



Ramco Industries Limited

ANNUAL REPORT 2012 - 2013



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



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



Board of Directors

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

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

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

Shri K.T. Ramachandran, B.E.

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

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

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

Registered Office

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

Corporate Office

"Auras Corporate Centre", VI Floor
98-A, Dr. Radhakrishnan Road
Myiapore, CHENNAI – 600 004
Tamil Nadu

Website : www.ramcoinditd.com
www.ramcohiux.com

FACTORIES

i. Building Products Division

Arakkonam, Tamil Nadu

Bihya, Bihar

Gangaikondan, Tamil Nadu

Karur, Karnataka

Kharagpur, West Bengal

Kotputli, Rajasthan

Maksi, Madhya Pradesh

Sinugra, Gujarat

Silvassa, Union Territory of Dadra & Nagar Haveli

Vijayawada, Andhra Pradesh

ii. Textile Division (Cotton Yarn)

Sri Ramco Spinners, Rajapalayam, Tamil Nadu

Subsidiary Companies

Sudharsanam Investments Limited, India

Sri Ramco Lanka (Private) Limited, Sri Lanka

Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka

Bankers

Canara Bank

HDFC Bank Limited

DBS Bank Limited

iDBI Bank Limited

Indian Bank

Kotak Mahindra Bank Limited

State Bank of India

State Bank of Mauritius Limited

Tamilnad Mercantile Bank Limited

The Karur Vysya Bank Limited

Auditors

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

Unit - 5, Ground Floor, Abirami Apartments,
No.14, V.O.C. Road, Cantonment,
TIRUCHIRAPALLI – 620 001, Tamil Nadu

M/s. CNGSN & Associates
Chartered Accountants

20, Raja Street, T. Nagar
CHENNAI – 600 017, Tamil Nadu

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₹ in lacs

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

* NSE Quotations.

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

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

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

**NOTICE TO THE MEMBERS**

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

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2013 and the Balance Sheet as at that date and the Reports of the Directors and the Auditors thereon.
2. To declare Dividend for the year 2012-13.
3. To appoint a Director in the place of Shri P.R.Ramasubrahmaneya Rajha, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Dr.A. Ramakrishna, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

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

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

SPECIAL BUSINESS :

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

RESOLVED that pursuant to the provisions of Sections 198,269,309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII thereto any statutory modifications or enactment thereof, the re-appointment of Shri.P.R.Venketrama Raja, as the Vice Chairman and Managing Director of the Company for a further period of five years with effect from 28th June 2013 to manage the entire business and affairs of the Company subject to the superintendence, control and directions of the Board be and is hereby approved.

RESOLVED FURTHER that in accordance with the provisions of Sections 198, 309,311 and other applicable provisions of the Companies Act,1956 read with the Schedule XIII thereto or any statutory modification or enactment thereof, Shri P R Venketrama Raja, Vice Chairman and Managing Director be paid an overall remuneration equivalent to 5% of the net profits of the Company, computed in the manner laid down in the Companies Act,1956 by way of monthly salary, allowances, other perquisites/ benefits and commission.

RESOLVED FURTHER that in accordance with the provisions of Section XIII to the Companies Act, 1956 the total remuneration payable by the Company and M/s Ramco Systems Limited (RSL) of which also Shri.P R Venketrama Raja is the Vice Chairman and Managing Director shall not exceed 5% of the net profits of the Company or the net profits of RSL whichever is higher.

RESOLVED FURTHER that where in any financial year during the currency of the tenure of the Vice Chairman and Managing Director, the Company has no profits or its profits are inadequate, Shri.P.R.Venketrama Raja, Vice Chairman and Managing Director shall be paid remuneration as under:

1. The maximum remuneration payable under Section ii of the Part ii of Schedule XIII of the Companies Act,1956 based on the effective capital of the Company and in accordance with the approval of the Remuneration Committee at the relevant point of time.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the income Tax Act, 1961.
3. Gratuity payable at a rate not exceeding half a month's salary for every completed year of service and
4. Encashment of Leave at the end of the tenure.

RESOLVED FURTHER that Remuneration Committee be and is hereby authorized to fix, alter, determine or vary from time to time the quantum and/ or the composition of the Remuneration payable to the Vice Chairman and Managing Director including the modes of payment, in such manner and to such extent not exceeding the limits specified in the Companies Act, 1956 or Schedule XIII thereto or such other provisions as may be applicable in this regard, as in force from time to time.

Place: Chennai
Date : 30.05.2013

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



NOTES

- (i) A member entitled to attend and vote at meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
- (ii) Proxy form is enclosed. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the commencement of the meeting. Members / Proxies are requested to bring duly filled attendance slips sent herewith to attend the meeting.
- (iii) The Register of members and the Share transfer books of the Company will remain closed from 23rd July, 2013 to 29th July, 2013 (both days inclusive).
- (iv) The final dividend on declaration will be paid in respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 29th July, 2013 and in respect of shares held in electronic form to the Beneficial owners whose names appear in the list furnished by the Depositories for this purpose as on 23rd July, 2013.
- (v) SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories for depositing the Dividends through National Electronic Clearing Service (NECS) to the Investors wherever NECS facility / Bank details are available. In the absence of NECS facilities, the Company will print the Bank account details, if available on the payment instrument for distribution of Dividend.
- (vi) None of the items listed in the Agenda require postal Ballot.
- (vii) Under the provisions of Section 205 C of the Companies Act, 1956, Dividends remaining unpaid for a period of over 7 years shall be transferred to the Investors' Education & Protection Fund (IEPF) of the Central Government from the date of declaration. Thereafter no claim shall lie against the Fund or the Company and no payment will be made in respect of any such claims. Hence, the members who have not en-cashed/claimed their Dividends relating to the financial Year 2005-06 and thereafter may write to the Registrar and Share Transfer Agent of the Company M/s Cameo Corporate Services Limited, "Subramanian Buildings" No.1, Club House Road, Chennai – 600 002 for claiming the amount before it is so transferred to the IEPF.

The details of due dates for transfer of such un-claimed dividends to the said fund are given below :

Dividend for the Financial Year Ended	Date of Declaration of Dividend	Last Date for claiming the Dividend Amount	Due Date for transfer to IEP Fund
31.03.2006			
I Interim Dividend	29.10.2005	28.10.2012	27.11.2012
II Interim Dividend	30.01.2006	29.01.2013	28.02.2013
Final Dividend	27.07.2006	26.07.2013	25.08.2013
31.03.2007			
I Interim Dividend	30.10.2006	29.10.2013	28.11.2013
II Interim Dividend	30.01.2007	29.01.2014	28.02.2014
Final Dividend	27.07.2007	26.07.2014	25.08.2014
31.03.2008			
I Interim Dividend	23.10.2007	22.10.2014	21.11.2014
II Interim Dividend	31.01.2008	30.01.2015	28.02.2015
Final Dividend	11.08.2008	10.08.2015	08.09.2015
31.03.2009			
I Interim Dividend	23.10.2008	22.10.2015	21.11.2015
II Interim Dividend	29.01.2009	28.01.2016	27.02.2016
Final Dividend	05.08.2009	04.08.2016	03.09.2016
31.03.2010			
Interim Dividend	27.10.2009	26.10.2016	25.11.2016
Final Dividend	02.08.2010	01.08.2017	31.08.2017
31.03.2011			
Interim Dividend	25.10.2010	24.10.2017	23.11.2017
Final Dividend	10.08.2011	09.08.2018	08.09.2018
31.03.2012			
Interim Dividend	21.03.2012	20.03.2019	19.04.2019
Final Dividend	02.08.2012	01.08.2019	31.08.2019
31.03.2013			
Interim Dividend	13.02.2013	12.02.2020	13.03.2020

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

The following explanatory statement pursuant to section 173(2) of the Companies Act, 1956 (hereinafter referred to as "the said act") set out all the material facts relating to the special business items mentioned in the notice dated 30th May, 2013 convening the 48th Annual General Meeting.

Subject : Re-appointment of Shri.P.R.Venketrama Raja as the Vice Chairman and Managing Director of the Company

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

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

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

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

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

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

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

The terms and conditions of re-appointment of Shri.P R Venketrama Raja as set out in the Notice together with the Explanatory Statement annexed thereto shall be deemed to be an abstract of the terms and conditions of appointment of Managing Director under section 302 of the Companies Act,1956.

Interest of Directors :

Shri P.R. Venketrama Raja is interested in the Resolution. Shri P.R. Ramasubrahmaneya Rajha, Chairman being related to Shri P.R. Venketrama Raja is deemed to be concerned or interested in the Resolution. No other Director is deemed to be concerned or interested in the Resolution.

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

1. Shri P.R.RAMASUBRAHMANEYA RAJHA

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

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

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

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

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

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

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

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

2. Dr.A. RAMAKRISHNA :

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

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



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

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

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

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

He does not hold any share in the Company.