets	(588.15)	(799.79)
Changes in long term provisions	95.73	20.04
Changes in long term advances	2,165.09	(2,244.43)
Changes in short term borrowings	(1,693.23)	(1,853.00)
Dividend paid	(1,309.39)	(909.51)
Finance cost	(2,415.38)	(2,068.54)
<b>Net cash (used in)/ from Financing activities</b>	<b>(1,153.59)</b>	<b>(7,553.46)</b>
Net increase / (decrease) in cash and cash equivalents	<b>(896.89)</b>	547.58
Opening balance of cash and cash equivalents	<b>2,285.04</b>	1,737.46
<b>Closing Balance of cash and Cash equivalents</b>	<b><u>1,388.15</u></b>	<u>2,285.04</u>

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

V.S.Navin Shushant  
Company Secretary

Place : Chennai  
Date : 24.05.2012

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

**AUDITORS' CERTIFICATE**

To

The Board of Directors  
Ramco Industries Limited, Chennai-4

We have examined the above cash flow statement of Ramco Industries Limited. The Statement has been prepared 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, 2012 to the members of the Company.

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

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

Place : Chennai  
Date : 24.05.2012

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>1 SHARE CAPITAL</b>		
Authorised Share Capital:		
20,00,00,000 Equity Shares of ` 1/- each	2000.00	2000.00
Issued, Subscribed and Paid-up:		
8,66,63,060 Equity shares of ` 1/- each	866.63	866.63

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
Equity Shares at the beginning of the year	866.63	866.63
Add: Number of shares allotted during the year	0	0
Less: Number of shares bought back	0	0
Equity Shares at the end of the year	866.63	866.63

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

NIL NIL

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

NIL NIL

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

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Madras Cements Limited	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	79,20,680	9.14	79,20,680	9.14
Shri.P.R.Ramasubrahmaneya Rajha	80,80,040	9.32	63,14,540	7.29
Shri.P.R.Venketrama Raja	52,85,000	6.10	52,85,000	6.10
	<b>3,46,58,220</b>	<b>39.99</b>	<b>3,28,92,720</b>	<b>37.96</b>

1.5 Shares reserved for issue under options and contracts

NIL NIL

1.6 Commitments for sale of shares / disinvestment

NIL NIL

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

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

NIL NIL

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As at 31.03.2012 ` in Lacs		As at 31.03.2011 ` in Lacs	
<b>2 RESERVES AND SURPLUS</b>				
2.1 Investment Subsidy Reserve				
As per last Balance Sheet	<b>1,410.71</b>		1,410.71	
Less: Transferred to Profit and Loss Account	<u>0.00</u>	<b>1,410.71</b>	<u>0.00</u>	1,410.71
2.2 Capital Redemption Reserve		<b>0.00</b>		
As per last Balance Sheet				0.00
2.3 Securities Premium Reserve		<b>209.53</b>		
As per last Balance Sheet				209.53
2.4 Debentures Redemption Reserve		<b>0.00</b>		
As per last Balance Sheet				0.00
2.5 Revaluation Reserve		<b>0.00</b>		
As per last Balance Sheet				0.00
2.6 Share options outstandings account		<b>0.00</b>		
As per last Balance Sheet				0.00
2.7 General Reserve				
As per last Balance Sheet	<b>34,017.55</b>		29,817.55	
Add: Transferred from Profit and Loss Account	<u>4,900.00</u>	<b>38,917.55</b>	<u>4,200.00</u>	34,017.55
2.8 Profit and Loss Account				
As per last Balance Sheet	<b>867.11</b>		654.47	
Add: Profit for the year	<u>6,134.46</u>		<u>5,320.81</u>	
	<b>7,001.57</b>		5,975.28	
Less: Appropriations:				
Interim Dividend	<b>779.97</b>		433.32	
Tax on Interim Dividend	<b>126.53</b>		71.97	
Proposed Dividend on Equity Shares	<b>173.33</b>		346.65	
Tax on Dividend	<b>28.12</b>		56.23	
Transferred to General Reserve	<u>4,900.00</u>	<b>993.62</b>	<u>4,200.00</u>	867.11
		<u><b>41,531.41</b></u>		<u>36,504.90</u>
<b>3 LONG TERM BORROWINGS</b>				
Term Loan from Banks Secured		<b>11,409.37</b>		9,056.18
Deposits from Public		<b>9.85</b>		11.58
		<u><b>11,419.22</b></u>		<u>9,067.76</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>4 DEFERRED TAX</b>		
<u>Deferred Tax Liabilities</u>		
Related to Fixed Asset	2,411.74	2,501.35
<u>Deferred Tax Assets</u>		
Disallowance under Income Tax	(123.18)	(92.79)
	<u>2,288.56</u>	<u>2,408.56</u>
<b>5 OTHER LONG TERM LIABILITIES</b>		
Security Deposit	1,577.24	1,336.97
	<u>1,577.24</u>	<u>1,336.97</u>
<b>6 LONG TERM PROVISIONS</b>		
Provision for Leave Salary	294.33	198.60
	<u>294.33</u>	<u>198.60</u>
<b>7 SHORT TERM BORROWINGS</b>		
Loan from banks secured	3,700.00	3,315.49
Loan from banks unsecured	2,000.00	4,000.00
Deposits from Public	3.00	2.25
Deposits from Directors	21.43	99.92
	<u>5,724.43</u>	<u>7,417.66</u>
<b>8 OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt - Secured	3,695.57	7,349.73
Current Maturities of Long Term Debt - UnSecured	2,387.00	-
Interest accrued but not due	0.98	0.71
Unpaid dividends	434.78	28.06
Statutory Duties and Taxes repayable	2,094.12	1,736.80
Customer Credit Balance	743.65	959.05
Unpaid matured deposits	1.06	0.10
	<u>9,357.16</u>	<u>10,074.45</u>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Leave Encashment	78.51	61.83
Provision for Proposed Dividend	173.33	402.89
Provision for Taxation	1,295.41	1,820.00
Other Provisions	673.24	789.50
	<u>2,220.49</u>	<u>3,074.22</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>12 INVESTMENTS</b>		
<b><u>INVESTMENTS - Quoted</u></b>		
<b>I. Investments in Equity Instruments - Associates</b>		
Shares in Madras Cements Ltd: 4,93,12,420 Nos. Equity shares of ` 1/- each fully paid-up	<b>5,815.85</b>	5,815.85
Shares in Rajapalayam Mills Ltd: 8,47,360 Nos. Equity Shares of ` 10/- each fully paid-up (including 4,23,680 nos Bonus Shares)	<b>411.09</b>	411.09
Shares in Ramco Systems Ltd: 48,22,215 Nos. Equity shares of ` 10/- each fully paid up	<b>12,216.19</b>	12,216.19
	<b><u>18,443.13</u></b>	<u>18,443.13</u>
<b>II. Investments in Equity Instruments - Others</b>		
Shares in Indian Bank 1,391 Nos. Equity shares of ` 91/-	<b>1.27</b>	1.27
Shares in HDFC Ltd: 3,10,200 Nos. Equity Shares of ` 2/- each fully paid-up (Face Value of ` 10/- each subdivided into ` 2/- each)	<b>8.27</b>	8.27
Shares in HDFC Bank Ltd: 5,500 Nos. Equity Shares of ` 2/- each fully paid-up (` 10/- Face Value of the Equity Shares has been subdivided into ` 2/- per share)	<b>0.11</b>	0.11
Shares in Vysya Bank Housing Finance Ltd. 30,000 Nos. Shares of ` 10/-each	<b>3.00</b>	3.00
	<b><u>12.65</u></b>	<u>12.65</u>
<b><u>INVESTMENTS - Unquoted</u></b>		
<b>III. Investments in Equity Instruments - Associates</b>		
50,000 shares of ` 10/- each in Ontime Transport Company Ltd	<b>5.00</b>	5.00
<b>IV. Investments in Equity Instruments - Subsidiaries</b>		
42,50,000 Equity Shares of ` 10/- each in Sudharsanam Investments Limited	<b>425.00</b>	425.00
2,30,00,000 Equity Shares of SLR 10/- each in Sri Ramco Lanka (Private) Ltd, Srilanka -	<b>1,365.32</b>	1,365.32
	<b><u>1,790.32</u></b>	<u>1,790.32</u>
<b>V. Investment in Government or Trust Securities</b>		
National Savings Certificates	<b>0.52</b>	0.52
<b>VI. Investments in Mutual Funds</b>		
1,00,000 units of ` 10/- each in HDFC Balanced Fund	<b>10.00</b>	10.00
<b>VII. Investment Others</b>		
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	<b>0.03</b>	0.03
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur 2 Nos. Shares of ` 100/- each of Simandhar Shopping Centre Owners Association	<b>0.03</b> -	0.03 -
	<b><u>0.06</u></b>	<u>0.06</u>
<b>GRAND TOTAL</b>	<b><u>20,261.68</u></b>	<u>20,261.68</u>
Aggregate amount of quoted investments :		
At cost	18,455.78	18,455.78
At Market value	84,413.66	59,296.63
Aggregate amount of unquoted investments at cost	1,805.90	1,805.90

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>13 LONG TEM LOANS AND ADVANCES</b>		
Capital advances	437.66	2,518.11
Security deposits	301.03	288.67
Loans and Advances to related parties	738.45	835.45
	1,477.14	3,642.23
<b>14 INVENTORIES</b>		
Rawmaterials	3,096.64	3,575.50
Raw Materials in Transit	602.40	117.28
Work in process	224.49	184.22
Finished goods	10,613.86	8,374.02
Finished goods in Transit	42.46	16.65
Stores and spares	537.70	508.71
	15,117.55	12,776.38
<b>15 TRADE RECEIVABLES</b>		
Trade receivables Outstanding for more than 6 months, considered doubtful	6.82	18.32
Trade receivables Outstanding for more than 6 months provision	(6.82)	(18.32)
Trade receivables Outstanding for more than 6 months, considered good	150.42	93.98
Trade receivables - considered good	4,993.10	4,568.19
Trade receivables - Related Parties	825.65	317.49
	5,969.17	4,979.66
<b>16 CASH AND CASH EQUIVALENTS</b>		
Balance With Bank	939.20	2,240.73
Cash on Hand	6.84	7.58
Margin Money	7.33	8.67
Balance with Bank - Unpaid Dividend Warrant Account	434.78	28.06
	1,388.15	2,285.04
<b>17 OTHER CURRENT ASSETS</b>		
Advance Income Tax & TDS	1,252.84	1,580.38
Tax Credit - Indirect Taxes	260.27	459.65
Advance to Suppliers	2,126.83	874.32
Prepaid Expenses	131.70	133.93
Other Current Assets	2,181.13	1,329.34
	5,952.77	4,377.62

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	For the Year Ended 31.03.2012 ` in Lacs	For the Year Ended 31.03.2011 ` in Lacs
<b>18 REVENUE FROM OPERATIONS</b>		
Sale Revenue	71,363.40	59,611.37
Less: Excise Duty	<u>(6,041.43)</u>	<u>(5,453.70)</u>
Net Revenue	65,321.97	54,157.67
Other Income from Operations	914.36	619.69
Power Generated from WindMills	<u>1,224.33</u>	<u>1,184.92</u>
	<u>67,460.66</u>	<u>55,962.28</u>
<b>19 OTHER INCOME</b>		
Dividend Income	1,700.05	298.75
Dividend Income from Subsidiaries	596.00	97.00
Interest Income	44.29	59.60
Other Miscellaneous Income	365.90	334.02
Carbon Credit	18.27	-
Royalty Income	<u>1,407.88</u>	<u>1,036.49</u>
	<u>4,132.39</u>	<u>1,825.86</u>
<b>20 COST OF RAW MATERIALS</b>		
Chrysotile Fibre	18,699.14	14,116.53
Cement	9,579.16	7,010.47
Clinker	2,539.51	1,882.25
Cotton	6,314.61	5,230.28
Other Additives	<u>2,639.73</u>	<u>2,005.25</u>
	<u>39,772.15</u>	<u>30,244.78</u>
<b>21 (INCREASE) / DECREASE IN STOCK</b>		
Closing Stock of Finished Goods	10,656.32	8,390.67
Closing Stock of Process Stock	<u>224.49</u>	<u>184.22</u>
	10,880.81	8,574.89
Opening Stock of Finished Goods	8,390.67	7,442.22
Opening Stock of Process Stock	<u>184.22</u>	<u>136.25</u>
	8,574.89	7,578.47
(Increase) / Decrease	<u>(2,305.92)</u>	<u>(996.42)</u>
ED on stock variance	469.07	(41.54)
(Increase) / Decrease	<u>(1,836.85)</u>	<u>(1,037.96)</u>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	3,300.54	2,675.41
Workmen and Staff welfare	249.77	187.59
Managerial Remuneration	363.42	351.73
Contribution to Provident Fund	204.19	173.06
Contribution to Gratuity Fund	73.27	88.28
Contribution to Superannuation Fund	<u>35.73</u>	<u>29.61</u>
	<u>4,226.92</u>	<u>3,505.68</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012**

	For the Year Ended 31.03.2012 ` in Lacs	For the Year Ended 31.03.2011 ` in Lacs
<b>23 FINANCE COSTS</b>		
Interest costs	1,893.06	1,892.11
Exchange fluctuation loss	316.52	-
Other finance costs	205.80	176.43
	2,415.38	2,068.54
<b>24 OTHER EXPENSES</b>		
<b><u>Manufacturing</u></b>		
Stores Consumed	1,210.72	1,035.62
Power & Fuel	4,560.61	3,957.39
Repairs & Maintenance - Building	109.60	83.71
Repairs & Maintenance - General	192.12	196.81
Repairs & Maintenance - Plant & Machinery	1,329.21	1,224.34
<b><u>Administration</u></b>		
Insurance	77.93	76.45
Travelling expenses	413.70	321.37
Rates & Taxes	190.42	222.87
Exchange fluctuation other than AS 11	77.43	(70.17)
Miscellaneous Expenses	634.00	595.09
Rent	93.32	54.55
Printing & Stationery	44.24	30.84
Telephones and communications	60.28	75.37
Corporate Social Responsibility	271.82	86.48
Audit, Accountancy , Legal & Consultancy Expenses	180.48	202.83
Vehicle / Aircraft Maintenance	221.95	142.54
Directors Sitting fees	6.65	5.35
<b><u>Selling &amp; Distribution Expenses</u></b>		
Agency Commission	363.29	304.12
Advertisement Expenses	285.03	446.97
Discounts	1,147.58	1,145.06
Transportation and Handling Expenses	3,297.86	2,765.82
	14,768.24	12,903.41

## SIGNIFICANT ACCOUNTING POLICIES

### A. Basis of preparation of financial statements

1. The Company generally follows mercantile system of accounting and recognizes significant items of Income and Expenditure on accrual basis.
2. The financial statements are prepared under the Historical Cost convention and the accounts are prepared in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.
3. From the beginning of the reporting period, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the company, for preparation and presentation of its financial statements which has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. Current year and previous year figures have been reported in Lakhs with two decimals.

### B. Employee Benefits

1. Short-term employee benefits viz., Salaries, Wages are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which the related service is rendered.
2. Defined Contribution plan viz., Contributions to Provident fund and Superannuation fund are recognized as an expense in the profit and loss account for the year in which the employees have rendered services. The Company contributes to Provident fund administered by the Government on a monthly basis at 12% of employee's basic salary. The Company also contributes for superannuation a sum equivalent to 15% of the employee's eligible annual basic salary subject to a maximum of ₹ 1 Lac per annum to LIC. There are no other obligations other than the above defined contribution plans.
3. Defined Benefit Plan:

#### **Gratuity:**

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

#### **Leave Encashment:**

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

### C. Tangible Assets

1. Tangible Fixed Assets are stated at cost of acquisition (net of CENVAT / VAT wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost less impairment losses if any. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the asset beyond its previously assessed standard of performance. All other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.
2. The lands acquired under lease are amortized equally over the lease period and such amount is included in depreciation.
3. Under Straight Line Method in respect of Fibre Cement Sheet Plants at Arakonam, Karur, Maksi, Silvassa and Corporate Office and Textiles Division.

#### SIGNIFICANT ACCOUNTING POLICIES (CONTD...)

4. Under Written Down Value Method in respect of Fibre Cement Sheet Plants at Kharagpur, Vijayawada, Bhuj, Gangaikondan & Bihiya, Calcium Silicate Board Plant at Arakonam, Plastic Storage Container units at Silvassa and Maksi, Clinker Grinding unit at Kharagpur and Wind Electric Generators.
5. Gains or losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of such assets are recognised in the statement of profit and loss.

#### D. Intangible Assets

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

#### E. Valuation of Inventories

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

#### F. Revenue recognition

1. Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
2. Sale of products is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer.
3. Revenue from operation exclude Excise duty, Education Cess, Secondary and Higher education cess, VAT and CST.
4. Dividend income is recognised when the company's right to receive dividend is established by the reporting date.
5. Income from Wind mills:
  - a. Under wheeling and banking arrangement:  
Units generated from windmills are adjusted against the consumption of power at our factories. The 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.
  - b. Under Power purchase agreement:  
Units generated from windmills are sold to State Electricity Board at agreed rates and the income is included in value of power generated from wind farms.

#### G. Investments

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

#### H. Provisions, Contingent Liabilities and Contingent Assets

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

## SIGNIFICANT ACCOUNTING POLICIES (CONTD...)

### I. Research and Development Expenditure

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

### J. Lease

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

### K. Borrowing Costs

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

### L. Earnings per Share

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

### M. Tax on Income

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

### N. Foreign Currency Transactions

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

### O. Segment Reporting

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

### P. Subsidies and Government Grants:

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

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

### Q. Impairment of assets

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

### R. Use of Estimates

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

**25. NOTES ON ACCOUNTS:**

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>1. I. Contingent Liabilities not provided for :</b>		
A. Claims against the company / disputed liabilities not acknowledged as debts:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	9.89	89.00
B. Guarantees		
Bank Guarantees to Banks/Financial institutions against credit facilities extended to third parties :		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	9,899.00	8,629.00
<b>II. Commitments</b>		
A. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	377.81	831.77
B. Other Commitments		
a. Letter of Credits	NIL	791.79
b. Bank Guarantees	258.12	255.94
<b>2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards:</b>		
Statutory Audit Fees	7.87	6.62
Tax Audit Fees	0.44	0.44
Fees for certification	0.67	0.66
Expenses of Audit	2.85	2.24
Cost Audit Fees	2.25	-
<b>3. The break up of Deferred tax liability as at 31.03.2012 of ` 2,288.56 lacs is as under:</b>		
Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	2,411.74	2,501.35
Tax effect of provision for Leave Encashment	(120.97)	(86.51)
Tax effect of provision for Bad and Doubtful debts	(2.21)	(6.28)
<b>4. The Company has not utilized Short Term Loans for Long Term purposes.</b>		
<b>5. Demand raised by the Income Tax Department amounting to ` 2,179 lacs which have been disputed by the company and necessary appeals have been filed. Based on the nature of the claim disputed, no provision has been considered necessary.</b>		
<b>6. Sales Tax demand amounting to ` 9.89 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.</b>		
<b>7. Trade receivables include dues from Overseas Subsidiary Company viz., Sri Ramco Roofings Lanka (Private) Ltd., Sri Lanka to the extent of ` 54.41 lacs and Sri Ramco Lanka (Private) Ltd, Sri Lanka to the extent of ` 694.11 lacs. Maximum amount due during the year is ` 697.26 and ` 694.11 lacs respectively.</b>		
<b>8. The Company's Shares are listed on Madras Stock Exchange Limited, National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the listing fees in respect of all the three exchanges for the Financial year 2012-2013 have been paid.</b>		

**NOTES ON ACCOUNTS (CONTD...)**

9. a. Long Term Loans of ₹ 11,409.37 Lacs 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.

₹ in Lacs

Rate of interest	Outstanding as on 31.03.2012	Repayment schedule			
		2013-14	2014-15	2015-16	2016-17
13.25%	164.20	131.20	33.00	0.00	0.00
13.25%	768.69	400.00	368.69	0.00	0.00
12.25%	5,000.00	2,500.00	2,500.00	0.00	0.00
4.77%	3,052.50	2,416.56	635.94	0.00	0.00
12.25%	68.92	45.84	23.08	0.00	0.00
12.50%	245.10	89.13	89.13	66.84	0.00
11.75%	2,109.96	529.40	529.40	529.40	521.76
<b>TOTAL</b>	<b>11,409.37</b>	<b>6,112.13</b>	<b>4,179.24</b>	<b>596.24</b>	<b>521.76</b>

- b. Short Term Loans of ₹ 3,700.00 Lacs borrowed from banks are secured by pari passu first charge on the fixed assets and pari passu second charge on current assets of the Company.

₹ in Lacs

Rate of interest	Outstanding as on 31.03.2012	Repayable in the year 2012-13
12.75%	2,700.00	2,700.00
11.30%	500.00	500.00
11.00%	500.00	500.00
<b>TOTAL</b>	<b>3,700.00</b>	<b>3,700.00</b>

- c. External Commercial Borrowing Loan of USD 6.00 million amounting to ₹ 3,052.50 lacs borrowed from DBS Bank Ltd., Singapore is secured by pari passu first charge on the fixed assets and pari passu second charge on current assets in favour of Security Trustee DBS Bank Ltd., Chennai.

As per requirements of Accounting Standard 11, ECB loan has been valued at ₹ 50.875 per USD, as the closing rate on 31/03/2012.

This has resulted in a notional loss of ₹ 375.50 lacs which has been accounted as per Notifications dated 31/03/2009 and 11<sup>th</sup> May 2011 amending the Accounting Standard AS 11 relating to the Effects of Foreign Exchange Rates as ₹ 79.85 lacs towards Interest and ₹ 295.65 lacs towards Fixed Assets.

- d. The Working Capital Borrowings of the Company are secured by hypothecation of Stocks of raw materials, work-in progress, stores, spares and finished goods and book debts and second charge on fixed assets.

10. The premium on forward exchange contracts not intended for trading or speculative purpose is amortized as expense over the life of the contract. During the current year ₹ 4.80 lacs (PY: ₹ 29.02 lacs) has been amortized and the same is included in interest and finance charges.

**NOTES ON ACCOUNTS (CONTD...)**

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

Defined Contribution Plan:

` In lacs

	2011-12
Employer's Contribution to Provident Fund	204.19
Employer's Contribution to Superannuation Fund	35.73

` in lacs

	Gratuity (Funded)	Leave Encashment (Unfunded)
Reconciliation of opening and closing balances of defined benefit plan:		
Defined Benefit obligation as on 1-4-2011	782.09	260.43
Current Service Cost	56.97	25.90
Interest Cost	64.98	19.39
Actuarial (gain) / loss	1.79	103.13
Benefits paid	(65.16)	(36.01)
Past Service Cost (Vested Benefits)	-	-
Defined Benefit obligation as on 31-3-2012	840.67	372.84
Reconciliation of opening and closing balances of fair value of plan assets:		
Fair value of plan assets as on 1-4-2011	782.86	-
Expected return on plan assets	62.92	-
Actuarial gain / (loss)	8.10	-
Employer contribution	72.55	36.01
Benefits paid	(65.16)	(36.01)
Fair value of plan assets as on 31-3-2012	861.27	-
Actual Return of plan assets:		
Expected return on plan assets	62.92	-
Actuarial gain / (loss) on plan assets	8.10	-
Actual return on plan assets	71.02	-
Actuarial gain / loss recognised:		
Actuarial gain / (loss) for the period — Obligation	(1.79)	(103.13)
Actuarial gain/(loss) for the period - Plan assets	8.10	-
Total (gain) / loss for the period	(6.31)	103.13
Actuarial (gain) / loss recognized in the period	(6.31)	103.13
Unrecognised actuarial (gain)/loss at the end of the year	-	-
Reconciliation of fair value of assets and obligations:		
Fair value of plan assets	861.27	-
Present value of obligation	840.67	372.84
Difference	(20.60)	372.84
Unrecognized transitional liability	-	-
Unrecognized past service cost–non vested benefits	-	-
Amount recognized in Balance Sheet	-	372.84

NOTES ON ACCOUNTS (CONTD...)

in lacs

	Gratuity (Funded)	Leave Encashment (Unfunded)
Expense recognized during the year:		
Current Service Cost	56.97	25.90
Interest Cost	64.98	19.39
Expected return on plan assets	(62.92)	-
Net Actuarial (gain) / loss recognized in the year	(6.31)	103.13
Transitional liability recognized in the year	-	-
Past service cost - non-vested benefits	-	-
Past service cost - vested benefits	-	-
Effect of Limit as per para 59(b) read with para 61(g) of AS15R	20.54	-
Net Cost	73.26	148.42
Movement in the Liability recognized in the Balance Sheet		
Opening Net liability	(0.71)	260.43
Expense as above	73.26	148.42
Contribution paid	(72.55)	(36.01)
Closing Net liability	-	372.84
Amount for the period:		
Present value of obligation	840.67	372.84
Plan Assets	861.27	-
Surplus / (deficit)	20.59	(372.84)
Experience adjustments on plan liabilities—(loss) / gain	(23.01)	(173.82)
Experience adjustments on plan assets—(loss) / gain	8.10	-
Investment Details as on 31-3-2012:		
GOI Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Funds with LIC	100.00%	0.00%
Bank balance	0.00%	0.00%
Others	0.00%	0.00%
Actuarial assumptions:		
Discount rate p.a.	8.67%	8.67%
Rate of escalation in salary p.a.	5.50%	5.50%
Attrition rate	2.00%	2.00%
Expected rate of return on plan assets p.a.	8.00%	0.00%

12. The Company is eligible for Incentives under the "West Bengal Incentive Scheme 2000" in respect of its Fibre Cement Plant and Clinker Grinding unit at Kharagpur in the State of West Bengal. A sum of ` 728.86 lacs (Previous Year: ` 564.12 lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account.

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

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

**NOTES ON ACCOUNTS (CONTD...)**

	For the Year Ended 31.03.2012 ` in Lacs	For the Year Ended 31.03.2011 ` in Lacs	
13. Earnings Per Share:			
Net Profit after Tax (A)	6,134.46	5,320.80	
No. of Shares (B)	8,66,63,060	8,66,63,060	
Basic and Diluted earnings per share of ` 1 each (A/B)	7.08	6.14	
14. Additional information as required by Schedule VI of the Companies Act, 1956.			
(a) CIF Value of Imports			
Raw Material	18,019.54	13,394.47	
Spares	37.75	41.67	
Capital Goods	167.40	645.00	
(b) Expenditure in Foreign Currency on account of Travelling & other matters	288.32	52.01	
(c) Number of Non-resident Shareholders	148	150	
(d) Amount remitted in Foreign Currency on account of dividends	NIL	NIL	
(e) Value of Consumption of Imported and indigenous raw material and spares			
Raw Material			
	` In lacs	%	` In lacs      %
Imported	20,480.35	51%	16,770.16      55%
Indigenous	19,291.82	49%	13,474.62      45%
Spares			
Imported	40.18	3%	35.20      3%
Indigenous	1,170.54	97%	1,000.42      97%
(f) Earnings in Foreign Currency			
Export of Goods	3,955.40		1,609.41
Royalty Income	862.17		1,036.49
Dividend from Srilankan Subsidiary	536.81		93.88
15. Related Party Disclosure			
As per Accounting Standard (AS 18) issued by the Institute of Chartered Accountants of India, the Company's related parties are given below:			
a. Subsidiary Companies:			
1. Sudharsanam Investments Ltd			
2. Sri Ramco Lanka (Private) Ltd., Srilanka			
3. Sri Ramco Roofings Lanka (Private) Ltd., Srilanka			
b. Key Management Personnel and relatives:			
P.R. Ramasubrahmaneya Rajha			
P.R. Venketrama Raja			
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 Mills Ltd			
Sandhya Spinning Mill Ltd			
Thanjavur Spinning Mill Ltd			
Sri Harini Textiles Ltd			

**NOTES ON ACCOUNTS (CONTD...)**

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

Name of the related Party	Value (` in Lacs)	Outstanding as on 31.03.2012 (` in Lacs)
<b>i. Export of Machinery and Spares:</b>		
Sri Ramco Lanka (Private) Ltd	292.86	-
Sri Ramco Roofing Lanka (Private) Ltd	1,701.92	54.41
<b>ii. Service income:</b>		
Sri Ramco Lanka (Private) Ltd		
Royalty income – accrued but not due	1,407.88	694.11
The Ramaraju Surgical Cotton Mills Ltd		
- Conversion Charges	3.19	NIL
Sri Vishnu Sankar Mills Ltd		
- Conversion Charges	0.54	NIL
Rajapalayam Mills Ltd		
- Conversion Charges	0.29	NIL
Sandhya Spinning Mill Limited		
- Conversion Charges	0.23	NIL
<b>iii. Sale of Goods:</b>		
Sri Vishnu Shankar Mills Limited		
- Machinery and stores items	0.19	NIL
- Waste Cotton	10.70	NIL
- Building Products	0.09	NIL
- Yarn	0.20	NIL
Sandhya Spinning Mill Limited		
- Waste Cotton	62.67	NIL
- Cotton	10.99	NIL
Sri Harini Textiles Limited		
- Building Products	1.28	NIL
- Waste Cotton	109.77	NIL
Rajapalayam Mills Limited		
- Building Products	0.82	NIL
- Cotton	6.30	NIL
- Waste Cotton	329.83	NIL
- Machinery and stores items	0.31	NIL
- Sale of Vehicle	10.76	NIL
- Sale of yarn	0.33	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Building Products	0.13	NIL
- Waste Cotton	110.42	NIL
- Machinery and stores items	0.63	NIL
Thanjavur Spinning Mill Ltd		
- Cotton	45.46	NIL
Madras Cements Limited		
- Building Products	137.02	NIL
- DEPB Licence	35.53	NIL
<b>iv. Purchase of Goods:</b>		
Madras Cements Ltd		
- Cement	5,351.84	NIL
- Flyash	47.55	NIL
- Power	88.56	NIL
- Gypsum	0.85	NIL

**NOTES ON ACCOUNTS (CONTD...)**

Name of the related Party	Value (` in Lacs)	Outstanding as on 31.03.2012 (` in Lacs)
Rajapalayam Mills Limited		
- Cotton	276.89	NIL
- Yam	781.67	NIL
- DEPB Licence	265.85	NIL
Sandhya Spinning Mill Ltd		
- Spares	0.29	NIL
- DEPB Licence	14.17	NIL
- Cotton	63.11	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Cotton	198.92	NIL
- DEPB Licence	23.62	NIL
Sri Vishnu Shankar Mills Ltd		
- Cotton	127.44	NIL
- DEPB Licence	78.82	NIL
- Spares	0.17	NIL
Thanjavur Spinning Mill Ltd		
- Cotton	109.80	NIL
- DEPB	0.79	NIL
<b>v. <u>Availment of Services</u></b>		
Ramco Systems Ltd		
- Software related services	197.58	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Conversion charges	2.04	NIL
Sri Vishnu Shankar Mills Ltd		
- Conversion charges	3.42	NIL
Sandhya Spinning Mill Ltd		
- Conversion charges	9.17	NIL
Rajapalayam Mills Ltd		
- Conversion charges	29.39	NIL
<b>vi. <u>Rental Income</u></b>		
Shri.P.R.Ramasubrahmaneya Rajha	0.15	NIL
Smt.R.Nalina Ramalakshmi	0.45	NIL
<b>vii. <u>Corporate Guarantees Issued</u></b>		
Ramco Systems Limited	5,500.00	4,433.81
Shri Harini Textiles Limited	3,629.00	2,538.79
Deccan Renewable Wind Electrics Ltd /		
Axis Wind Energy Ltd	770.00	761.00
<b>viii. <u>Intercorporate Loans Given</u></b>		
Sudharsanam Investments Limited	-	738.45
<b>ix. <u>Assets held jointly</u></b>		
<b><u>Aircraft - 1</u></b>		
Madras Cements Ltd	Share of joint ownership in Aircraft 50%	
<b><u>AirCraft - 2</u></b>		
Madras Cements Ltd	Share of joint ownership in Aircraft 16.67%	

**NOTES ON ACCOUNTS (Contd.)**

**16. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

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

(` in Lacs)

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2012	Year Ended 31.3.2011								
<b>1. Revenue/Income from operations</b>										
External Customers	56,412.47	44,553.12	10,062.92	10,424.72	1,242.60	1,184.92	3,875.06	1,226.05	71,593.05	57,788.14
Inter-segment	271.36	230.34	645.31	619.92	(916.67)	(850.26)	-	-	-	-
<b>Total Revenue</b>	<b>56,683.83</b>	<b>44,783.46</b>	<b>10,708.23</b>	<b>11,044.64</b>	<b>325.93</b>	<b>334.66</b>	<b>3,875.06</b>	<b>1,226.05</b>	<b>71,593.05</b>	<b>57,788.14</b>
<b>2. Results</b>										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	5,276.87	5,226.28	(161.46)	1,632.98	564.56	444.39	1,723.81	1,154.57	7,403.79	8,458.22
Interest expenses									2,415.38	2,002.77
Interest Income/ Dividend income									2,296.05	455.35
Income Tax - Current									1,270.00	1,820.00
- Deferred									(120.00)	(230.00)
Profit from Ordinary activities									6,134.46	5,320.80
Extraordinary Profit/Loss										
Net Profit									6,134.46	5,320.80
<b>3. Other Information</b>										
Segment Assets	34,623.80	28,731.49	11,650.72	12,871.98	2,886.67	3,378.45	28,642.19	25,305.90	77,803.38	70,287.82
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>34,623.80</b>	<b>28,731.49</b>	<b>11,650.72</b>	<b>12,871.98</b>	<b>2,886.67</b>	<b>3,378.45</b>	<b>28,642.19</b>	<b>25,305.90</b>	<b>77,803.38</b>	<b>70,287.82</b>
Segment Liabilities	27,660.13	3,567.27	12,406.42	5,182.50	2,401.93	8.12	(6,011.75)	25,738.77	36,456.73	34,496.66
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>27,660.13</b>	<b>3,567.27</b>	<b>12,406.42</b>	<b>5,182.50</b>	<b>2,401.93</b>	<b>8.12</b>	<b>(6,011.75)</b>	<b>25,738.77</b>	<b>36,456.73</b>	<b>34,496.66</b>
Capital Expenditure	5,070.67	2,957.84	400.14	626.11	-	-	1,702.35	611.76	7,173.16	4,195.71
Depreciation	1,585.64	1,194.48	1,110.63	1,052.79	474.86	560.84	167.96	139.57	3,339.09	2,947.68
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

**NOTES ON ACCOUNTS (CONTD...)**

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

Name	Closing Balance as on 31.03.2012 inclusive of interest accrued ( ` in Lacs)	Interest Accrued ( ` in Lacs)
Sri. P.R. Venketrama Raja	20.43	3.15
Sri. K.T. Ramachandran	1.00	0.08

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

19. Figures have been rounded of in lacs with two decimals.

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

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

Place : Chennai  
Date : 24.05.2012

V.S.NAVIN SHUSHANT  
Company Secretary

**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 ` 10/- each as on 31.03.2012
  - 2 The Net Profit of ` 96.85 lacs of the Subsidiary Company for the year ended 31.03.2012 has not been dealt with in the Company's account.
  - 3 The Cumulative Net Profit of ` 30.19 lacs for the previous financial years ended upto 31.03.2011 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 31.03.2012
  - 2 The Net Profit of SLR.6,048.07 lacs after providing Taxation, of the Subsidiary Company for the year ended 31.03.2012 has not been dealt with in the Company's account.
  - 3 The Cumulative Net Profit of SLR.9,261.32 lacs for the previous financial years ended upto 31.03.2011 have not been dealt with in the Company's accounts.
- III Name of Subsidiary Company : **SRI RAMCO ROOFINGS LANKA (PRIVATE) LIMITED, SRI LANKA** Wholly Owned Subsidiary of Sri Ramco Lanka (Private) Limited
- 1 Sri Ramco Lanka (Private) Limited holds 20,00,000 shares of SLR.10/- each as on 31.03.2012
  2. The Net Loss of SLR.426.65 lacs of the Subsidiary Company for the year ended 31/03/2012 has not been dealt with in the Company's account.
  3. The Cumulative Net Loss of SLR.505.01 lacs for the previous financial years ended upto 31/03/2011 have not been dealt with in the Company's accounts.

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

V.S.NAVIN SHUSHANT  
Company Secretary

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

Place : Chennai  
Date : 24.05.2012

**RAMCO INDUSTRIES LIMITED  
DETAILS OF SUBSIDIARY COMPANIES  
for the year ended 31.03.2012**

**SLR. In Lacs & ` In Lacs**

Sl.No.	Name of Subsidiary Company	Sudharsanam Investments Limited, Rajapalayam (in `)	Sri Ramco Lanka (Private) Limited, Sri Lanka	Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka
1	Capital	425.00	SLR 2,300.02 ` 1,365.32	200.02 80.81
2	Reserves & Surplus	127.04	SLR 13,699.37 ` 5,389.67	(505.01) (201.92)
3	Total Assets	1,290.55	SLR 22,570.87 ` 8,872.61	10,168.60 4,037.95
4	Total Liabilities	1,290.55	SLR 22,570.87 ` 8,872.61	10,168.60 4,037.95
5	Total Investments	1,286.25	SLR 200.00 ` 80.80	NIL NIL
6	Total Income	96.93	SLR 33,199.18 ` 14,142.85	NIL NIL
7	Profit before Taxation	96.85	SLR 8,428.11 ` 3,484.14	(426.65) (181.75)
8	Provision for Taxation	NIL	SLR 2,380.04 ` 945.11	NIL NIL
9	Profits after Taxation	96.85	SLR 6,048.07 ` 2,539.02	(426.65) (181.75)
10	Proposed Dividends	NIL	SLR 1,380.01 ` 548.00	NIL NIL

Exchange rate as on 31.03.2012 - 1 Sri Lankan Rupee (SLR) = ` 0.3971

## 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 31<sup>st</sup> March, 2012 and the Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March 2012.

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, Sri Ramco Lanka (Private) Limited and Sri Ramco Roofings 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 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, 2012; 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.

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

Chartered Accountants

FRN: 001208S

**P.SANTHANAM**

Partner

Membership No.018697

Place : Chennai

Date : 24.05.2012

For **CNGSN & ASSOCIATES**

Chartered Accountants

FRN: 004915S

**C.N. GANGADARAN**

Partner

Membership No.011205

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### BALANCE SHEET AS AT 31ST MARCH 2012

	Note No.	As at 31.03.2012 in Lacs		As at 31.03.2011 in Lacs	
<b>I EQUITY AND LIABILITIES</b>					
<b>SHAREHOLDERS FUND</b>					
Share Capital	1	866.84		866.84	
Reserves and Surplus	2	<u>46,072.92</u>	<u>46,939.76</u>	<u>39,715.14</u>	40,581.98
<b>NON CURRENT LIABILITIES</b>					
Long - Term Borrowings	3	11,865.96		9,067.76	
Deferred Tax Liabilities (Net)	4	2,365.10		2,479.53	
Other Long Term Liabilities	5	1,577.24		1,336.97	
Long Term Provisions	6	<u>359.56</u>	<u>16,167.86</u>	<u>235.73</u>	13,119.99
<b>CURRENT LIABILITIES</b>					
Short Term Borrowings	7	5,868.00		7,424.99	
Trade Payables		4,470.40		4,382.76	
Other Current Liabilities	8	9,480.90		10,098.38	
Short Term Provisions	9	<u>3,439.84</u>	<u>23,259.14</u>	<u>3,758.50</u>	25,664.63
<b>TOTAL</b>			<u><b>86,366.76</b></u>		<u><b>79,366.60</b></u>
<b>II ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
<b>FIXED ASSETS</b>					
Tangible Assets	10	29,810.03		23,757.47	
Intangible Assets	11	228.92		195.96	
Capital Work in Progress		1,685.16		3,170.93	
Non Current Investments	12	19,757.59		19,757.59	
Long Term Loans and Advances	13	738.69		2,806.78	
Other Non Current Assets		<u>1,399.03</u>	<u>53,619.42</u>	<u>810.88</u>	50,499.61
<b>CURRENT ASSETS</b>					
Inventories	14	16,903.26		13,641.07	
Trade Receivables	15	5,940.89		5,262.65	
Cash and Cash Equivalents	16	3,175.69		5,167.12	
Other Current Assets	17	<u>6,727.50</u>	<u>32,747.34</u>	<u>4,796.15</u>	28,866.99
<b>TOTAL</b>			<u><b>86,366.76</b></u>		<u><b>79,366.60</b></u>
Significant Accounting Policies					
Notes on Financial Statements	1-25				

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

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

Place : Chennai  
Date : 24.05.2012

V.S.NAVIN SHUSHANT  
Company Secretary

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012

	Note No.	For the year ended 31.03.2012 ` in Lacs	For the year ended 31.03.2011 ` in Lacs
<b>INCOME</b>			
Revenue from operations	18	79,813.42	67,234.76
Other Income	19	2,379.05	879.33
<b>Total Revenue</b>		<u>82,192.47</u>	<u>68,114.09</u>
<b>EXPENDITURE</b>			
Cost of materials	20	47,527.59	36,700.04
Cost of resale materials		86.21	245.20
Change in inventories	21	(2,103.10)	(847.38)
Employee benefit expenses	22	4,736.12	3,841.11
Finance costs	23	2,456.16	2,068.56
Other expenses	24	16,267.34	14,825.33
Depreciation		3,522.70	3,046.86
<b>Total Expenses</b>		<u>72,493.02</u>	<u>59,879.72</u>
Profit before exceptional and extraordinary items and tax		9,699.45	8,234.37
Exceptional items		152.89	-
<b>Profit before tax</b>		<u>9,852.34</u>	<u>8,234.37</u>
Tax expense			
Current Tax		2,278.34	2,408.62
Deferred Tax		(114.44)	(241.97)
<b>Profit for the year</b>		<u>7,688.44</u>	<u>6,067.72</u>
Significant Accounting Policies			
Notes on Financial Statements	1-25		
Earnings per equity share - Basic & Diluted (in `)		8.87	7.00

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

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

Place : Chennai  
Date : 24.05.2012

V.S.NAVIN SHUSHANT  
Company Secretary

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

₹. in lacs

	Year Ended 31-Mar-2012	Year Ended 31-Mar-2011
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit, after tax as per Profit and Loss Account	7,688.44	6,067.72
Adjusted for		
Provision for taxation		
Current tax	2,278.34	2,406.62
Deferred tax	(114.44)	(241.97)
Loss on sale of assets	7.84	-
Depreciation	3,522.70	3,046.85
Dividend Income	(1,796.97)	(316.78)
Other income	-	55.57
Interest income	(174.00)	(196.48)
Effects on Exchange rate	316.52	-
Interest paid	<u>2,139.64</u>	<u>2,068.56</u>
	<b>6,179.63</b>	<b>6,822.37</b>
Operating profit before working capital changes	<b>13,868.07</b>	12,890.09
Adjusted for		
Trade and other receivables	(678.23)	(1,804.02)
Inventories	(3,262.19)	540.12
Trade payables	87.64	1,956.68
Other Current Assets	(1,931.34)	(30.15)
Other current Liabilities	<u>(1,683.63)</u>	<u>2,726.84</u>
	<b>(7,467.75)</b>	<b>3,389.47</b>
<b>Cash generated from operations</b>	<b>6,400.32</b>	16,279.56
Taxes paid	(1,329.42)	(2,408.53)
Net cash from operating activities	<b>5,070.90</b>	13,871.03
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(9,751.53)	(4,187.25)
Sale of fixed assets	135.47	101.93
Interest income	174.00	196.48
Dividend income	1,796.97	316.78
Changes in WIP	1,485.79	(441.44)
Increase in share capital	-	0.21
Movement of Loans and Advances	-	(789.86)
Provision for AS 15	<u>(222.73)</u>	<u>(160.24)</u>
<b>Net cash used in Investing activities</b>	<b>(6,382.03)</b>	(4,963.39)

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012 (CONTD...)**

	Year Ended 31-Mar-2012	Year Ended 31-Mar-2011
` in lacs		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowing	2,798.20	84.87
Changes in long term Liabilities	240.27	213.63
Changes in other non current assets	(588.15)	(799.77)
Changes in long term provision	123.83	29.73
Changes in long term advances	2,068.09	(1,408.98)
Changes in short term borrowings	(1,556.99)	(2,097.29)
Dividend paid	(1,309.39)	(908.17)
Finance cost	(2,456.16)	(2,068.56)
<b>Net cash (used in)/ from Financing activities</b>	<b>(680.30)</b>	<b>(6,954.54)</b>
Net increase / (decrease) in cash and cash equivalents	(1,991.43)	1,953.10
Opening balance of cash and cash equivalents	5,167.12	3,214.02
<b>Closing Balance of cash and Cash equivalents</b>	<b>3,175.69</b>	<b>5,167.12</b>

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

V.S.Navin Shushant  
Company Secretary

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

Place : Chennai  
Date : 24.05.2012

**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 2012 to the members of the Company.

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

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

Place : Chennai  
Date : 24.05.2012

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>1 SHARE CAPITAL</b>		
Authorised, Issued, Subscribed and Paid-up share capital and par value per share		
Authorised Share Capital :		
20,00,00,000 Equity Shares of ` 1/-each	<u>2,000</u>	<u>2000</u>
Number of equity shares outstanding as at		
Issued, Subscribed and Paid-up :	866.84	866.84
8,66,84,251 Equity shares of ` 1/- each	-	-
fully paid up	-	-
(Includes 202 Equity Shares of ` 10/-	<u>866.84</u>	<u>866.84</u>
each fully paid-up in Sri Ramco Roofings Lanka (Private) Ltd.)		

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

<b>Particulars</b>	<b>As at 31st March, 2012</b>	As at 31st March, 2011
Equity Shares at the beginning of the year	866.84	866.84
Add: Number of shares allotted during the year	0	0
Less: Number of shares bought back	0	0
Equity Shares at the end of the year	<u>866.84</u>	<u>866.84</u>

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

NIL NIL

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

NIL NIL

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

<b>Name of the Shareholder</b>	<b>As at 31st March, 2012</b>		<b>As at 31st March, 2011</b>	
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
Madras Cements Limited	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	79,20,680	9.14	79,20,680	9.14
Shri.P.R.Ramasubrahmaneya Rajha	80,80,040	9.32	63,14,540	7.29
Shri.P.R.Venketrama Raja	52,85,000	6.10	52,85,000	6.10
	<u>3,46,58,220</u>	<u>39.99</u>	<u>3,28,92,720</u>	<u>37.96</u>

1.5 Shares reserved for issue under options and contracts

NIL NIL

1.6 Commitments for sale of shares / disinvestment

NIL NIL

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

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

NIL NIL

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 in Lacs			As at 31.03.2011 in Lacs
<b>2 RESERVES AND SURPLUS</b>				
2.1 Investment Subsidy Reserve				
As per last Balance Sheet	<b>1,410.71</b>		1,410.71	
Less: Transferred to Profit and Loss Account	<u>0.00</u>	<b>1,410.71</b>	<u>0.00</u>	1,410.71
2.2 Capital Redemption Reserve		<b>0.00</b>		
As per last Balance Sheet				0.00
2.3 Securities Premium Reserve		<b>209.53</b>		
As per last Balance Sheet				209.53
2.4 Debentures Redemption Reserve		<b>0.00</b>		
As per last Balance Sheet				0.00
2.5 Revaluation Reserve		<b>0.00</b>		
As per last Balance Sheet				0.00
2.6 Share options outstandings account		<b>0.00</b>		
As per last Balance Sheet				0.00
2.7 General Reserve				
As per last Balance Sheet	<b>33,938.37</b>		29,738.37	
Add: Transferred from Profit and Loss Account	<b>4,900.00</b>		4,200.00	
Less: Translation difference	<u>(382.95)</u>	<b>38,455.42</b>	<u>(160.23)</u>	33,778.14
2.8 Profit and Loss Account				
As per last Balance Sheet	<b>4,316.76</b>		3,357.21	
Add: Profit for the year	<b>7,688.44</b>		6,067.72	
	<b>12,005.20</b>		9,424.93	
Less: Appropriations:				
Interim Dividend	<b>779.97</b>		433.30	
Tax on Interim Dividend	<b>126.53</b>		71.97	
Proposed Dividend on Equity Shares	<b>173.33</b>		346.65	
Tax on Dividend	<b>28.13</b>		56.25	
Transferred to General Reserve	<u>4,900.00</u>	<b>5,997.26</b>	<u>4,200.00</u>	4,316.76
		<u><b>46,072.92</b></u>		<u>39,715.14</u>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>3 LONG TERM BORROWINGS</b>		
Loan from banks secured	11,856.11	9,056.18
Deposits	9.85	11.58
	<b>11,865.96</b>	<b>9,067.76</b>
<b>4 DEFERRED TAX</b>		
<u>Deferred tax Liabilities</u>		
Related to Fixed Assets	2,492.93	2,572.98
<u>Deferred tax Assets</u>		
Disallowance under Income tax	(127.83)	(93.45)
	<b>2,365.10</b>	<b>2,479.53</b>
<b>5 OTHER LONG TERM LIABILITIES</b>		
Security deposit	1,577.24	1,336.97
	<b>1,577.24</b>	<b>1,336.97</b>
<b>6 LONG TERM PROVISIONS</b>		
Provision for gratuity	65.23	37.13
Provision for other employee benefits	294.33	198.60
	<b>359.56</b>	<b>235.73</b>
<b>7 SHORT TERM BORROWINGS</b>		
Loan from banks secured	3,700.00	3,315.49
Loan from banks unsecured	2,143.57	4,007.33
Deposits from Public	3.00	2.25
Deposits from Directors	21.43	99.92
	<b>5,868.00</b>	<b>7,424.99</b>
<b>8 OTHER CURRENT LIABILITIES</b>		
Current maturity of Long term debt- Secured	3,814.70	7,349.73
Current maturity of Long term debt- Unsecured	2,387.00	-
Interest accrued but not due	0.98	0.71
Unpaid dividends	434.78	28.06
Statutory dues and Taxes recovery/ Repayable	2,098.73	1,760.73
Customer Credit Balance	743.65	959.05
Unpaid matured deposits	1.06	0.10
	<b>9,480.90</b>	<b>10,098.38</b>
<b>9 SHORT TERM PROVISIONS</b>		
Provision for Leave Encashment	78.51	61.83
Provision for Proposed Dividend	173.33	402.89
Provision for Taxation	2,514.76	2,504.28
Other Provisions	673.24	789.50
	<b>3,439.84</b>	<b>3,758.50</b>

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

**10. FIXED ASSETS - TANGIBLE ASSETS** (₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As At 1-Apr-2011	Additions	Withdrawals/ Adjustments	As At 31-Mar-2012	For the year 2011-12	Up to 31-Mar-2012	As At 31-Mar-2011
LAND	2,169.70	107.86	95.24	<b>2,182.32</b>	-	-	2,169.70
LAND - LEASE HOLD	12.73	12.49	1.75	<b>23.47</b>	3.82	<b>6.64</b>	9.91
BUILDINGS	7,508.44	3,946.78	-	<b>11,455.22</b>	419.13	<b>2,809.52</b>	5,118.05
RAILWAY SIDINGS	20.68	-	-	<b>20.68</b>	-	<b>19.65</b>	1.03
PLANT & MACHINERY	34,076.91	4,245.72	163.99	<b>38,158.64</b>	2,619.38	<b>22,289.62</b>	14,268.62
ELECTRICAL MACHINERY	2,591.30	1,074.50	0.78	<b>3,665.02</b>	294.77	<b>1,746.84</b>	1,138.52
FURNITURE AND OFFICE EQUIPMENTS	397.18	58.90	-	<b>456.08</b>	10.30	<b>265.27</b>	142.21
VEHICLES	460.20	205.28	41.68	<b>623.80</b>	68.04	<b>263.29</b>	243.57
AIRCRAFT	719.08	-	-	<b>719.08</b>	40.24	<b>93.46</b>	665.86
<b>TOTAL</b>	47,956.22	9,651.53	303.44	<b>57,304.31</b>	3,455.68	<b>27,494.29</b>	23,757.47

**11. FIXED ASSETS - INTANGIBLE ASSETS** (₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As At 1-Apr-2011	Additions	Withdrawals/ Adjustments	As At 31-Mar-2012	For the year 2011-12	Up to 31-Mar-2012	As At 31-Mar-2011
SOFTWARE	456.21	100.00	-	<b>556.21</b>	67.02	<b>327.29</b>	195.96
<b>TOTAL</b>	456.21	100.00	-	<b>556.21</b>	67.02	<b>327.29</b>	195.96
<b>Grand total</b>	<b>48,412.43</b>	<b>9,751.53</b>	<b>303.44</b>	<b>57,860.52</b>	<b>3,522.70</b>	<b>27,821.57</b>	23,953.43
<b>Previous year</b>	44,169.68	4,344.68	101.93	48,412.43	3,046.86	24,459.01	22,914.94

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
<b>12. INVESTMENTS</b>		
<b><u>INVESTMENTS - Quoted</u></b>		
<b>I. Investments in Equity Instruments - Associates</b>		
Shares in Madras Cements Ltd: 5,22,95,020 Nos. Equity shares of ₹ 1/- each fully paid-up	7,102.10	7,102.10
Shares in Rajapalayam Mills Ltd: 8,47,360 Nos. Equity Shares of ₹ 10/- each fully paid-up (including 4,23,680 Nos. Bonus Shares)	411.09	411.09
Shares in Ramco Systems Ltd: 48,22,215 Nos. Equity shares of ₹ 10/- each fully paid up	12,216.19	12,216.19
	<b>19,729.38</b>	19,729.38
<b>II. Investments in Equity Instruments - Others</b>		
Shares in Indian Bank 1,391 Nos. Equity shares of ₹ 91/-	1.27	1.27
Shares in HDFC Ltd: 3,10,200 Nos. Equity Shares of ₹ 2/- each fully paid-up (Face Value of ₹ 10/- each subdivided into ₹ 2/- each)	8.27	8.27
Shares in HDFC Bank Ltd: 5,500 Nos. Equity Shares of ₹ 2/- each fully paid-up (₹ 10/- Face Value of the Equity Shares has been subdivided into ₹ 2/- per share)	0.11	0.11
Shares in Vysya Bank Housing Finance Ltd. 30,000 Nos. Shares of ₹ 10/-each	3.00	3.00
	<b>12.65</b>	12.65
<b><u>INVESTMENTS - Unquoted</u></b>		
<b>III. Investments in Equity Instruments - Associates</b>		
50,000 shares of ₹ 10/- each in Ontime Transport Company Ltd	5.00	5.00
<b>IV. Investment in Government or Trust Securities</b>		
National Savings Certificates	0.52	0.52
<b>V. Investments in Mutual Funds</b>		
1,00,000 units of ₹ 10/- each in HDFC Balanced Fund	10.00	10.00
<b>VI. Investment Others</b>		
Shares in Ramco Industries Employees Co-operative Stores Ltd, Arakkonam	0.02	0.02
Shares in Southern Asbestos Cement Employees Co-operative Stores Ltd, Karur	0.03	0.03
2 Nos. Shares of ₹ 100/- each of Simandhar Shopping Centre Owners Association	0.00	0.00
	<b>0.05</b>	0.05
<b>GRAND TOTAL</b>	<b>19,757.59</b>	19,757.59
Aggregate amount of quoted investments :		
At cost	19,742.03	19,742.03
At Market value	88,999.41	62,337.39
Aggregate amount of unquoted investments at cost	15.57	15.57

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	As at 31.03.2012 ` in Lacs	As at 31.03.2011 ` in Lacs
<b>13 LONG TERM LOANS AND ADVANCES</b>		
Capital advances	437.66	2,518.11
Security deposits	301.03	288.67
	<u>738.69</u>	<u>2,806.78</u>
<b>14 INVENTORIES</b>		
Rawmaterials	3,769.28	3,770.86
Rawmaterials - In transit	602.40	93.55
Work in process	224.49	184.22
Finished goods	11,477.19	8,971.09
Finished goods in transit	42.46	16.65
Stores and spares	787.44	604.70
	<u>16,903.26</u>	<u>13,641.07</u>
<b>15 TRADE RECEIVABLES</b>		
Trade receivables outstanding for more than 6 months, considered doubtful	184.98	218.33
Trade receivables outstanding for more than 6 months provision	(184.98)	(218.33)
Trade receivables outstanding for more than 6 months, considered good	442.85	308.34
Trade receivables, considered good	5,498.04	4954.31
	<u>5,940.89</u>	<u>5,262.65</u>
<b>16 CASH AND CASH EQUIVALENTS</b>		
Balance with bank	2,610.62	5,121.40
Cash on hand	15.91	8.99
Margin Money	114.38	8.67
Balance with Bank - Unpaid Dividend Warrant Account	434.78	28.06
	<u>3,175.69</u>	<u>5,167.12</u>
<b>17 OTHER CURRENT ASSETS</b>		
Advance income tax - TDS	2,007.00	1,989.26
Tax credit Indirect taxes	260.27	459.65
Advance to suppliers	2,147.26	883.83
Prepaid expenses	131.84	134.07
Other Current Assets	2,181.13	1,329.34
	<u>6,727.50</u>	<u>4,796.15</u>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	For the Year Ended 31.03.2012 ` in Lacs	For the Year Ended 31.03.2011 ` in Lacs
<b>18 REVENUE FROM OPERATIONS</b>		
Sale of sheets	84,009.46	71,197.68
Less: Excise Duty	(6,334.73)	(5,767.51)
Net Revenue	<u>77,674.73</u>	<u>65,430.17</u>
Other income from Operations	914.36	619.69
Power generated from Wind Mills	1,224.33	1,184.92
	<u><b>79,813.42</b></u>	<u>67,234.78</u>
<b>19 OTHER INCOME</b>		
Dividend Received	1,796.97	316.78
Interest income	174.00	196.48
Other Miscellaneous Income	389.81	366.07
Carbon Credit	18.27	-
	<u><b>2,379.05</b></u>	<u>879.33</u>
<b>20 COST OF RAW MATERIALS</b>		
Chrysotile Fibre	21,732.59	16,956.22
Cement	14,301.15	10,626.04
Clinker	2,539.51	1,882.25
Cotton	6,314.61	5,230.28
Other Additives	2,639.73	2,005.25
	<u><b>47,527.59</b></u>	<u>36,700.04</u>
<b>21 CHANGE IN INVENTORIES</b>		
Closing stock of finished goods	11,519.65	8,987.74
Closing stock of Process stock	224.49	184.22
	<u><b>11,744.14</b></u>	<u>9,171.96</u>
Opening stock of finished goods	8,987.74	8,229.88
Opening stock of Process stock	184.22	136.25
	<u><b>9,171.96</b></u>	<u>8,366.13</u>
(Increase) / Decrease	<u>(2,572.18)</u>	<u>(805.83)</u>
Excise Duty on stock variance	469.08	(41.55)
(Increase) / Decrease	<u><b>(2,103.10)</b></u>	<u>(847.38)</u>
<b>22 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	3,695.18	2,950.73
Workmen and Staff welfare	299.94	218.10
Managerial Remuneration	363.42	351.73
Contribution to Provident Fund	235.79	193.64
Contribution to Gratuity Fund	106.06	97.30
Contribution to Superannuation Fund	35.73	29.61
	<u><b>4,736.12</b></u>	<u>3,841.11</u>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

	For the Year Ended 31.03.2012 ` in Lacs	For the Year Ended 31.03.2011 ` in Lacs
<b>23 FINANCE COSTS</b>		
Interest costs	1,933.84	1,892.13
Exchange fluctuation Loss	316.52	-
Other finance costs	205.80	176.43
	<b>2,456.16</b>	<b>2,068.56</b>
<b>24 OTHER EXPENSES</b>		
<b><u>Manufacturing</u></b>		
Stores consumed	1,441.06	1,208.37
Power and fuel	4,868.91	4,191.10
Repairs and Maintenance Building	122.23	101.27
Repairs and Maintenance General	192.12	196.81
Repairs and Maintenance Others	32.95	27.27
Repairs and Maintenance Plant and Machinery	1,592.29	1,471.90
<b><u>Administration</u></b>		
Insurance	96.89	86.48
Travelling expenses	427.99	332.54
Rates and taxes	198.48	240.78
Exchange fluctuations other than AS 11	77.43	(70.17)
Miscellaneous Expenses	782.15	708.53
Rent	104.49	61.38
Printing & Stationery	48.79	34.97
Telephones and communications	74.93	86.34
Corporate social responsibility	274.14	107.44
Audit, Accountancy & Legal Expenses	183.51	205.30
Vehicle / Aircraft Maintenance	222.59	142.64
Directors Sitting fees	6.65	5.35
<b><u>Selling and distribution expenses</u></b>		
Agency commission	363.67	304.73
Advertisement Exp	300.36	502.84
Discounts	1,530.18	2,072.30
Bad debts	-	17.08
Transportation and handling Expenses	3,325.53	2,790.08
	<b>16,267.34</b>	<b>14,825.33</b>

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of preparation and presentation of financial statements

1. The financial statements have been prepared under the historical cost convention and in accordance with the generally accepted accounting principles, the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 as adopted consistently by the Company.
2. The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.
3. From the beginning of the reporting period, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements which has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year. Current year and previous year figures have been reported in lakhs with two decimals.

#### B. Principles of Consolidation

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

#### 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

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### 25. NOTES ON ACCOUNTS

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
<b>1. I. Contingent Liabilities not provided for:-</b>		
A. Claims against the company / disputed liabilities not acknowledged as debts:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	9.89	89.00
B. Guarantees		
Bank Guarantees to Banks/Financial institutions against credit facilities extended to third parties:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	9,899.00	8,629.00
<b>II. Commitments:</b>		
A. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
a. In respect of Joint ventures	NIL	NIL
b. In respect of others	377.81	831.77
B. Other Commitments:		
a. Letter of Credits	NIL	791.79
b. Bank Guarantees	258.12	255.94
<b>2. Audit, Accountancy and Legal Charges include fees (inclusive of service tax) paid to Statutory Auditors towards.</b>		
Statutory Audit Fees	10.79	8.95
Tax Audit Fees	0.44	0.44
Fees for certification	0.67	0.66
Expenses of Audit	2.85	2.24
Cost Audit Fees	2.25	0
<b>3. The break up of Deferred tax liability as at 31.03.2012 of ₹ 2,365.10 lacs is as under:</b>		
Timing Difference on account of Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	2,492.93	2,572.98
Tax effect of provision for Leave Encashment	(120.97)	(86.51)
Tax effect of provision for Bad and Doubtful debts	(6.86)	(6.94)
<b>4. The Company has not utilized Short Term Loans for Long Term purposes.</b>		
<b>5. Income Tax assessment for the Accounting year 2008 - 2009 (i.e. Assessment year 2009-2010) is under process.</b>		
<b>6. Demand raised by the Income Tax Department amounting to ₹ 2,179 lacs which have been disputed by the company and necessary appeals have been filed. Based on the nature of the claim disputed, no provision has been considered necessary.</b>		
<b>7. Sales Tax demands amounting to ₹ 9.89 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.</b>		
<b>8. The Company's Shares are listed on Madras Stock Exchange Limited, National Stock Exchange of India Limited and Bombay Stock Exchange Limited and the listing fees in respect of all the three exchanges for the Financial year 2012-2013 have been paid.</b>		

## CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

### NOTES ON ACCOUNTS (CONTD...)

9. a. Long Term Loans of ₹ 11,856.11 Lacs 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.

₹ in Lacs

Rate of interest	Outstanding as on 31.03.2012	Repayment schedule			
		2013-14	2014-15	2015-16	2016-17
13.25%	164.20	131.20	33.00	0.00	0.00
13.25%	768.69	400.00	368.69	0.00	0.00
12.25%	5,000.00	2,500.00	2,500.00	0.00	0.00
4.77%	3,052.50	2,416.56	635.94	0.00	0.00
12.25%	68.92	45.84	23.08	0.00	0.00
12.50%	245.10	89.13	89.13	66.84	0.00
11.75%	2,109.96	529.40	529.40	529.40	521.76
AWPLR+1%	446.74	119.31	119.31	119.31	88.81
<b>TOTAL</b>	<b>11,856.11</b>	<b>6,231.44</b>	<b>4,298.55</b>	<b>715.55</b>	<b>610.57</b>

- b. Short Term Loans of ₹ 3,700.00 Lacs borrowed from banks are secured by pari passu first charge on the fixed assets and pari passu second charge on current assets of the Company.

₹ in Lacs

Rate of interest	Outstanding as on 31.03.2012	Repayable in the year 2012-13
12.75%	2,700.00	2,700.00
11.30%	500.00	500.00
11.00%	500.00	500.00
<b>TOTAL</b>	<b>3,700.00</b>	<b>3,700.00</b>

- c. External Commercial Borrowing Loan of USD 6.00 million amounting to ₹ 3,052.50 lacs borrowed from DBS Bank Ltd., Singapore is secured by pari passu first charge on the fixed assets and pari passu second charge on current assets in favour of Security Trustee DBS Bank Ltd., Chennai. As per requirements of Accounting Standard, ECB loan has been valued at ₹ 50.875 per USD, as the closing rate on 31/03/2012. This has resulted in a notional loss of ₹ 375.50 lacs which has been accounted as per Notifications dated 31/03/2009 and 11th May 2011 amending the Accounting Standard AS 11 relating to the Effects of foreign Exchange Rates as ₹ 79.84 lacs towards Interest and ₹ 295.65 lacs towards Fixed Assets.
- d. The Working Capital Borrowings of the Company are secured by hypothecation of Stocks of raw materials, work-in-progress, stores, spares and finished goods and book debts and second charge on fixed assets.
10. The premium on forward exchange contracts not intended for trading or speculative purpose is amortized as expense over the life of the contract. During the current year ₹ 4.80 lacs (PY: ₹ 29.02 lacs) has been amortized and the same is included in interest and finance charges.
11. The Company is eligible for Incentives under the "West Bengal Incentive Scheme 2000" in respect of its Fibre Cement Plant and Clinker Grinding unit at Kharagpur in the State of West Bengal. A sum of ₹ 728.86 lacs (Previous Year: ₹ 564.12 lacs) accrued as Industrial Promotion Assistance is credited to Profit and Loss Account.

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

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

12. Earnings Per Share:

	As at 31.03.2012 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Net Profit after Tax (A)	7,688.44	6,067.72
No. of Shares (B)	86,684,251	86,684,251
Basic and Diluted earnings per share of ₹ 1 each (A/B)	8.87	7.00

## 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 Mills Ltd  
Sandhya Spinning Mill Ltd  
Thanjavur Spinning Mill Ltd  
Sri Harini Textiles Ltd

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

Name of the related Party	Value In Lacs	Outstanding as on 31.03.2012 In Lacs
<b>i. Service income:</b>		
The Ramaraju Surgical Cotton Mills Ltd		
- Conversion Charges	3.19	NIL
Sri Vishnu Sankar Mills Ltd		
- Conversion Charges	0.54	NIL
Rajapalayam Mills Ltd		
- Conversion Charges	0.29	NIL
Sandhya Spinning Mill Limited		
- Conversion Charges	0.23	NIL
<b>ii. Sale of Goods:</b>		
Sri Vishnu Shankar Mills Limited		
- Machinery and stores items	0.19	NIL
- Waste Cotton	10.70	NIL
- Building Products	0.09	NIL
- Yam	0.20	NIL
Sandhya Spinning Mill Limited		
- Waste Cotton	62.67	NIL
- Cotton	10.99	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Conversion Charges		
Sri Harini Textiles Limited		
- Building Products	1.28	NIL
- Waste Cotton	109.77	NIL
Rajapalayam Mills Limited		
- Building Products	0.82	NIL
- Cotton	6.30	NIL
- Waste Cotton	329.83	NIL
- Machinery and stores items	0.31	NIL
- Sale of Vehicle	10.76	NIL
- Sale of yarn	0.33	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Building Products	0.13	NIL
- Waste Cotton	110.42	NIL
- Machinery and stores items	0.63	NIL

**CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES**

**NOTES ON ACCOUNTS (CONTD...)**

Name of the related Party	Value (` In Lacs)	Outstanding as on 31.03.2012 (` In Lacs)
Thanjavur Spinning Mill Ltd		
- Cotton	45.46	NIL
- Waste cotton	5.75	NIL
Madras Cements Limited		
- Building Products	137.02	NIL
- DEPB Licence	35.53	NIL
<b>iii. Purchase of Goods:</b>		
Madras Cements Ltd		
- Cement	5351.84	NIL
- Flyash	47.55	NIL
- Power	88.56	NIL
- Gypsum	0.85	NIL
Rajapalayam Mills Limited		
- Cotton	276.89	NIL
- Yam	781.67	
- DEPB Licence	265.85	NIL
Sandhya Spinning Mill Ltd		
- Spares	0.29	NIL
- DEPB Licence	14.17	
- Cotton	63.11	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Cotton	198.92	NIL
- DEPB Licence	23.62	NIL
Sri Vishnu Shankar Mills Ltd		
- Cotton	127.44	NIL
- DEPB Licence	78.82	NIL
- Spares	0.17	NIL
Thanjavur Spinning Mill Ltd		
- Cotton	109.80	NIL
- DEPB Licence	0.79	NIL
<b>iv. Availment of Services</b>		
Ramco Systems Ltd		
- Software related services	197.58	NIL
The Ramaraju Surgical Cotton Mills Ltd		
- Conversion charges	2.04	NIL
Sri Vishnu Shankar Mills Ltd		
- Conversion charges	3.42	NIL
Sandhya Spinning Mill Ltd		
- Conversion charges	9.17	NIL
Rajapalayam Mills Ltd		
- Conversion charges	29.39	NIL
<b>v. Rental Income</b>		
Shri.P.R.Ramasubrahmaneya Rajha	0.15	NIL
Smt.R.Nalina Ramalakshmi	0.45	NIL
<b>vi. Corporate Guarantees Issued</b>		
Ramco Systems Limited	5500.00	4433.81
Shri Harini Textiles Limited	3629.00	2538.79
Deccan Renewable Wind Electrics Ltd / Axis Wind Energy Ltd	770.00	761.00
<b>vii. Assets held jointly</b>		
<b>Aircraft - 1</b>		
Madras Cements Ltd	Share of joint ownership in Aircraft 50%	
<b>AirCraft - 2</b>		
Madras Cements Ltd	Share of joint ownership in Aircraft 16.67%	

**NOTES ON ACCOUNTS (Contd.)**

**14. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

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

( in Lacs)

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2012	Year Ended 31.3.2011								
<b>1. Revenue/Income from operations</b>										
External Customers	68,918.85	54,879.07	10,062.92	10,424.72	1,242.60	1,184.92	1,968.11	1625.38	82,192.47	68,114.09
Inter-segment	271.36	230.34	645.31	619.92	(916.67)	(850.26)	-	-	0.00	0.00
<b>Total Revenue</b>	<b>69,190.21</b>	<b>55,109.41</b>	<b>10,708.23</b>	<b>11,044.64</b>	<b>325.93</b>	<b>334.67</b>	<b>1,968.11</b>	<b>1,625.38</b>	<b>82,192.47</b>	<b>68,114.09</b>
<b>2. Results</b>										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	10,096.71	8,279.21	(161.46)	1,632.98	564.56	444.39	1,808.68	(119.43)	12,308.50	10,237.15
Interest expenses									2,456.16	2,002.78
Interest Income/ Dividend income									2,278.34	2,408.54
Income Tax - Current									(114.44)	(241.89)
- Deferred									7,688.44	6,067.72
Profit from Ordinary activities										
Extraordinary Profit/Loss										
Net Profit									7,688.44	6,067.72
<b>3. Other Information</b>										
Segment Assets	40,643.77	33,634.18	11,650.72	12,871.98	2,886.67	3,378.45	29,932.74	24,801.82	85113.90	74,686.45
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>40,643.77</b>	<b>33,634.18</b>	<b>11,650.72</b>	<b>12,871.98</b>	<b>2,886.67</b>	<b>3,378.45</b>	<b>29,932.74</b>	<b>24,801.82</b>	<b>85113.90</b>	<b>74,686.45</b>
Segment Liabilities	30,428.87	4,685.50	12,406.42	5,182.50	2,401.93	8.12	(6,011.69)	25,406.86	39,225.53	35,282.97
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>30,428.87</b>	<b>4,685.50</b>	<b>12,406.42</b>	<b>5,182.50</b>	<b>2,401.93</b>	<b>8.12</b>	<b>(6,011.69)</b>	<b>25,406.86</b>	<b>39,225.53</b>	<b>35,282.97</b>
Capital Expenditure	7,769.87	3,106.82	400.14	626.11	-	-	1,702.35	611.76	9,751.53	4,344.68
Depreciation	1,769.26	1,293.65	1,110.63	1,052.79	474.86	560.84	167.95	139.58	3,552.70	3,046.86
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

## NOTES ON ACCOUNTS (CONTD...)

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

Name	Closing Balance as on 31.03.2012 inclusive of interest accrued ( ` in Lacs)	Interest Accrued ( ` in Lacs)
Sri. P.R. Venketrama Raja	20.43	3.15
Sri. K.T. Ramachandran	1.00	0.08

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

17. Figures have been rounded off to the nearest lakhs with two decimals.

As per our Report Annexed

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

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

P.R. RAMASUBRAHMANEYA RAJHA  
Chairman

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

Place : Chennai  
Date : 24.05.2012

V.S.NAVIN SHUSHANT  
Company Secretary



**A view of the Bihiya Plant**



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



**A view of the Comber Machine Model LK64 installed at our Textile Division, Sri Ramco Spinners, Rajapalayam**

