



Ramco Industries Limited

ANNUAL REPORT 2013 - 2014



A view of Cone Tank at Kotputli Factory



A view of Destacker at Kotputli Factory



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.

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

Shri M.B.N. Rao, B.Sc. (Agri)

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
CIN No. L26943TN1965PLC005297

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

FACTORIES

I. Building Products Division

Arakkonam, Tamil Nadu
Bihiya, 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
Tamilnad Mercantile Bank Limited
The Karur Vysya Bank Limited
HSBC Bank
ICICI 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

Contents

	Page No.
Financial Highlights	2
Notice to the Members	3-14
Directors' Report	15-22
Corporate Governance Report	23-31
Auditors' Report and Financial Statements of Ramco Industries Limited	32-65
Auditors' Report and Consolidated Financial Statements of Ramco Industries Limited and its Subsidiaries	66-88
Proxy Form	

₹ in lakhs

FINANCIAL HIGHLIGHTS	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Earnings							
Sales & Other Income	40,268	47,069	54,297	57,788	70,676	81,054	69,204
Operating Profit	8,461	10,227	11,876	11,927	12,886	12,606	6,212
Cash Generation	6,512	7,701	9,754	9,858	10,624	9,787	2,846
Net Profit / (Loss) [PAT]	2,548	3,565	5,359	5,321	6,135	5,449	(600)
Assets Employed							
Net Fixed Assets	24,946	23,513	24,335	25,577	27,491	35,174	37,573
Investments	19,283	20,262	20,262	20,262	20,262	20,316	20,319
Other Net Assets net off other Liabilities	9,984	12,832	15,711	17,776	21,737	38,465	30,780
TOTAL	54,213	56,607	60,308	63,615	69,490	93,955	88,672
Financed By:							
A. Shareholders' Funds							
Share Capital	100	100	100	100	100	100	100
Bonus Shares	333	333	767	767	767	767	767
Reserves and Surplus	24,161	27,315	32,037	36,505	41,531	45,873	45,139
Deferred Tax	3,214	2,939	2,638	2,408	2,289	2,019	1,140
Total Shareholders' Funds(A)	27,808	30,687	35,542	39,780	44,687	48,759	47,146
B. Borrowed Funds							
Short-term and Long-term	26,405	25,920	24,766	23,835	24,803	45,196	41,526
Total Borrowings (B)	26,405	25,920	24,766	23,835	24,803	45,196	41,526
TOTAL (A) + (B)	54,213	56,607	60,308	63,615	69,490	93,955	88,672
Book value per share (₹)	558	631	36.95	42.10	47.90	52.91	52.06
Earnings Per Share (₹)	59	82	6.18	6.14	7.08	6.28	(0.69)
Dividend Per Share (₹)	15	15	0.85	0.90	1.10	1.10	0.25
Dividend Payout (₹ in lakhs)	650	650	737	780	953	953	217
Dividend Payout Ratio %	25	18	14	15	16	17	(36)
Operating Profit Ratio %	21.01	21.73	21.87	20.64	18.23	15.55	8.98
Gross Fixed Assets Per Share (₹)	900	938	51.04	52.86	60.79	62.24	80.93
Debt - Equity Ratio %	1.07	0.93	0.75	0.64	0.59	0.98	0.92
Market Price of Share (₹)							
a. As on 31st March*(Close)	733	375	57.40	45.95	44.75	52.70	37.60
b. high**	1,740	925	73.30	83.35	46.00	52.90	61.40
c. low**	545	346	48.60	41.60	44.10	50.10	29.00
P/E Ratio as at 31st March@	12.46	4.55	9.29	7.49	6.32	8.39	(54.49)
Market Capitalisation@ (₹ in lakhs)	31,762	16,249	49,744	39,822	38,782	45,671	32,585

*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 16-09-2009) and 1:1 Bonus Issue Figures have been regrouped for comparison purposes.

NOTICE TO THE MEMBERS

Notice is hereby given that the 49th Annual General Meeting of the Company will be held at 11.00 A.M on Monday, the 28th July, 2014 at P.A.C.R. Centenary Community Hall, Sudarsan Gardens, P.A.C. Ramasamy Raja Salai, Rajapalayam, Tamil Nadu to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Profit & Loss for the year ended 31st March 2014 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 2013-14.
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 Auditors 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 Auditors of the Company to hold Office from the conclusion of this Meeting till the conclusion of the 52nd Annual General Meeting.
“RESOLVED FURTHER that each of the Auditors shall be paid for the financial year 2014-15 and 2015-16 a remuneration of Rs.3,50,000/- (Rupees Three lakhs fifty thousand only) per year, exclusive of out-of-pocket expenses and for the financial year 2016-17, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee.”

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:
“RESOLVED that Article 16A of the Articles of Association of the Company, be amended as follows:
16A. The Board of Directors may appoint one or more amongst them including the Chairman/ Vice Chairman of the Board as Managing Director of the Company to carry on the management of the Business and affairs of the Company on such terms and conditions including remuneration as the Board may, from time to time determine, subject to the approval of the members, in accordance with the provisions of Schedule V read with sections 196 and 197 of the Companies Act, 2013 and the rules in force.
6. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:
“RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions and the Rules there under, read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to the appointment of Shri. P R Venketrama Raja (DIN 00331406) as Vice Chairman & Managing Director of the Company for a period of 3 years with effect from 01-04-2014, to manage the entire business and affairs of the Company subject to the superintendence, control and directions of the Board, at a remuneration equivalent to 5% of the net profits of the Company by way of monthly salary, allowances, other perquisites / benefits and commission.
RESOLVED FURTHER that in accordance with the provisions of Sections 196, 197 and 203 and any other applicable provisions and the Rules thereunder, read with Schedule V of the Companies Act, 2013 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 the Nomination and Remuneration Committee be and is hereby authorised to fix the quantum and periodicity of the remuneration payable to the Managing Director, subject however the annual remuneration does not exceed 5% of the net profits of the Company or RSL whichever is higher in an accounting year.
RESOLVED FURTHER that where in any financial year during the currency of his tenure, the Company has no profits or inadequate profits, the Vice Chairman & Managing Director shall be paid remuneration as approved by the Nomination and Remuneration Committee which shall not exceed the maximum remuneration as permissible under Section II, Part II of Schedule V of the Companies Act, 2013 after deducting payment made by RSL.”
7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION :
“RESOLVED that pursuant to Sections 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri R.S.Agarwal (DIN 00012594), Director of the Company whose period of office is liable to

retire by rotation and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”

8. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:
“RESOLVED that pursuant to Sections 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri M.B.N.Rao (DIN 00287260), Director of the Company who has been appointed as an Additional Director and holds office until this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”
9. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:
“RESOLVED that pursuant to Sections 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, the appointment of Shri.K.T Ramachandran (DIN 00351334), Director of the Company whose period of office is liable to retire by rotation and in respect of whom the Company has received a notice in writing from a Member, proposing his candidature for the office of Director, as an Independent Director of the Company to hold office for 5 consecutive years from 01-04-2014 to 31-03-2019 be and is hereby approved.”
10. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :
“RESOLVED that subject to the approval of the Financial Institutions/Banks, in supersession of the resolution passed at the 31st Annual General Meeting held on 28th August 1996 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of money with or without security which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may not exceed Rs. 125 crores over and above the aggregate of the paid up capital of the Company and its free reserves.”
11. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION :
“RESOLVED that in supersession of the resolution passed by Postal Ballot by members on 16th November 2011 and pursuant to Section 181 and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to contribute to bonafide and charitable funds , Scientific Research and Development Organizations, Educational Institutions, Universities, Medical Institutions, Rural Development Organizations, Social Organizations and/or Charitable Institutions or Welfare Associations, or directly undertake activities for promotion of social welfare, scientific research and development, sports and other charitable purposes not directly relating to the business of the Company or welfare of its employees, from time to time, in any financial year, any amounts in aggregate, not exceeding Rs. 6,00,00,000/- (Rupees Six Crores only) or 5% of its average net profits for the three immediately preceding financial years, whichever is greater.”
12. To consider and, if thought fit, to pass with or without modification, the following Resolution as a SPECIAL RESOLUTION:
“RESOLVED that pursuant to Rule 5 (2) of Companies (Management and Administration) Rules, 2014, the Register of Members and other Registers, Returns required to be maintained by the Company under Section 94 of the Companies Act, 2013, may be maintained at the Company’s Corporate Office at “Auras Corporate Centre”, No:98-A, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004, with effect from 1st August 2014.”

Place : Chennai
Date : May 22, 2014

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

NOTES :

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.
2. A member entitled to attend at the meeting is entitled to appoint a Proxy to attend instead of himself and the Proxy need not be a Member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. 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. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22-07-2014 to 28-07-2014 (both days inclusive).
4. A Dividend of Re.0.25 /- per share has been recommended by the Board of Directors for the year ended 31-03-2014 and subject to the approval of the Shareholders at the ensuing Annual General Meeting, is proposed to be paid in respect of shares held in physical form to the shareholders whose names appear in the Register of Members as on 28-07-2014 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 21-07-2014. The dividend is proposed to be paid on and from the date of Annual General Meeting.
5. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend. Accordingly, dividend will be credited through National Electronic Clearing Service (NECS) to investors wherever NECS and 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. The Company is in compliance with SEBI's directive in this regard.
6. Under the provisions of Section 124 (5) of the Companies Act, 2013, dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2007 Final Dividend	27-07-2007	26-07-2014	24-08-2014
31-03-2008 1st Interim Dividend 2nd Interim Dividend Final Dividend	23-10-2007 31-01-2008 11-08-2008	22-10-2014 30-01-2015 10-08-2015	20-11-2014 28-02-2015 08-09-2015
31-03-2009 1st Interim Dividend 2nd Interim Dividend Final Dividend	23-10-2008 29-01-2009 05-08-2009	22-10-2015 28-01-2016 04-08-2016	21-11-2015 26-02-2016 02-09-2016
31-03-2010 Interim Dividend Final Dividend	27-10-2009 02-08-2010	26-10-2016 01-08-2017	24-11-2016 31-08-2017
31-03-2011 Interim Dividend Final Dividend	25-10-2010 10-08-2011	24-10-2017 09-08-2018	23-11-2017 07-09-2018
31-03-2012 Interim Dividend Final Dividend	21-03-2012 02-08-2012	20-03-2019 01-08-2019	18-04-2019 30-08-2019
31-03-2013 Interim Dividend Final Dividend	13-02-2013 29-07-2013	12-02-2020 28-07-2020	12-03-2020 26-08-2020

7. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2013-14 are being sent to all the members whose E-Mail IDs are registered with the Company / Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website - www.ramcoindltd.com for their download.
8. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, those who have not got their E-Mail IDs recorded are requested to register their E-Mail address and changes therein with the Company in respect of physical shares and with Depository Participants with respect to dematerialised shares.
9. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing members facility to exercise their right to vote at the 49th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Select the "THE RAMCO INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Fill up the following details in the appropriate boxes:

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number has been provided as Sl.No. in the Address label pasted in the cover and /or in the e-mail sent to members in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Vasudevan with sequence number 1 then enter VA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (x) Click on the relevant EVSN for Ramco Industries Limited.
 - (xi) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutiniser to verify the same.
- II. The voting period begins on 22-07-2014 (9.00 am) and ends on 24-07-2014 (6.00 pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as of 25-06-2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - III. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
 - IV. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 25-06-2014.
 - V. Shri.K.Srinivasan, Chartered Accountant (Membership No: 21510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants has been appointed as the Scrutiniser to scrutinize the e-voting process in a fair and transparent manner.
 - VI. The Scrutiniser shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutiniser’s Report shall be placed on the Company’s website www.ramcoindltd.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

Place : Chennai
Date : May 22, 2014

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

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.5

As per Section 203 (1) of the Companies Act, 2013, the Articles of Association of the Company should specifically enable for appointment of Managing Director of the Company as Chairperson/Vice Chairperson of the Company as well. As the Company's Articles of Association does not contain this provision, it is proposed to amend the Articles of Association to incorporate such an enabling provision, as mentioned in the Resolution. As per Section 14 of the Companies Act, 2013, alteration of the Articles of Association requires the approval of the Members by way of a Special Resolution.

Disclosure of Interest:

Shri.P.R.Venketrama Raja (DIN 00331406) is deemed to be interested in the Resolution as alteration of Articles of Association is to enable him to be the Company's Vice Chairman and Managing Director.

Shri.P.R.Ramasubrahmaneya Rajha is related to Shri.P.R.Venketrama Raja

No other Director or Key Managerial Personnel or any of their relatives are deemed to be interested in this Resolution.

Item No.6

Shri P R Venketrama Raja , Vice Chairman and Managing Director, 53 years, holds a Bachelor's Degree in Chemical Engineering and a Masters 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), Kotputli (Rajasthan) and one more subsidiary company at Srilanka and the Company achieved substantial growth in volume of business, operations and profitability.

Recognising his valuable contributions and to accelerate the growth of the Company, Shri.P.R.Venketrama Raja (DIN 00331406) was re-appointed as the Vice Chairman and Managing Director of the Company by the Members of the Company at the 48th Annual General Meeting held on 29.07.2013 for a period of 5 years with effect from 28th June 2013.

It is now proposed to have his appointment approved by the shareholders under the provisions of the Companies Act, 2013 in lieu of his earlier appointment. The appointment is for a period of 3 years starting from 01-04-2014.

Terms of Remuneration :

* 5% of the net profits of the Company or Ramco Systems Limited (RSL) calculated as per Section 198 of the Companies Act, 2013 whichever is higher.

* In any financial year, where the Company has no profits or inadequacy of profits, the Vice Chairman & Managing Director shall be paid the maximum remuneration as per Section II Part II of Schedule V of the Companies Act, 2013.

The proposed appointment and the payment of remuneration has been approved by the Remuneration Committee (subsequently rechristened as Nomination and Remuneration Committee) at its meeting held on 21-05-2014 and by the Board of Directors at their meeting held on 22-05-2014.

The reappointment and the remuneration proposed fulfil the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India is not required.

A copy of the terms and conditions of reappointment of the Vice Chairman & Managing Director is available for inspection without any fee by the members at the Registered Office of the Company between business hours on any working day up to and including the date of the Annual General Meeting.

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

Shri. P R Venketrama Raja is the Director in the following Companies:

1.	The Ramco Cements Limited	Director
2.	Ramco Industries Limited	Vice Chairman and Managing Director
3.	Rajapalayam Mills Limited	Director
4.	Ramco Systems Limited	Vice Chairman and Managing Director
5.	The Ramaraju Surgical Cotton Mills Limited	Director
6.	Thanjavur Spinning Mill Limited	Director
7.	Sri Vishnu Shankar Mill Limited	Director