



Board of Directors

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

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

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

Shri K.T. Ramachandran, B.E.

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

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

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

Bankers

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

Registered Office

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

Corporate Office

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

Website : www.ramcoindltd.com

Factories

I. Building Products Division

Arakkonam, Tamil Nadu

Karur, Karnataka

Maksi, Madhya Pradesh

Silvassa, Union Territory of Dadra & Nagar Haveli

Kharagpur, West Bengal

Vijayawada, Andhra Pradesh

Sinugra, Gujarat

II. Textile Division (Cotton Yarn)

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

Subsidiary Companies

Sudharsanam Investments Limited, India

Sri Ramco Lanka (Private) Limited, Sri Lanka

Auditors

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

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

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Rs. in lakhs

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

* NSE Quotations.

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

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

NOTICE TO THE MEMBERS

Notice is hereby given that the 44th Annual General Meeting of the Company will be held at 11.00 A.M. on Wednesday, the 5th August 2009 at P.A.C.R. Centenary Community Hall, Sudharsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam 626 108 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2009 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare dividend for the year 2008-09.
3. To appoint a Director in the place of Shri S.S. Ramachandra Raja, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Shri K.T. Ramachandran, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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

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

SPECIAL BUSINESS :

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

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

Place: Chennai
Date : May 29, 2009

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

NOTES

- (i) Explanatory Statement pursuant to Section 173 (2) of The Companies Act, 1956 in respect of the Special Business is annexed.
- (ii) A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member of the Company.
- (iii) Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- (iv) The Register of Members and the Share Transfer Books of the Company will remain closed from 30th July 2009 to 5th August 2009 (both days inclusive).
- (v) The Final Dividend, on declaration, will be paid in respect of Shares held in physical form to the Shareholders whose names appear in the Register of Members as on 5th August 2009 and in respect of Shares held in electronic form to the Beneficial Owners whose names appear in the list furnished by the Depositories for this purpose as on 29th July 2009.
- (vi) The Securities and Exchange Board of India has made it mandatory for all Companies to use the Bank Account details furnished by the Depositories for depositing the Dividends through Electronic Clearing Service (ECS) to the Investors wherever ECS facility / Bank details are available. In the absence of ECS facilities, the Company will print the Bank Account details, if available, on the payment instrument for distribution of Dividend.

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

Dividend for the Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming the Dividend Amount	Due Date for transfer to IEP Fund
31.03.2002	07.08.2002	06.08.2009	04.09.2009
31.03.2003	11.08.2003	10.08.2010	08.09.2010
31.03.2004 Interim Dividend Final Dividend	25.10.2003 28.07.2004	24.10.2010 27.07.2011	22.11.2010 25.08.2011
31.03.2005 I Interim Dividend II Interim Dividend Final Dividend	25.08.2004 28.01.2005 10.08.2005	24.08.2011 27.01.2012 09.08.2012	22.09.2011 25.02.2012 07.09.2012
31.03.2006 I Interim Dividend II Interim Dividend Final Dividend	29.10.2005 30.01.2006 27.07.2006	28.10.2012 29.01.2013 26.07.2013	26.11.2012 27.02.2013 24.08.2013
31.03.2007 I Interim Dividend II Interim Dividend Final Dividend	30.10.2006 30.01.2007 27.07.2007	29.10.2013 29.01.2014 26.07.2014	27.11.2013 27.02.2014 24.08.2014
31.03.2008 I Interim Dividend II Interim Dividend Final Dividend	23.10.2007 31.01.2008 11.08.2008	22.10.2014 30.01.2015 10.08.2015	20.11.2014 28.02.2015 08.09.2015

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

The following Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956 (hereinafter referred to as "the said Act") sets out all the material facts relating to the Special Business item mentioned in the accompanying Notice dated 29.05.2009 convening the 44th Annual General Meeting (AGM).

For the Special Business :

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

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

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

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

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

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

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

Shri Agarwal is the Chairman of the Audit Committee and the Remuneration Committee of the Board of Directors of the Company. He does not hold any Share in the Company.

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

Interest of Directors :

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

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

1. Shri S.S. Ramachandra Raja

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

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

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

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

2. Shri K.T. Ramachandran

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

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

DIRECTORS' REPORT

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

FINANCIAL RESULTS

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

DIVIDEND

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

TAXATION

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT

REVIEW OF OPERATIONS AND CURRENT TRENDS

A. BUILDING PRODUCTS DIVISION

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

(a) Fibre Cement (FC) Sheets

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

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

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

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

(b) Fibre Cement Pressure Pipes

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

(c) Calcium Silicate Boards

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

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

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

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

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

(e) Plastic Storage Container Plants at Maksi and Silvassa

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

B. WIND MILLS

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

Position regarding Wind Mills was as follows :-

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

C. TEXTILE DIVISION - SRI RAMCO SPINNERS

Production and Sales

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

Outlook for 2009-10

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

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

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

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

TAXES AND DUTIES

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

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

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

INDUSTRIAL RELATIONS

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

PARTICULARS OF EMPLOYEES

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

RESEARCH AND DEVELOPMENT EFFORTS

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

DIRECTORS

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

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

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

In accordance with the provisions of the Companies Act, 1956 Shri S.S. Ramachandra Raja and Shri K.T. Ramachandran are the Directors who will be retiring by rotation and are eligible for re-election.

PUBLIC DEPOSITS

The Total Deposits from the general public outstanding with the Company as on 31st March 2009 were Rs.41.39 Lakhs including the deposits renewed in accordance with Section 58A of the Companies Act, 1956. This also includes two Deposits with Maturity values aggregating Rs.77,175/- which had matured for payment but not claimed by the Depositors on or before 31st March, 2009. These two Deposits were renewed in April 2009.

SHARES

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

AUDITORS

M/s. M.S.Jagannathan & N.Krishnaswami, Chartered Accountants and M/s. CNGSN & Associates, Chartered Accountants, Auditors of the Company retire at the end of the 44th Annual General Meeting and are eligible for re-appointment.

SUBSIDIARIES

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

As required under Accounting Standard 21, issued by The Institute of Chartered Accountants of India, the Audited Financial Statements of the parent Company and the two Subsidiary Companies have been consolidated and such Consolidated Financial Statements for the year ended 31.3.2009 along with the Auditors' Report thereon are annexed hereto and the same form part of this Annual Report.

CORPORATE GOVERNANCE

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

SECRETARIAL COMPLIANCE CERTIFICATE

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that –

- In the preparation of the annual accounts for the year ended 31st March 2009, the applicable Accounting Standards had been followed ;
- The selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act had been taken for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- The Annual Accounts were prepared on a going concern basis.

ACKNOWLEDGEMENT

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

Place: Chennai
Date : May 29, 2009

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

ANNEXURE TO DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2009

In terms of Section 217(1) of the Companies Act (as amended) and the disclosure of particulars in the Report of the Board of Directors Rules, 1989, the following information is furnished for the year ended 31.03.2009.

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

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

Form – A (See rule – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

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