Ramco Industries Limited

ANNUAL REPORT 2016 - 2017

RAMCO HILUX
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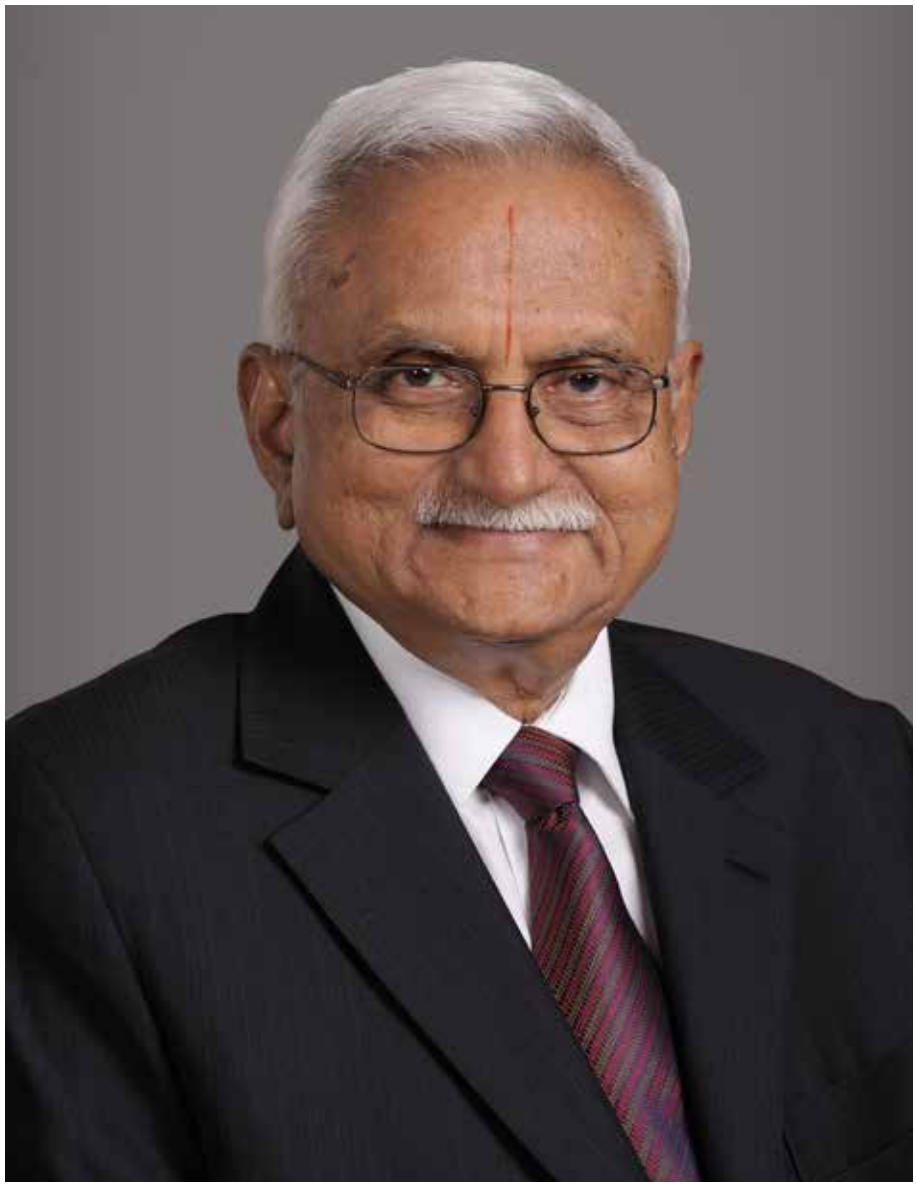
RAMCO HICEM FLEXO
Fibre Cement Board

FHI 6989 - 2017

Our Beloved Chairman



SHRI. P.R. RAMASUBRAHMANEYA RAJHA

4.7.1935 - 11.5.2017

Board of Directors

Shri P.R. Ramasubrahmaneya Rajha, B.Sc.
Chairman (upto 11-05-2017)

Shri P.R. Venketrama Raja, B.Tech., MBA
Chairman (from 04-06-2017)
VCMD (upto 03-06-2017)

Shri P.V. Abinav Ramasubramaniam Raja, B.Sc. (Indl. Engg.)
Managing Director (from 04-06-2017)

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 V. Santhanaraman, B.Com., CAIIB

Smt. Justice Chitra Venkataraman (Retd.), B.A., B.L.

Chief Executive Officer
Shri Prem G Shanker

Chief Financial Officer
Shri K. Sankaranarayanan

Secretary
Shri S. Balamurugasundaram

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
HDFC Bank Limited
Axis Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited
Tamilnad Mercantile Bank Limited
Yes Bank Limited
ICICI Bank Limited
The Federal 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 LLP
Chartered Accountants
20, Raja Street, T. Nagar
CHENNAI - 600 017, Tamil Nadu

Cost Auditors
M/s. Geeyes & Co
Cost Accountants
A-3, III Floor, 56, Seventh Avenue
Ashok Nagar, Chennai - 600 083.

Secretarial Auditors
M/s. S. Krishnamurthy & Co
Company Secretaries "Shreshtam"
Old No. 17, New No 16, Pattammal Street
Mandaveli, Chennai - 600 028.

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₹ in lakhs

FINANCIAL HIGHLIGHTS	AS (Previous IGAAP)						Ind AS	
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Earnings								
Sales & Other Income	54,297	57,788	70,676	81,054	69,204	76,095	78,501	78,530
Operating Profit	11,876	11,927	12,886	12,606	6,212	6,555	7,404	11,646
Cash Generation	9,754	9,858	10,624	9,787	2,846	3,866	4,660	9,461
Net Profit / Loss [PAT]	5,359	5,321	6,135	5,449	(600)	2,093	3,333	5,987
Assets Employed								
Net Fixed Assets	24,335	25,577	27,491	35,174	37,573	37,381	38,976	39,847
Investments	20,262	20,262	20,262	20,316	20,319	21,316	23,574	24,126
Other Net Assets net off other Liabilities	15,711	17,776	21,737	38,465	30,780	32,717	26,176	29,880
TOTAL	60,308	63,615	69,490	93,955	88,672	91,414	88,726	93,853
Financed By:								
A. Shareholders' Funds								
Share Capital	100	100	100	100	100	100	100	100
Bonus Shares	767	767	767	767	767	767	767	767
Reserves and Surplus	32,037	36,505	41,531	45,873	45,139	46,808	51,517	58,106
Deferred Tax, Government Grants	2,638	2,408	2,289	2,019	1,140	958	415	1,267
Total Shareholders, Funds(A)	35,542	39,780	44,687	48,759	47,146	48,633	52,799	60,240
B. Borrowed Funds								
Short Term and Long Term	24,766	23,835	24,803	45,196	41,526	42,778	35,927	33,613
Total Borrowings (B)	24,766	23,835	24,803	45,196	41,526	42,778	35,927	33,613
TOTAL (A) + (B)	60,308	63,615	69,490	93,955	88,672	91,411	88,726	93,853
Book value per share (₹)	36.95	42.10	47.90	52.91	52.06	53.99	59.42	67.02
Earnings Per Share (₹)	6.18	6.14	7.08	6.28	(0.69)	2.41	3.84	6.91
Dividend Per Share (₹)	0.85	0.90	1.10	1.10	0.25	0.30	0.50	0.50
Dividend Payout (₹ in Lacs)	737	780	953	953	217	260	433	433
Dividend Payout Ratio %	14	15	16	17	(36)	12	13	7
Operating Profit Ratio %	21.87	20.64	18.23	15.55	8.98	8.61	9.43	14.83
Gross Fixed Assets Per Share (₹)	51.04	52.86	60.79	62.24	80.93	83.23	83.90	87.92
Debt - Equity Ratio	0.75	0.64	0.59	0.97	0.90	0.90	0.69	0.57
Market Price of Share (₹)								
a. As on 31st March* (Close)	57.40	45.95	44.75	52.70	37.60	69.65	91.50	239.20
b. high**	73.30	83.35	46.00	52.90	61.40	72.00	93.95	288.30
C. low**	48.60	41.60	44.10	50.10	29.00	69.10	90.95	90.50
P/E Ratio as at 31st March@	9.29	7.49	6.32	8.39	(54.49)	28.90	23.83	34.62
Market Capitalisation@ (₹ in lacs)	49,744	39,822	38,782	45,671	32,585	60,360	79,297	2,07,298

* 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 52nd Annual General Meeting of the Company will be held at 11.00 A.M. on Friday the 4th August, 2017 at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam – 626 108, Tamil Nadu to transact the following businesses :

ORDINARY BUSINESS :

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION :

   "RESOLVED that the Board's Report and the Company's Separate (Standalone) and Consolidated Financial Statements as at / for the financial year ended 31st March, 2017 and the Auditors' Reports thereon be and are hereby adopted."

2. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:

   "RESOLVED that a Dividend of ₹ 0.50 per Share be and is hereby declared for the year ended 31st March 2017 and the same be paid to those shareholders whose names appear in the Register of Members and Register of Depositories as on 28th July 2017."

3. To consider and pass the following Resolution as an ORDINARY RESOLUTION :

   "RESOLVED that Shri P.R.Venketrama Raja (DIN00331406), who retires by rotation, be and is hereby re-appointed as a Director of the Company, subject to retirement by rotation."

4. To consider and pass the following Resolution as an ORDINARY RESOLUTION :

   "RESOLVED that in terms of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, M/s. Ramakrishna Raja And Co., Chartered Accountants, holding Firm Registration No.005333S and M/s. SRSV & Associates, Chartered Accountants, holding Firm Registration No.015041S, be and are hereby jointly appointed as Auditors of the Company (in place of M/s. M.S. Jagannathan & N. Krishnaswamy, Chartered Accountants and M/s. CNGSN & Associates LLP, Chartered Accountants, whose tenure as Auditors come to an end at the close of the 52nd Annual General Meeting in terms of Section 139(2) of the Companies Act, 2013) for 5 consecutive financial years commencing from the Financial Year 2017-18 and to hold Office from the conclusion of 52nd Annual General Meeting till the conclusion of 57th Annual General Meeting to be held in the year 2022, subject to ratification of their appointment by the members at every intervening Annual General Meeting to be held after this Annual General Meeting.

   RESOLVED FURTHER that each of the Auditors shall be paid for Statutory Audit for the financial years 2017-18 to 2020-21, a remuneration of ₹ 3.50 lacs (Rupees Three lacs fifty thousand only) per year, exclusive of applicable taxes and out of pocket expenses and for the financial year 2021-22, the Board of Directors are authorised to fix the remuneration based on the recommendation of the Audit Committee."

   "RESOLVED FURTHER that for the financial years 2017-2022 the Board of Directors are authorised to fix the remuneration for certification and other matters based on the recommendation of the Audit Committee."

SPECIAL BUSINESS :

5. To consider and pass the following Resolution as an ORDINARY RESOLUTION :

   "RESOLVED that Shri P.V. Abinav Ramasubramaniam Raja (DIN07273249), be and is hereby appointed as a Director of the Company, not liable to retire by rotation "

6. To consider and pass the following Resolution as SPECIAL RESOLUTION :

   "RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013, the Rules thereunder and Regulations 16,17 of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the appointment of Shri P.V. Abinav Ramasubramaniam Raja (DIN 07273249) as Managing Director (Key Managerial Personnel) of the Company, for a period of 5 years with effect from 4.06.2017, at a remuneration equivalent to 5% of the net profits of the Company or M/s. Ramco Systems Limited (RSL) whichever is higher, by way of monthly salary, allowances, other perquisites / benefits and commission or in any other combination as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

   RESOLVED FURTHER that where in any financial year during the currency of his tenure, not being more than 3 (three) such financial years over the entire tenure of 5 years, the Company has no profit or inadequate profit, to pay the remuneration approved as above, the remuneration payable by the Company to the Managing Director shall not exceed the double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013, after deducting payment made by RSL during such financial year.

RESOLVED FURTHER that in respect of such financial years when the Company has no profit or inadequate profit, the Managing Director shall also be eligible for the following perquisites which shall not be included in the computation of ceiling on the remuneration:

a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

c. Encashment of leave at the end of the tenure.

RESOLVED FURTHER that in addition to the remuneration as aforesaid, the Managing Director shall also be eligible for any fee that may be paid to Directors for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013.

RESOLVED FURTHER that the Nomination and Remuneration Committee be and is hereby authorised to fix the components, quantum and periodicity of the remuneration payable to the Managing Director, subject to the limits above.

RESOLVED FURTHER that as recommended by Nomination and Remuneration Committee, the approval is accorded to fix the maximum remuneration payable to Shri P.V. Abinav Ramasubramaniam Raja which shall not exceed 3% of net profits of either RIL or RSL whichever is higher, for first 2 years.

7. To consider and pass the following Resolution as an ORDINARY RESOLUTION :

"RESOLVED that pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2,50,000/- per annum exclusive of applicable tax and out of pocket expenses payable to M/s. Geeyes & Co., Cost Accountants, appointed as the Cost Auditors of the Company by the Board of Directors for the Financial Year 2017-18 for auditing the Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB), Cement Clinker Grinding and Cotton Yarn, be and is hereby ratified."

By Order of the Board,

For RAMCO INDUSTRIES LIMITED,

P.R. VENKETRAMA RAJA

CHAIRMAN

Place : Rajapalayam

Date : 04-06-2017

NOTES :

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the 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 and vote instead of himself and that the Proxy need not be a Member.**

3. 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. Attendance slip is attached. Members, Proxies and authorised representatives are requested to bring the duly filled in and signed, attendance slips to the meeting.

4. The Cut-off date will be 28th July, 2017 for determining the eligibility to vote by remote e-voting or in the General Meeting.

5. Under the provisions of Sections 205A(5) and 205 C of the Companies Act, 1956 and the corresponding applicable provisions of the Companies Act, 2013, the Company has transferred the unclaimed/unpaid dividends lying with the Company for a period of over 7 years to the Investor Education & Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education & Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unclaimed/unpaid dividends lying with the Company on the website of the Company (www.ramcoindltd.com), also on the website of Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to IEPF 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
31-03-2010 Final Dividend	02-08-2010	01-08-2017	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	21-03-2012	20-03-2019	18-04-2019
Final Dividend	02-08-2012	01-08-2019	30-08-2019
31-03-2013 Interim Dividend	13-02-2013	12-02-2020	12-03-2020
Final Dividend	29-07-2013	28-07-2020	26-08-2020
31-03-2014 Dividend	28-07-2014	27-07-2021	25-08-2021
31-03-2015 Dividend	23-09-2015	22-09-2022	20-10-2022
31-03-2016 Dividend	11-03-2016	10-03-2016	08-04-2023

6. In accordance with Section 124(6) of the Companies Act, 2013, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to IEPF. The Company has sent individual notices through Registered Post to the Shareholders, whose dividends are lying unclaimed for the last seven consecutive years or more, advising them to claim the dividend on or before 31st May, 2017. The statement containing the details of the Shareholders and the shares due for transfer is also uploaded on the Company's website, www.ramcoindltd for information and necessary action by the Shareholders. Since the modalities for transfer of shares to IEPF with Depositories are not yet finalized by MCA, it has deferred its implementation. Hence, the shareholders concerned are requested to take immediate steps to claim the unclaimed dividend. In the event of the Shareholders not claiming the dividend and the shares are transferred to IEPF, the Shareholders are still entitled to claim the shares from IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure and the form are available at www.ramcoindltd and www.iepf.gov.in

7. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2016-17 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. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Registrar and Share Transfer Agent/ Depository Participants.

9. A Route Map with prominent Landmark for easy location of the venue of the meeting is given with this Notice as per the requirement of Clause No.:1.2.4 of the Secretarial Standard-2 on "General Meetings".

10. 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 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing members remote e-voting facility to exercise their right to vote at the 52nd Annual General Meeting (AGM) and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

    II. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

III. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

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 "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) Password : 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.

a.	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 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 8 digits of the Folio No./Client ID in the PAN field. In case the Folio No. is less than 8 digits, enter the applicable number of 0's before the Folio no. after the first two characters of the name in CAPITAL letters. Eg. If your name is Vasudevan with Folio No.1 then enter VA00000001 in the PAN field.
b.	Please enter any one of the following details in order to login: Date of Birth : 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 : Please Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. If both of the above details are not recorded with the depository or Company, please enter the User ID (mentioned in (iv) above) in the Dividend Bank details field.

(vi) 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 may also be 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. It is recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(viii) Click on the relevant EVSN for Ramco Industries Limited.

(ix) 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.

(x) Click on the "Resolutions File Link" if you wish to view the entire Resolution.

(xi) 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.

(xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xiv) If you have forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xv) Non-individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates. A scanned copy of the registration form bearing the stamp and the sign of the entity should be emailed to the helpdesk.evoting@cdslindia.com. After receiving the login details a compliance user should