

Ramco Industries Limited

ANNUAL REPORT 2018 - 2019



SHRI. P.R. RAMASUBRAHMANEYA RAJHA

Sridharmarakshakar, Ramco Group

*Keep on performing your duties without
Expecting any reward in return and lead a selfless life.*

- Bhagavad Gita



Board of Directors

Shri P.R. Venketrama Raja, B.Tech., MBA
Chairman
 Shri P.V. Abinav Ramasubramaniam Raja, B.Sc. (Incl. Engg.)
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 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: 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
 IDBI Bank Limited
 Kotak Mahindra Bank Limited
 Tamilnad Mercantile Bank Limited
 Yes Bank Limited
 ICICI Bank Limited
 The Federal Bank Limited
 Indusind Bank Limited
 DCB Bank Limited
 Bank of Bahrain & Kuwait
 Axis Bank Limited

Auditors

M/s.Ramakrishna Raja And Co
 Chartered Accountants
 1-D, GD Apartments, 6, Shanthinikethan
 V.P.Rathinasamy Nadar Road
 Bibikulam, Madurai - 625 002.

M/s.SRSV & Associates
 Chartered Accountants
 F2, 1st Floor, B Block, Sivams Padmalaya
 28/25, Neelakanta Metha Street
 T. Nagar, Chennai 600 017.

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			
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Earnings									
Sales & Other Income	57,788	70,676	81,054	69,204	76,095	78,501	78,530	82,542	89,775
Operating Profit	11,927	12,886	12,606	6,212	6,555	7,404	11,646	13,111	13,770
Cash Generation	9,858	10,624	9,787	2,846	3,866	4,660	9,461	12,213	12,264
Net Profit / Loss [PAT]	5,321	6,135	5,449	(600)	2,093	3,333	5,987	7,205	7,319
Assets Employed									
Net Fixed Assets	25,577	27,491	35,174	37,573	37,381	38,976	39,847	39,855	41,494
Investments	20,262	20,262	20,316	20,319	21,316	23,574	24,126	25,150	26,374
Other Net Assets net off other Liabilities	17,776	21,737	38,465	30,780	32,717	26,176	29,880	25,835	29,613
TOTAL	63,615	69,490	93,955	88,672	91,414	88,726	93,853	90,840	97,481
Financed By:									
A. Shareholders' Funds									
Share Capital	100	100	100	100	100	100	100	100	100
Bonus Shares	767	767	767	767	767	767	767	767	767
Reserves and Surplus	36,505	41,531	45,873	45,139	46,808	51,517	58,106	65,551	72,650
Deferred Tax, Government Grants	2,408	2,289	2,019	1,140	958	415	1,267	3,169	5,221
Total Shareholders, Funds(A)	39,780	44,687	48,759	47,146	48,633	52,799	60,240	69,587	78,738
B. Borrowed Funds									
Short Term and Long Term	23,835	24,803	45,196	41,526	42,778	35,927	33,613	21,253	18,743
Total Borrowings (B)	23,835	24,803	45,196	41,526	42,778	35,927	33,613	21,253	18,743
TOTAL (A) + (B)	63,615	69,490	93,955	88,672	91,411	88,726	93,853	90,840	97,481
Book value per share (₹)	42.10	47.90	52.91	52.06	53.99	59.42	67.02	75.61	83.79
Earnings Per Share (₹)	6.14	7.08	6.28	(0.69)	2.41	3.84	6.91	8.31	8.44
Dividend Per Share (₹)	0.90	1.10	1.10	0.25	0.30	0.50	0.50	0.50	0.50
Dividend Payout (₹ in Lacs)	780	953	953	217	260	433	433	433	433
Dividend Payout Ratio %	15	16	17	(36)	12	13	7	6	6
Operating Profit Ratio %	20.64	18.23	15.55	8.98	8.61	9.43	14.83	15.88	15.34
Gross Fixed Assets Per Share (₹)	52.86	60.79	62.24	80.93	83.23	83.90	87.92	88.53	92.33
Debt - Equity Ratio	0.64	0.59	0.97	0.90	0.90	0.69	0.57	0.32	0.25
Market Price of Share (₹)									
a. As on 31 st March*(Close)	45.95	44.75	52.70	37.60	69.65	91.50	239.20	229.95	213.05
b. high**	83.35	46.00	52.90	61.40	72.00	93.95	288.30	325.70	285.50
c. low**	41.60	44.10	50.10	29.00	69.10	90.95	90.50	212.40	172.10
P/E Ratio as at 31 st March #	7.49	6.32	8.39	(54.49)	28.90	23.83	34.62	27.67	25.24
Market Capitalisation@ (₹ in lacs)	39,822	38,782	45,671	32,585	60,360	79,297	2,07,298	1,99,282	1,84,636

*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 54th Annual General Meeting of the Company will be held at 11.00 a.m. on Thursday the 8th August 2019 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 business :

ORDINARY BUSINESS

1. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that the Company’s Separate and Consolidated Audited Financial Statements for the year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and 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 2019 and the same be paid to those shareholders whose names appear in the Register of Members and Register of Depositories as on 1st August, 2019.”
3. To consider and pass the following Resolution, as an ORDINARY RESOLUTION:
“RESOLVED that Shri N K Shrikantan Raja (DIN: 00350693) who retires by rotation, be and is hereby re-appointed as a Director of the Company.”

SPECIAL BUSINESS :

4. To consider and pass the following Resolution as a SPECIAL RESOLUTION :
“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Shri.V.Santhanaraman (DIN 00212334), Independent Director of the Company, whose term ends on 30.09.2019 be reappointed as an Independent Director for another term of 5 years starting from 01.10.2019 to 30.09.2024.”
5. To consider and pass the following Resolution as a SPECIAL RESOLUTION:
“RESOLVED that pursuant to Section 149, 152 and such other provisions as applicable, of the Companies Act, 2013 and the Rules thereunder, Smt.Justice Chitra Venkataraman (Retd.) (DIN 07044099), Independent Director of the Company, whose term ends on 23.03.2020 be reappointed as an Independent Director for another term of 5 years starting from 24.03.2020 to 23.03.2025.”
6. To consider and pass the following Resolution as a SPECIAL RESOLUTION:
“RESOLVED that pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules 2014 and pursuant to Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and such other applicable Regulations, approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include a Committee of the Board) for making offer(s) or invitation(s) to subscribe to Secured Non-Convertible Debentures including but not limited to subordinate debt, bonds, and/or other debt securities, etc., (hereinafter collectively referred as “Securities”) on a private placement basis, listed or unlisted in one or more tranches, during the period of one year from the date of passing this Special Resolution by the Members, upto a limit of ₹ 250 crores, within the overall outstanding borrowing limits approved by the Members.

RESOLVED further that the Board of Directors of the Company (including any Committee thereof), be and are hereby authorised to determine the terms of the issue including the class of investors to whom such Securities to be issued, time, total amount to be raised by issuance of Securities, the number of Securities, tranches, issue price, tenor, interest rate, premium/ discount, listing and to do all such acts, deeds, filings, matters and execute all such deeds, documents, instruments and writings as may be required, with powers on behalf of the Company to settle all questions, difficulties or doubts that may arise in this regard as the Board may in its sole and absolute discretion deems fit and delegate all or any of its powers herein conferred to any director(s) and/or officer(s) of the Company, as it may in its absolute discretion deem it necessary.”
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 Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2,50,000/- (Rupees Two lakh fifty thousand only) exclusive of GST 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 2019-20 for auditing the Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn, be and is hereby ratified.”

Place : Chennai
Date : 23-05-2019

By Order of the Board
For RAMCO INDUSTRIES LIMITED
P.R. VENKETRAMA RAJA
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 and vote 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 1st August 2019, for determining the eligibility to vote by remote e-voting or in the General Meeting.
5. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/unpaid dividends lying with the Company on the website of the Company (www.ramcoindltd.com), as also on the website of the Ministry of Corporate Affairs. The 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	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund
2011-12	Final Dividend	02.08.2012	01.08.2019	30.08.2019
2012-13	Interim Dividend	13.02.2013	12.02.2020	12.03.2020
	Final Dividend	29.07.2013	28.07.2020	26.08.2020
2013-14	Dividend	28.07.2014	27.07.2021	25.08.2021
2014-15	Dividend	23.09.2015	22.09.2022	20.10.2022
2015-16	Dividend	11.03.2016	10.03.2023	08.04.2023
2016-17	Dividend	04.08.2017	03.08.2024	01.09.2024
2017-18	Dividend	03.08.2018	02.08.2025	31.08.2025

6. In accordance with Section 125(5) 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 and Protection Fund (the IEPF) established by the Central Government.
7. In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the 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.com and www.iepf.gov.in
8. Electronic copy of the Notice for the Annual General Meeting together with the Annual Report for 2018-19 is 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 is 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.
9. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, 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 in respect of dematerialised shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Company/Depository Participants.
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, [LODR] the Company is providing members remote e-voting facility to exercise their right to vote at the 54th Annual General Meeting (AGM) and the business may be transacted through such voting, through e-voting services provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting, either through electronic voting system or ballot 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) To log on to the e-voting website www.evotingindia.com
 - ii) To Click on “Shareholders” tab.
 - iii) Now enter your User ID as given below:
 - * 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.
 - iv) Next 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 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 Krishnan with Folio No. 5 then enter KR00000005 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 in dd/mm/yyyy format.

Dividend Bank Details: Please enter Dividend Bank Details as recorded in your demat account or in the Company records.

If both of the above details are not recorded with the depository or Company, please enter the User ID/Folio Number (mentioned in (iii) above) in the Dividend Bank details field.
 - vi) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘Password Creation’ 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. 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 resolution contained in this Notice.
 - viii) Click on the relevant EVSN for RAMCO INDUSTRIES LIMITED on which you choose to vote.
 - 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 Resolutions.
 - 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 a print of the voting done by you by clicking on “Click here to Print” option on the Voting page. It need not be sent to the Company.
 - xiv) If you have forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
 - xv) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details a Compliance

User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- xvi) The facility for remote e-voting shall remain open from 9.00 a.m. on Monday the 5th August, 2019 to 5.00 p.m. on Wednesday the 7th August 2019. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Thursday the 1st August 2019, may opt for remote e-voting. Voting shall not be allowed beyond 5.00 p.m. on 7th August, 2019.
- xvii) 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.com 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 01.08.2019.
- V. Shri K. Srinivasan, Chartered Accountant (Membership No. 021510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- VI. The Chairman shall, at the annual general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutiniser, by use of ballot or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- VII. The scrutiniser shall, immediately after the conclusion of voting at the annual general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and the Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

By Order of the Board
For RAMCO INDUSTRIES LIMITED
P.R. VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : 23-05-2019

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No: 4

Shri V.Santhanaraman (DIN 00212334) is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 23.09.2015, Shri.V. Santhanaraman was appointed as an Independent Director of the Company, for a period of 5 years from 01.10.2014 to 30.09.2019. In accordance with Section 149(10) of the Companies Act, 2013, he is eligible for reappointment upon passing of a Special Resolution at the General Meeting of the Company.

Shri V.Santharaman is eligible for sitting fee for attending Board/Committee Meetings as applicable to the Directors from time to time. His reappointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

His re-appointment has been included as a Special Resolution and the Board of Directors recommend his reappointment.

His Profile in brief is given below: -

Shri.V.Santhanaraman holds degree in Commerce and completed CAIIB. He has served in the Banking Sector for the past four decades from 1970 to 2009. He was appointed as Probationary Officer in the year 1970 in Indian Bank and held various positions and appointed as General Manager in the year 1998 and held that position till 2006. He was appointed as Executive Director of Bank of Baroda in October, 2006 and retired in August 2009. He has been on the Board of Ramco Industries since 2014.

In accordance with Regulation 17(10) of LODR and Schedule IV of the Companies Act, 2013, the Board of Directors at their meeting held on 29.01.2019 have evaluated the performance of Shri.V. Santhanaraman and found the same to be satisfactory and his contributions to the deliberations were beneficial in Board Meetings.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Shri V.Santhanaraman fulfils the conditions specified in the Companies Act, 2013 for such reappointment.

In accordance with Part D(A)(5) of Schedule II, read with Regulation 19(4) of LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 23.05.2019 had recommended to extend the term of office of Shri.V. Santhanaraman by reappointing him for another period of 5 years from 01.10.2019 to 30.09.2024.

He is also a Director in the following Companies:

1. Rajapalayam Mills Limited
2. The Ramaraju Surgical Cotton Mills Limited

He holds no shares in Ramco Industries Limited.

The draft letter of re-appointment for Shri.V. Santhanaraman as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

Disclosure of Interest:

Except Shri.V. Santhanaraman, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of LODR.

Item No: 5

Smt. Justice Chitra Venkataraman (Retd.) (DIN 07044099) is a Non-Executive Independent Director of the Company.

At the Annual General Meeting held on 23.09.2015, Smt. Justice Chitra Venkataraman (Retd.) (DIN 07044099) was appointed as an Independent Director of the Company, for a period of 5 years from 24.03.2015 to 23.03.2020. In accordance with Section 149(10) of the Companies Act, 2013, she is eligible for re-appointment upon passing of a Special Resolution at the General Meeting of the Company.

Smt. Justice Chitra Venkataraman (Retd.) is eligible for sitting fee for attending Board/Committee Meetings as applicable to the Directors from time to time. Her re-appointment and remuneration is in accordance with Nomination and Remuneration Policy of the Company.

Her re-appointment has been included as a Special Resolution and the Board of Directors recommend her re-appointment.

Her Profile in brief is given below:-

Smt. Justice Chitra Venkataraman (Retd.) (DIN 07044099), a graduate in Economics from Ethiraj College, Chennai, and B.L. from Law College, Chennai, started her practice at Madras High Court. She specialised in Direct and Indirect tax laws. She was appointed as Government Pleader during the period from 1991 to 1995 and thereafter as the Standing Counsel for Income Tax for about 10 years. She was elevated as Judge of Madras High Court in the year 2005 and retired in April 2014. She has been on the Board of Ramco Industries since 2015. She is also the member of Audit committee and Stakeholders Relationship Committee.

In accordance with Regulation 17(10) of LODR and Schedule IV of the Companies Act, 2013, the Board of Directors at their meeting held on 29.01.2019 have evaluated the performance of Smt. Justice Chitra Venkataraman (Retd.) and found the same to be satisfactory and her contributions to the deliberations were beneficial in Board/Committee Meetings.

In accordance with Proviso to Section 152(5) of the Companies Act, 2013, the Board of Directors have also formed an opinion that Smt. Justice Chitra Venkataraman (Retd.) fulfils the conditions specified in the Companies Act, 2013 for such reappointment.

In accordance with Part D (A)(5) of Schedule II, read with Regulation 19(4) of LODR and on the basis of Performance Evaluation of Independent Directors, the Nomination and Remuneration Committee at its meeting held on 23.05.2019 had recommended to extend the term of office of Smt. Justice Chitra Venkataraman by re-appointing her for another period of 5 years from 24.03.2020 to 23.03.2025.

She is also a Director in the following Companies:

1. The Ramco Cements Limited
2. Lakshmi Machine Works Limited

No	Name of the Company	Name of the Committee	Position Held
1	Lakshmi Machine Works Limited	Nomination & Remuneration Committee	Chairperson
2	Lakshmi Machine Works Limited	Stakeholders Relationship Committee	Chairperson

She holds no shares in Ramco Industries Limited.

The draft letter of re-appointment for Smt. Justice Chitra Venkataraman (Retd.) as an Independent Director, setting out the terms and conditions is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of the Annual General Meeting.

Disclosure of Interest:

Except Smt. Justice Chitra Venkataraman (Retd.), being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is interested in the Resolution. The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of LODR.

Item No: 6

As per the provisions of Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, a company offering securities or making invitation to subscribe to securities on a private placement basis, is required to obtain the approval of the members by way of a Special Resolution.

The approval of the Members is being sought by way of a Special Resolution to enable the Company to borrow for financing capital expenditure and also for general corporate purposes by way of Secured, Redeemable, Non-Convertible Debentures (“SRNCDS”), sub-ordinated bonds and other debt securities on private placement basis, in one or more tranches, during the period of one year from the date of passing of the Special Resolution [Pursuant to Second Proviso to Rule 14(2)(a) of Companies (Prospectus and Allotment of Securities) Rules, 2014] by the members, within the overall borrowing limits of the Company, as approved by the Members from time to time, with authority to the Board to determine the terms and conditions, including the issue price of the SRNCDS, sub-ordinated bonds and other debt securities.

The Directors recommend the Resolution to the Members for their approval.

None of the Directors, Key Managerial Personnel or their relatives are deemed to be interested in this Resolution.

Item No.: 7

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of Company, relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn.

On the recommendation of the Audit Committee at its meeting held on 23.05.2019, the Board had approved the appointment of M/s.Geeyes & Co., Cost Accountants as the Cost Auditors of the Company to audit the Company’s Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn, for the financial year 2019-20. The Board had approved a remuneration of ₹ 2,50,000/- (Rupees Two lakh fifty thousand only) exclusive of GST and Out-of-pocket expenses.

The remuneration to be paid to the cost auditor is required to be ratified by the members, in accordance with the provisions of Section 148(3) of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014.

The Directors recommend the Resolution to the Members for their approval. None of the Directors, Key Managerial Personnel or their relatives are interested in this Resolution.

By Order of the Board
For RAMCO INDUSTRIES LIMITED
P.R. VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : 23-05-2019

Additional Information on Director seeking re-election at the Annual General Meeting

Shri.N K Shrikantan Raja (DIN 00350693), a Commerce graduate, has been Director of the Company since 1986 extending valuable guidance.

He is also a Director in the following Companies: -

1	The Ramaraju Surgical Cotton Mills Limited
2	Sri Yannarkay Services Limited
3	Sandhya Spinning Mill Limited
4	Sudharsanam Investments Limited
5	Sri Vishnu Shankar Mill Limited
6	Sri Harini Textiles Limited

He holds 1,20,140 shares in Ramco Industries Limited.

BOARD'S REPORT

Your Directors have pleasure in presenting their 54th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2019.

FINANCIAL RESULTS

	For the Year ended 31.03.2019 ₹ in Lakhs Separate	For the Year ended 31.03.2018 ₹ in Lakhs Separate
Total Revenue	93,198	86,695
Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)	13,770	13,111
Less : Interest	1,506	2,163
Profit before Depreciation and Tax (PBDT)	12,264	10,948
Less : Depreciation	2,461	2,310
Add : Exceptional items	-	1,265
Net Profit/ Loss before Tax (PBT)	9,803	9,903
Less: Provision for Taxation - Current	1,934	2,338
- Deferred	2,060	1,914
MAT Credit Entitlement	(1,510)	(1,554)
Net Profit / Loss after Tax (PAT)	7,319	7,205
Other Comprehensive Income for the year (Net of Tax)	214	672
Total Comprehensive Income for the year (TCI)	7,533	7,877
Movement of Retained earnings		
Opening balance of Retained earning	16,334	10,760
Add: Profit for the year	7,319	7,205
Less: Dividend paid during the year	(433)	(433)
Less: Transfer to General Reserve	(1,100)	(1,100)
Add : Transfer from FVTOCI Reserve	(61)	(98)
Closing balance of Retained earnings	22,059	16,334

SHARE CAPITAL

The paid-up capital of the Company is ₹ 8,66,63,060/- consisting of 8,66,63,060 shares of ₹ 1/- each . The Company does not have any scheme for issue of sweat equity to the employees or Directors of the Company.

DIVIDEND

Your Directors at the Board Meeting held on 23.05.2019 have recommended Dividend of ₹ 0.50 per share on the Equity Capital of the Company, for the year. For the previous year, the Company had paid a dividend of ₹ 0.50 per share which amounts to ₹ 433 lacs. The recommendation of the dividend by the Directors is in accordance with the "Dividend Distribution Policy" of the company. The Policy is available on the website of the Company under the weblink. <http://www.ramcoindltd.com/policies.html>

The Dividend Distribution Policy forms part of this report.

TAXATION

An amount of ₹ 19.34 crore towards Current Tax, ₹ 20.60 crore towards Deferred tax and ₹ 15.10 crore towards MAT credit entitlement has been provided for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Review of Operations and Current Trends

A. BUILDING PRODUCTS DIVISION:

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER ₹ in Lakhs	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Fibre Cement Sheets	5,93,177	5,43,489	6,00,361	5,36,111	59,452	52,069
Fibre Cement Boards	70,066	67,781	69,779	68,276	12,604	11,365

(a) Fibre Cement (FC) Sheets :

During the year under review, the Sales quantity of FC Sheets grown by around 11% compared to previous year with industry growth was 5% for the year. There was a robust growth for the sheets in the first half of the year and shortfall in second half. New geographical markets for sales was explored amid stiff competition. Realisation also improved marginally compared to last year due to stiff pricing policies by competition. The Company has achieved their highest ever sales volume in the year 18-19 and an equally improved realisation. Depreciation of Rupee also affected the raw material's cost. Consistent and Judicious usage of raw materials and supplier negotiations helped to mitigate the impact.

Union Government's initiatives on Rural development, good monsoon and Prime Minister's Swachh Bharat Abhiyan scheme and Awaz Yojana for providing financial support for housing for the poor, Better minimum support prices to agriculture crop by the Government, resolving farmers issue, firming up of steel and iron prices will be boost for fibre cement products and trend may continue. Promotional efforts are vigorously taken to explore new potential areas with more customized products.

(b) Fibre Cement Boards :

Efforts are taken to increase Production and Sales during the year under review. New variants with superior features were well received in the Market. New vertical created for penetration into plywood counters. Marketing initiatives such as Meets and TV Commercials done to create awareness of the various product range. There has been increase in production compared to last year, Sales also have been increased compared to last year.

Sales of Boards has increased by 20% both in Volume & Value terms. 9 New Export markets have been added and Export Sales has been very positive during the last financial Year. A new Person has been recruited and will be based in the Gulf Co-operation Council, for exclusive focus in the region. Further growth is expected in the coming quarters as new markets are being added.

Smart Build Operations offering complete solutions in Green Dry Construction to customers, was started in September 2017 and turnkey projects with an approximate value of ₹ 7 Crores are under execution which is promising venture and approximately ₹15 - 20 Crores of business is expected in the year 2019-2020.

New products like Sandwich Panels, Mineral Fibre Tiles & Shingles are planned to be sourced and launched in the RAMCO brand, adding to the basket of offerings to the customers.

(c) Fibre Cement Pressure Pipes:

Operations of Pressure Pipes continued to be under pressure owing to the sluggish market. The Union Government's infrastructure initiatives are expected to increase the sale of this product.

B. WIND MILLS:

During the Financial Year 2018-19, the Wind energy was moderate with decrease of 12% compared to last year, from the existing 15 Wind Mills.

Position regarding Wind Mills was as follows: -

Total Capacity Installed	: 16.73 MW
Total Units generated	: 264 Lakh Units (P.Y: 300 Lakh Units)
Income earned (by generation/sale of power)	: ₹ 1630 Lakhs (P.Y: ₹1852 Lakhs)

C. COTTON YARN DIVISION - SRI RAMCO SPINNERS :

Production and Sales :

During the year 2018-19, the Unit had produced 29.42 Lakh Kgs. of Cotton Yarn as compared to 25.30 Lakh Kgs. produced during the previous year. The Unit had sold Yarn at 36.18 Lakh Kgs. (including traded yarn) during the year under review as against 28.72 Lakh Kgs. during 2017-18.

During the year under review, the performance of the Cotton yarn division was fair when compared to previous year. The reduction in yarn selling price, increase in raw materials and in operating cost affected the performance of the company during the year 2018-19.

With the moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving good results during the year 2019-20.

D. OVERSEAS OPERATIONS OF SUBSIDIARIES - SRI RAMCO LANKA (PRIVATE) LIMITED AND SRI RAMCO ROOFINGS LANKA (PRIVATE) LIMITED, SRI LANKA:

There was a drop in volume due to political unrest last year.

At a Consolidated level of both the Companies, the Net Sales were SLR 37,099 lakhs (INR 15,414 lakhs) as against SLR 35,285 lakhs (INR 14,823 lakhs) during the corresponding previous year.

In accordance with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing the salient features of the Financial Statements of the subsidiaries is attached in Form AOC-1 as Annexure -1 to the Board's Report.

The Company proposes to transfer an amount of ₹1,100 lakhs to the General Reserves. An amount of ₹22,059 lakhs is proposed to be retained in the statement of Profit and Loss.

CONSOLIDATED FINANCIAL STATEMENTS :

The company has 6 Associate Companies viz The Ramco Cements Limited Rajapalayam Mills Limited, Ramco Systems Limited, Ramco Industrial and Technology Services Limited, Madurai Trans Carrier Limited and Lynks Logistics Limited.

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI(LODR)], Companies are required to prepare Consolidated Financial Statements of its subsidiaries and Associates to be laid before the Annual General Meeting of the Company. Accordingly, the Consolidated financial Statements incorporating the accounts of Subsidiary Companies and Associate Companies along with Auditors' Report thereon, forms part of this Annual Report.

As per Section 136(1) of the Companies Act, 2013 the financial statements including consolidated financial statements are available at the Company's website at the following link at http://www.ramcoindltd.com/financial_performance.html

Separate audited accounts in respect of the subsidiary companies are also made available at the Company's website. The Company shall provide a copy of separate audited financial statements in respect of its subsidiary companies to any shareholder of the Company who asks for it.

The consolidated net profit after tax of the Company amounted to ₹74.51 crore for the year ended 31st March, 2019 as compared to ₹78.79 crore of the previous year.

The Consolidated Total Comprehensive Income for the year under review is ₹175.43 crores as against ₹182.13 crores of the previous year.

Key Financial Ratios

Pursuant to Schedule V (B) of LODR, the Key Financial Ratios for the year 2018-19 are given below:

Sl. No	Particulars	31-03-2019	31-03-2018	Formula adopted
1	Debtors Turnover Ratio (days)	37	37	365 days/(Net Revenue / Average Trade Receivables)
2	Inventory Turnover Ratio (days)	98	123	365 days/(Net Revenue / Average Inventories)
3	Interest Coverage Ratio	7.51	4.99	(Operating Profit Before Tax+Interest)/(Interest + Interest Capitalised)
4	Current Ratio	1.35	1.29	Total Current Assets/Total Current Liabilities
5	Debt-Equity Ratio	0.25	0.32	Total Debt / Total Equity
6	Operating Profit Margin	11%	11%	Operating Profit Before Tax / Net Revenue
7	Net Profit Margin	8%	9%	Net Profit / Net Revenue
8	Return on Networth	14%	17%	Total Comprehensive Income + Interest / Average Net worth
9	Total Debt / EBITDA	1.36	1.62	Total Debt / EBITDA
10	Return on Capital Employed	10%	11%	Total Comprehensive Income + Interest / (Average of Equity plus Total Debt)
11	Price Earnings Ratio	25.23	27.66	Market price per share as at 31 st March / Earning per share

- a For Sl. No. 3, there has been significant change (i.e. 25% or more) in the ratios, compared to previous year. The same is due to reduction of 30% in borrowing cost
- b During year 2017-18, PBT includes exceptional item of Rs.1265 lakhs
- c EDITDA denotes Operating Profit Before Tax + Interest + Depreciation

DIRECTORS :

Pursuant to Rule 8 (5) (iii) of Companies (Accounts) Rules, 2014 it is reported that, there have been no changes in the Directors and Key Managerial Personnel during the year under review and after the end of the year and upto the date of the report.

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri N K Shrikantan Raja (DIN 00350693), Director, retires at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Independent Directors hold office for a fixed term of 5 years and not liable to retire by rotation. No Independent Director has retired during the year.

At the Annual General Meeting held on 23-09-2015, the following Directors were appointed as Independent Directors for a period of 5 years as mentioned below :

Shri V Santhanaraman	01.10.2014 to 30.09.2019
Smt. Justice Chitra Venkataraman (Retd.)	24.03.2015 to 23.03.2020

They are eligible for reappointment for another period of 5 years as Independent Directors. In accordance with Section 149(10) of the Companies Act, 2013, their reappointments have been proposed in the Notice convening the Annual General Meeting as Special Resolutions. Their Profile and rationale for reappointment have been provided in the statement pursuant to section 102 of the Companies Act, 2013 attached to the Notice convening the Annual General Meeting.

The Nomination and Remuneration Committee and Board of Directors at the Meetings held on 23-05-2019 have evaluated the performance of the Independent Directors and based on the contribution of the Directors, have recommended their reappointment.

The Company has received necessary declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

Independent Directors have complied with the code for Independent Directors prescribed in Schedule IV to the Act.

The Company had formulated a code of conduct for the Directors and Senior Management Personnel and the same has been complied with.

The Audit Committee has four members, out of which three are Independent Directors. Pursuant to Section 177(8) of the Companies Act, 2013 it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

In accordance with Section 178(3) of the Companies Act, 2013 and based upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors has approved a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and Other Employees.

As per Proviso to Section 178(4), the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that -

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management shall be appropriate to the working of the company and its goals.
- (d) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Nomination and Remuneration Committee and this Policy shall be in compliance with the Companies Act, 2013 and LODR. During the year under review, there has been no change in the policy.

The web address of the Policy is - http://www.ramcoindltd.com/files/Nomination_and_Remuneration_Policy.pdf

As required under Regulation 25(7) of SEBI (LODR) Regulations, the Company has programmes for Familiarisation for Independent Directors about the nature of the Industry, Business model, roles, rights and responsibilities of Independent Directors and other relevant information. As required under Regulation 46(2) of SEBI (LODR) Regulations the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at http://www.ramcoindltd.com/files/DIRECTORS_FAMILIARISATION_PROGRAMME.pdf

The details of the familiarization programme are explained in the Corporate Governance Report also.

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013, and Regulation 25(4) of SEBI (LODR) Regulations, Independent Directors have evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, Performance of the Board as a whole and its Members and other required matters.

Pursuant to Schedule II, Part D of SEBI (LODR) Regulations, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board Meeting, which shall be taken into account at the time of reappointment of Independent Director.

Pursuant to Regulation 17(10) of LODR, the Board of Directors have evaluated the performance of Independent Directors and observed the same to be satisfactory and their deliberations beneficial in Board / Committee meetings.

Pursuant to Regulation 4(f)(2)(ii) of LODR, the Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year under review were similar to their observations for the previous year. No specific actions have been warranted based on current year observations. The Company would continue to familiarise its Directors on

the industry, technological and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

MEETINGS

During the year, five Board meetings were held. In accordance with Clause 9 of Secretarial Standard 1, the details of number and dates of Meetings of the Board and Committees held during the financial year indicating the number of meetings attended by each Director are given in the Corporate Governance Report.

SECRETARIAL STANDARD

As required under Clause 9 of Secretarial Standard-1, the Board of Directors confirm that the company has complied with both mandatory as well as non-mandatory Secretarial Standards.

PUBLIC DEPOSITS

The Company had no fixed deposits. The Company has decided not to accept fresh deposits from 01.04.2014 and to avail the option provided under Section 74 of the Companies Act, 2013 and repaid all the existing deposits together with the accrued interest thereon by complying with the formalities required in this regard.

ORDERS PASSED BY THE REGULATORS

Pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 it is reported that no significant and material orders have been passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

In accordance with Section 134(5)(e) of the Companies Act, 2013, the Company has Internal Financial Controls Policy by means of Policies and Procedures commensurate with the size & nature of its operations and pertaining to financial reporting. In accordance with Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, it is hereby confirmed that the Internal Financial Controls are adequate with reference to the financial statements.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013 the details of Loans, Guarantees and Investments are given in the notes of Disclosures forming part of separate Financial Statements.

AUDITS

STATUTORY AUDIT

M/s.Ramakrishna Raja And Co., Chartered Accountants, (FRN:005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN:015041S), who have been appointed as the Statutory Auditors of the company at the 52nd Annual General Meeting would be the Auditors of the Company, till the conclusion of the 57th Annual General Meeting of the Company to be held in the year 2022.

The report of the Statutory Auditors for the year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark. No fraud has been reported by the Company's Auditors.

COST AUDIT

As per Rule 3 of Companies (Cost Records and Audit) Rules, 2014 our company is required to maintain cost records and accordingly such records and accounts are made and maintained.

The Board of Directors had approved the appointment of M/s.Geeyes & Co., Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn for the year 2019-20 at a remuneration of ₹ 2.50 lacs exclusive of GST and out of pocket expenses.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the Act and Rule 14 of Companies (Audit and Auditors) Rules, 2014. Accordingly, the matter relating to their remuneration had been included in the Notice convening the 54th Annual General Meeting scheduled to be held on 8th August,2019, for ratification by the Members.

The Cost Audit Report for the financial year 2017-18 due to be filed with Ministry of Corporate Affairs by 30.09.2018 had been filed on 27.08.2018. The Cost Audit Report for the financial year 2018-19 is due to be filed within 180 days from the closure of the financial year and will be filed within the stipulated period.

SECRETARIAL AUDIT

M/s S. Krishnamurthy & Co., Company Secretaries, has been appointed to conduct the Secretarial Audit of the Company. Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31st March, 2019 is attached as Annexure - 2. The report does not contain any qualification, reservation or adverse remark.

EXTRACT OF ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management and Administration) Rules 2014, an extract of the Annual Return in Form MGT-9 is attached herewith as **Annexure - 3**

In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS-4), a copy of the Annual Return for the year ended 31st March 2018 has been placed on the website of the Company and the web link of such Annual Return is - http://www.ramcoindltd.com/files/Investors/Annual_Returns/Annual_Return_201718.pdf

CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in LODR. As required under Schedule V (C) of LODR, a report on Corporate Governance being followed by the Company is attached as **Annexure - 4**.

The statement and disclosures pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are available at Point No: 10(l) of Corporate Governance Report.

As required under Schedule V (E) of LODR, a Certificate from the Statutory Auditors of the Company confirming the compliance is attached as **Annexure - 5**.

CORPORATE SOCIAL RESPONSIBILITY POLICY

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors have constituted a Corporate Social Responsibility (CSR) Committee and adopted a CSR Policy which is based on the philosophy that "As the Organisation grows, the Society and Community around it also grows."

The Company has undertaken various projects in the areas of education, health, rural development, water and sanitation, promotion and development of traditional arts, protection of national heritage, livelihood enhancement projects etc., largely in accordance with Schedule VII of the Companies Act, 2013.

The CSR obligation pursuant to Section 135(5) of the Companies Act, 2013, for the year 2018-19 is ₹ 91.80 lakhs. As against this, the Company has spent ₹ 93.47 lakhs on CSR. Further, the Company had spent a sum of ₹ 79.81 lakhs on other social causes which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013.

The Annual Report on CSR activities as prescribed under Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - 6**.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In accordance with Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of LODR, the Company has established a Vigil mechanism and has a Whistle Blower Policy. The Policy provides the mechanism for the receipt, retention and treatment of complaints and to protect the confidentiality and anonymity of the stakeholders. The complaints can be made in writing to be dropped into the Whistle Blower Drop Boxes or through E-Mail to dedicated mail IDs. The Corporate Ombudsman shall have the sole access to these. The Policy provides to the complainant access to the Chairman of the Audit Committee. The web link for the Vigil Mechanism is disclosed in the Corporate Governance Report.

RISK MANAGEMENT POLICY

Pursuant to Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9) of LODR, the Company has developed and implemented the Risk Management Policy. The policy envisages identification of risk and procedures for assessment and minimisation of risk thereof. The Risk Management Policy of the Company is available at the Company's website, at the following weblink http://www.ramcoindltd.com/files/RISK_MANAGEMENT_POLICY_RIL.pdf

RELATED PARTY TRANSACTIONS

Prior approval / omnibus approval is obtained from the Audit Committee for all Related Party transactions and the transactions are also periodically placed before the Audit Committee for its approval. The particulars of contracts entered into by the Company during the year as per Form AOC 2 is enclosed as **Annexure - 7**.

No transaction with the related party is material in nature except transaction with Raja Charity Trust which was approved by Shareholders at 51st Annual General Meeting held on 04.08.2016, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of LODR. In accordance with Ind AS-24, the details of transactions with the related parties are set out in the Disclosures forming part of Financial Statements.

As required under Regulation 46 (2) (g) of LODR, the Related Party Transaction Policy is disclosed in the Company's Website and its weblink is -http://www.ramcoindltd.com/files/RELATED_PARTY_TRANSACTION_POLICY_RIL.pdf

As required under 46(2)(h) of LODR, the Company's Material Subsidiary Policy is disclosed in the Company's website and its weblink is - http://www.ramcoindltd.com/files/MATERIAL_SUBSIDIARY_POLICY_2015.pdf

FUTURE OUTLOOK

Indian Rural economy after years of drought and poor monsoon has started showing growth prospect due to relatively moderate monsoon. The India Meteorological Department (IMD) has forecast a normal monsoon in 2019, with rainfall likely to be 97 % of the long-term average. The Interim Union Budget for the year 2019-20 focused on uplifting of the rural economy, strengthening of the agriculture sector, annual cash incentive for small farmers, infrastructure creation and MSME Sector which would augur well for the industry.

Goods and Services Tax (GST), a single tax to replace the erstwhile Central and State multi taxes and levies, is getting stabilised. All the above factors are favourable for the sustained growth of the economy, specifically construction and infrastructure.

Your Company is prepared to meet the demand of the products and is taking initiatives to increase the market especially in Boards business. USD-INR volatility could be a dampener for the profitable growth.

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

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is attached as **Annexure -8**

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The disclosures in terms of provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, relating to remuneration are provided in **Annexure - 9**.

INDUSTRIAL RELATIONS & PERSONNEL

Industrial relations continue to be cordial and harmonious at all the Units. Employees at all levels are extending their fullest co-operation for the various cost reduction measures of the Company. There is a special thrust on Human Resources Development with a view to promoting creative and group effort.

CREDIT RATING

The ratings for the Company's borrowing are available in Corporate Governance Report.

SHARES

The Company's shares are listed in BSE Limited and National Stock Exchange of India Limited and the Annual Listing Fees have been paid for the F.Y. 2019-20 respectively.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend amount of ₹ 1,24,799/- remaining unclaimed/unpaid for a period of over 7 years was transferred to IEPF on 30-08-2018 and there was no share liable to be transferred to IEPF corresponding to the said dividend. The company had transferred a dividend of ₹ 32,590/- to IEPF for the 65,180 shares already transferred to IEPF.

Year wise amount of unpaid / unclaimed dividend lying in the unpaid account and corresponding shares, which are liable to be transferred to IEPF and due dates for such transfer, are tabled below:

Year	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund	No. of Shares of ₹ 1/- each	Amount of unclaimed / unpaid Dividend as on 31-03-2019
2011-12	Interim Dividend	21-03-2012	20-03-2019	18-04-2019	3,29,017.00	2,96,115.00
	Final Dividend	02-08-2012	01-08-2019	30-08-2019	4,13,460.00	82,692.00
2012-13	Interim Dividend	13-02-2013	12-02-2020	12-03-2020	3,67,509.00	3,30,758.10
	Final Dividend	29-07-2013	28-07-2020	26-08-2020	4,07,408.00	81,481.60
2013-14	Dividend	28-07-2014	27-07-2021	25-08-2021	5,16,522.00	1,29,130.50
2014-15	Dividend	23-09-2015	22-09-2022	20-10-2022	4,89,097.00	1,46,729.10
2015-16	Dividend	11-03-2016	10-03-2023	08-04-2023	4,78,644.00	2,39,322.00
2016-17	Dividend	04-08-2017	03-08-2024	01-09-2024	4,33,843.00	2,16,921.50
2017-18	Dividend	03-08-2018	02-08-2025	31-08-2025	3,12,649.00	1,56,324.50

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors confirm that

- They had followed the applicable accounting standards along with proper explanation relating to material departures if any, in the preparation of the annual accounts for the year ended 31st March, 2019;
- They had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2019 and of the profit of Company for the year ended on that date;

- (c) They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They had prepared the annual accounts on a going concern basis;
- (e) They had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively.
- (f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RESEARCH AND DEVELOPMENT EFFORTS

During the year, the company continued with research and development efforts in respect of economical mix and non-conventional fibres in production technology for manufacture of fibre cement sheets, calcium silicate boards, fibre cement boards and non-asbestos roofing sheets.

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 : 23-05-2019

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED
P.R. VENKETRAMA RAJA
CHAIRMAN

FORM AOC - 1

[Pursuant to Section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014]
Statement containing Salient features of the financial statement of subsidiaries / associate companies

PART A - SUBSIDIARY COMPANIES

₹ In Lakhs
Foreign Currency - in Lakhs

Particulars		1		2
Name of the Subsidiary Company	Currency	Sri Ramco Lanka (Private) Limited	Sri Ramco Roofings Lanka (Private) Limited	Sudharsanam Investments Limited
Company incorporated in		Sri Lanka	Sri Lanka	India
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries				
Share capital	INR	1,365.32	4,270.29	425.00
	SLR	2,300.02	10,150.43	-
Reserves & surplus	INR	7,060.84	2,343.38	449.35
	SLR	18,404.37	6,631.23	-
Total assets	INR	9,759.04	7,766.58	1,287.06
	SLR	24,086.47	19,707.07	-
Total Liabilities	INR	1,332.88	1,152.91	412.71
	SLR	3,382.08	2,925.41	-
Investments	INR	4,216.02	-	1,286.25
	SLR	10,021.41	-	-
Turnover	INR	9,041.36	7,791.02	89.48
	SLR	21,760.18	18,750.95	-
Profit before taxation	INR	2,127.19	1,216.91	48.91
	SLR	5,183.97	2,970.67	-
Provision for Taxation	INR	335.56	285.22	-
	SLR	807.59	686.43	-
Profit after taxation	INR	1,791.63	931.69	48.91
	SLR	4,376.38	2,284.24	-
Proposed Dividend	INR	634.50	800.10	-
	SLR	1,610.02	2,030.09	-
Percentage of Shareholding		99.99%	1.27%	100%
As on 31.03.2019 : 1 SLR = ₹ 0.4155				



PART B - ASSOCIATE COMPANIES

Particulars	2018-19	2018-19	2018-19	2018-19	2018-19	2018-19
Name of the Associate Company	The Ramco Cements Limited	Rajapalayam Mills Limited	Ramco Systems Limited	Ramco Industrial and Technology Services Limited	Madurai Trans Carrier Limited	Lynks Logistics Limited
Latest audited Balance Sheet date	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019	31.03.2019
Number of Shares held as on 31.03.2019	4,94,60,420	1,27,360	54,67,376	50,000	3,09,00,000	19,00,000
Amount of Investment in Associate as on 31.03.2019 - (₹ in Lakhs)	6,816.33	61.79	13,216.19	5.00	309.00	19.00
Extent of Shareholding % as on 31.03.2019	22.51	1.81	21.83	22.02	23.82	11.32
Description of how there is significant influence	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding	By virtue of Shareholding
Reason why the associate is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to shareholding (₹ in Lakhs)	4,54,170	1,70,123	57,890	1,185	1,423	1,409
Profit/Loss for the year (Consolidated) (₹ in lakhs)						
(a) Considered in Consolidation - ₹ in Lakhs	9,610.65	40.67	502.33	(23.47)	(5.81)	(246.38)
(b) Not Considered in Consolidation						
Share Holding Includes apart from Direct Holding Through Subsidiary						
Sudharsanam Investments Limited	1.27					
Indirect Holding through Associates						
The Ramco Cements Limited		0.08	3.93	20.9	6.63	10.91
Rajapalayam Mills Limited	0.24			0.02		
Ramco Systems Limited						
Ramco Industrial and Technology Services Limited			0.02			

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23-05-2019

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
PREM G SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

For M/s. Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No. 227833

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members of,
RAMCO INDUSTRIES LIMITED, [CIN: L26943TN1965PLC005297]
 47, PSK Nagar, Rajapalayam,
 Virudhunagar District -626 108

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RAMCO INDUSTRIES LIMITED** (*hereinafter called "the Company"*) during the financial year from 1st April 2018 to 31st March 2019 (*"the year"/ "audit period"/ "period under review"*).

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/ statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our **verification** of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after 31st March 2019 but before the issue of this audit report;
- (ii) Our **observations** during our visits to the Corporate office of the Company;
- (iii) **Compliance certificates** confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on 31st March 2019** the Company has:

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place

to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

1. Compliance with specific statutory provisions

We further report that:

1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder (*the Act*).
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules/ regulations made thereunder to the extent of Overseas Direct Investment (*FEMA*);
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (*"SEBI Regulations"*):-
 - (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, replaced with The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, with effect from 3rd October 2018;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*LODR*).
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (*Agreements*).
- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India (*Secretarial Standards*).

1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2019 but before the issue of this report, **the Company has**, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) **Complied with** the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations and Agreements mentioned under sub-paragraphs (ii), (iii) and (v) of paragraph 1.1 above except the following:

(a) Regulation 33(1) (d) of LODR [paragraph 1.1 (v)(e)] requires the listed entity to ensure that the limited review reports submitted to the stock exchanges on a quarterly basis are to be given only by an Auditor who has subjected himself to peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of ICAI. The Peer Review process of one of the Company's Joint Auditors M/s. Ramakrishna Raja & Co., was due for review on 15th August 2018. The process was initiated before the said date. The final report was sent to the Peer Review Board by the Peer Reviewer on 15th November 2018 and the Certificate was issued by the Peer Review Board on 26th March 2019.

(ii) **Generally complied with** the applicable provisions/ clauses of:

(a) The Act and Rules mentioned under paragraph 1.1(i);

(b) FEMA to the extent of Overseas Direct Investment mentioned under paragraph 1.1(iv); and

(c) The Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1. (vii) above to the extent applicable to Board meetings held during the year, the 53rd Annual General Meeting held on 3rd August 2018 (53rd AGM) and the Postal Ballot Process which concluded on 12th February 2019. The Secretarial Standards on Dividend (SS-3), being non-mandatory has not been adopted by the Company. The compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vii)] with regard to the Board meeting held through video conferencing on 26th March 2019 were verified based on the minutes of the meeting provided by the Company.

1.3 We are informed that, during/ in respect of the year, the Company was not required to initiate any compliance related action in respect of the following laws/ rules/ regulations/ standards, and was consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns thereunder:

(i) FEMA to the extent of Foreign Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, replaced with The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, from 11th September 2018;

(iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

1.4 There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with any other specific law under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes:

We further report that:

2.1 The Board of Directors of the Company as on 31st March 2019 comprised of:

(i) One Executive Director;

(ii) Three Non-Executive Non Independent Directors; and

(iii) Four Non-Executive Independent Directors, including a Woman Independent Director.

2.2 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:

(i) Re-appointment of Sri. S.S.Ramachandra Raja (DIN 00331491) as Director retiring by rotation at the 53rd AGM;

(ii) Re-appointment of two independent directors, namely Sri.R.S.Agarwal (DIN 00012594) and Sri. K.T.Ramachandran (DIN 00351334) for a second term of five years from 1st April 2019 to 31st March 2024, at the 53rd AGM.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings, except for one meeting which was convened at a shorter notice to transact urgent business.

2.4 Notice of Board meetings was sent to the directors at least seven days in advance except for the one meeting convened at a shorter notice, at which more than one independent director was present as required under Section 173(3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings, other than for the one meeting convened at a shorter notice.

2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3 Compliance mechanism

We further report that:

3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. There is scope for further improvement in the compliance systems and processes, commensurate with the increasing statutory requirements and growth in operations.

4 Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the Company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards :

- (i) Approval of members was accorded by way of a Special Resolution passed in the 53rd AGM for making offer(s) or invitation(s) to subscribe to Secured Non-Convertible Debentures including but not limited to subordinate debt, bonds, and /or other debt securities, etc., on a private placement basis, listed or unlisted in one or more tranches within a period of one year of passing of the resolution upto a limit of ₹ 250 Crores, within the overall outstanding borrowing limits approved by members.
- (ii) Approval of members was accorded by way of a Special Resolution passed through Postal Ballot on 12th March 2019 for the continuation of Shri.S.S.Ramachandra Raja (DIN 00331491), as Non Executive Non Independent Director of the Company from 1st April 2019 till the completion of his present tenure in terms of Section 152 (6) of the Companies Act, 2013, as required under Regulation 17(1A) of LODR.

Date : 23rd May 2019
Place: Chennai

For S Krishnamurthy & Co.
Company Secretaries

K. Sriram
Partner
Membership No: F6312
Certificate of Practice No: 2215

Annexure - A to Secretarial Audit Report of even date

To,

The Members,
RAMCO INDUSTRIES LIMITED, [CIN: L26943TN1965PLC005297]
47, P S K Nagar, Rajapalayam,
Virudhunagar District -626 108

**Our Secretarial Audit Report (Form MR-3) of even date for the
financial year ended 31st March 2019 is to be read along with this letter**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2019 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date : 23rd May 2019
Place: Chennai

For S Krishnamurthy & Co.
Company Secretaries

K. Sriram
Partner
Membership No: F6312
Certificate of Practice No: 2215

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	L26943TN1965PLC005297
ii	Registration Date	27.01.1965
iii	Name of the Company	RAMCO INDUSTRIES LIMITED
iv	Category/Sub-Category of the Company	Public Limited Company
v	Address of the Registered Office and contact details	47,P.S.K.NAGAR RAJAPALAYAM - 626 108
vi	Whether listed Company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, Subramanian Building, No: 1, Club House Road, CHENNAI - 600 002 Tel. : 044-2846 0390

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company :

No	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Building Products*	23959	81.44
2	Cotton Yarn	13111	16.67

* comprise of Fibre Cement Sheets and Calcium Silicate Boards

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable section
1.	Sudharsanam Investments Limited	U 65993TN1998PLC040821	Subsidiary	100.00	2(87)(ii)
2.	Sri Ramco Lanka (Private) Limited, Srilanka	P V 4683	Subsidiary	99.99	2(87)(ii)
3.	Sri Ramco Roofings Lanka (Private) Limited	P V 75389	Subsidiary	1.27	2(87)(ii)
4.	The Ramco Cements Limited	L26941TN1957PLC003566	Associate	21.00	2(6)
5.	Rajapalayam Mills Limited	L17111TN1936PLC002298	Associate	1.73	2(6)
6.	Ramco Systems Limited	L72300TN1997PLC037550	Associate	17.87	2(6)
7.	Ramco Industrial and Technology Services Limited	U74999TN2002PLC048773	Associate	1.05	2(6)
8.	Madurai Trans Carrier Limited	U62100TN2013PLC094059	Associate	17.17	2(6)
9.	Lynks Logistics Limited	U60200TN2015PLC103367	Associate	0.37	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	23433161	0	23433161	27.04	22726161	0	22726161	26.22	-0.82
b) Central Govt(s)	0	0	0	0.00					0.00
C) State Govt(s)	0	0	0	0.00					0.00
d) Bodies Corporate	23296660	0	23296660	26.88	24003660	0	24003660	27.70	0.82
e) Banks / FI	0	0	0	0.00					0.00
f) Any other	0	0	0	0.00					0.00
Sub-total (A)(1)	46729821	0	46729821	53.92	46729821	0	46729821	53.92	0.0000
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0.00
Total shareholding of Promoter (A) = A(1) + A(2)	46729821	0	46729821	53.92	46729821	0	46729821	53.92	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1848853	2000	1850853	2.14	2476621	2000	2478621	2.86	0.72
b) Banks / FI	1487976	4000	1491976	1.72	1460267	4000	1464267	1.69	-0.03
c) Central Govt/ State Government(s)	65180	0	65180	0.08	65180	0	65180	0.08	0.00
d. Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
f) FIs	0	0	0	0.00	0	0	0	0	-0.00
g) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0	0.00
h) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
i) Other (specify)									
Alternate Investment Funds	227141	0	227141	0.26	160000	0	160000	0.19	-0.08
Foreign Portfolio Investor (Corporate) Category I	5106	0	5106	0.01	11713	0	11713	0.01	0.08
Foreign Portfolio Investor (Corporate) Category II	581820	0	581820	0.67	620189	0	620189	0.72	0.05
	814067	0	814067	0.94	791902	0	791902	0.91	-0.03
Sub-total (B)(1)	4216076	6000	4222076	4.87	4793970	6000	4799970	5.54	0.67

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corporate	2474676	11000	2485676	2.87	2269522	5000	2274522	2.63	-0.24
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	15164390	981340	16145730	18.63	14801984	776160	15578144	17.98	-0.66
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	11559060	2680671	14239731	16.43	13007668	1290520	14298188	16.50	0.07
c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
d) Others (specify)									
Clearing Members	60816	0	60816	0.07	16923	0	16923	0.02	-0.05
Foreign Portfolio Investor (individual) Category III	2500	0	2500	0.00	3900	0	3900	0.01	0.00
Hindu Undivided Families	1571876	0	1571876	1.81	1583855	0	1583855	1.83	0.02
Non Resident Indians	1184959	0	1184959	1.37	1327613	0	1327613	1.53	0.17
Trusts	19875	0	19875	0.02	50124	0	50124	0.06	0.04
Others	2840026	0	2840026	3.28	2982415	0	2982415	3.44	0.16
Sub-total (B)(2)	32038152	3673011	35711163	41.21	33061589	2071680	35133269	40.54	-0.67
Total Public Shareholding (B) = (B)(1) + (B)(2)	36254228	3679011	39933239	46.08	37855559	2077680	39933239	46.07	0.00
TOTAL (A)+(B)	82984049	3679011	86663060	100.00	84585380	2077680	86663060	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0	0.00
Public	0	0	0	0.00	0	0	0	0	0.00
TOTAL CUSTODIAN (C)	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	82984049	3679011	86663060	100.00	84585380	2077680	86663060	100.00	0.00

ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	The Ramco Cements Ltd.	13372500	15.43	0	13372500	15.43	0	0.00
2.	Ramco Management Pvt. Ltd.	1805800	2.08	0	1898800	2.19	0	0.11
3.	The Ramaraju Surgical Cotton Mills Ltd.	135880	0.16	0	135880	0.16	0	0.00
4.	Rajapalayam Mills Limited	7920680	9.14	0	8401680	9.69	0	0.55
5.	Ramco Agencies Pvt. Ltd.	22200	0.03	0	22200	0.03	0	0.00
6.	Ramco Pvt. Ltd.	39600	0.05	0	39600	0.05	0	0.00
7.	RCDC Securities and Investments Pvt. Ltd.	0	0	0	43000	0.05	0	0.05
8.	Ramco Industrial and Technology Services Ltd.	0	0	0	90000	0.10	0	0.10



Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
9.	Smt. Ramachandra Raja Chittammal	1053880	1.22	0	1053880	1.22	0	0.00
10.	Smt. P.V. Srisandhya	42400	0.05	0	42400	0.05	0	0.00
11.	Shri P.V. Abinav Ramasubramaniam Raja	40000	0.05	0	40000	0.05	0	0.00
12.	Smt. Saradha Deepa	6220655	7.18	0.96	5513655	6.36	0.96	(0.82)
13.	Shri P.R. Venketrama Raja	6220655	7.18	4.19	6220655	7.18	3.46	0.00
14.	Smt. P.V. Nirmala	60000	0.07	0	60000	0.07	0	0.00
15.	Shri N.R.K.Ramkumar Raja	174640	0.20	0	174640	0.20	0	0.00
16.	Smt. Nalina Ramalakshmi	6300655	7.27	0	6300655	7.27	0	0.00
17.	Shri S.R. Srirama Raja	243000	0.28	0	243000	0.28	0	0.00
18.	Smt. R Sudarsanam	3077276	3.55	0	3077276	3.55	0	0.00
	Total	46729821	53.92	5.15	46729821	53.92	4.42	0.00

iii) Change in Promoters' Shareholding : NIL

Sl No	Shareholding	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year (01.04.2018)	46729821	53.92	--	--
	At the end of the year (31.03.2019)	46729821	53.92	46729821	53.92

Note for Table IV(ii) :

- (i) Changes in Sl. Nos.2,4,7,8,12 - Inter se transfers from Smt. Saradha Deepa to M/s. Ramco Management Pvt. Ltd., M/s. Rajapalayam Mills Ltd., M/s. RCDC Securities and Investments Pvt. Ltd. and M/s. Ramco Industrial and Technology Services Ltd., respectively.
- (ii) Ramco Industrial and Technology Services Limited and RCDC Securities and Investments Pvt. Ltd. (Companies in the Ramco group) who are qualified as Promoter Group as per Reg. 2(1)(zb) of SEBI (ICDR) Regulations, 2009, on their first occasion of their acquisition of the shares of the Company in the Quarter ended 31.12.2018.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Govindlal M Parikh/ Chinmay G Parikh	3329682	3.84	01.04.2018				
				12.10.2018	7734	Purchase	3337416	3.85
				8.2.2019	3466	Purchase	3340882	3.86
				22.2.2019	116	Purchase	3340998	3.86
		3443003	3.97	15.3.2019	102005	Purchase	3443003	3.97

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01- 04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
2	General Insurance Corporation of India	1400000	1.62	01.04.2018	-	-	1400000	1.62
3	Sundaram Mutual Fund A/c Sundaram Smile Fund	1250500	1.44	01.04.2018				
		1245500	1.44	22.6.2018	5000	Sale	1245500	1.44
	Sundaram Mutual Fund A/c Sundaram Select Micro Cap Series XIV	116255	0.13	01.04.2018	-	-	116255	0.13
	Sundaram Mutual Fund A/c Sundaram Select Micro Cap Series XV	100000	0.12	01.04.2018	-	-	100000	0.12
	Sundaram Mutual Fund A/c Sundaram Select Micro Cap Series XVI	72429	0.08	01.04.2018	-	-	72429	0.08
	Sundaram Mutual Fund A/c Sundaram Value Fund Series-IX	63000	0.07	01.04.2018	-	-	63000	0.07
	Sundaram Mutual Fund A/c Sundaram Select Micro Cap Series XVII	58791	0.07	01.04.2018	-	-	58791	0.07
	Sundaram Mutual Fund A/c Sundaram Long Term Micro Cap Tax Advantage Fund Series IV	44231	0.05	01.04.2018	-	-	44231	0.05
	Sundaram Mutual Fund A/c Sundaram Long Term Micro Cap Tax Advantage Fund Series V	41761	0.05	01.04.2018	-	-	41761	0.05
	Sundaram Mutual Fund A/c Sundaram Long Term Micro Cap Tax Advantage Fund Series VI	38196	0.04	01.04.2018	-	-	38196	0.04
	Sundaram Mutual Fund A/c Sundaram Value Fund Series-X	35630	0.04	01.04.2018	-	-	35630	0.04
4	Shailesh Manoharlal Shah/ Kalpana Shailesh Shah	634000	0.73	01.04.2018				
				4.5.2018	21000	Purchase	655000	0.76
		750000	0.87	11.5.2018	95000	Purchase	750000	0.87
5	Govindlal M Parikh	696000	0.80	01.04.2018	-	-	696000	0.80



Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018)/ end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Tata Mutual Fund - Tata Small Cap Fund	0	0.00	01.04.2018				
				30.11.2018	155115	Purchase	155115	
				7.12.2018	108800	Purchase	263915	
				14.12.2018	75000	Purchase	338915	
				21.12.2018	31000	Purchase	369915	
				28.12.2018	10000	Purchase	379915	
				4.1.2019	26000	Purchase	405915	
				18.1.2019	100000	Purchase	505915	
				1.2.2019	25000	Purchase	530915	
				8.2.2019	11000	Purchase	541915	
				15.2.2019	15000	Purchase	556915	
				22.2.2019	15000	Purchase	571915	
				1.3.2019	25000	Purchase	596915	
				15.3.2019	25000	Purchase	621915	
		646915	0.75	29.3.2019	25000	Purchase	646915	0.75
7	Krishnasamy Kamaya Naicker S	556500	0.64	01.04.2018	-	-	556500	0.64
8	Krishnamurthy V	493200	0.57	01.04.2018	-	-	493200	0.57
9	Ramasubramania Raja S S	465240	0.54	01.04.2018	-	-	465240	0.54
10	Krishnasamy Kumaran	452110	0.52	0.1.04.2018	-	-	452110	0.52

Note :

The top 10 shareholders are based on the shareholding as on 01-04-2018 and the information relating to increase/decrease in their shareholding is provided based on the weekly Beneficiary Position received from Depositories.

v) Shareholding of Directors and Key Managerial Personnel

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS :								
1	Shri P.R. Venketrama Raja	6220655	7.18	N.A.	N.A.	N.A.		
		6220655	7.18	N.A.	N.A.	N.A.	6220655	7.18
2	Shri P.V. Abinav Ramasubramaniam Raja	40000	0.05	N.A.	N.A.	N.A.		
		40000	0.05	N.A.	N.A.	N.A.	40000	0.05

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of Shares at the beginning (01-04-2018) / end of the year (31-03-2019)	% of total shares of the Company				No. of Shares	% of total shares of the Company
3	Shri S.S. Ramachandra Raja	407680	0.47	N.A.	N.A.	N.A.		
		407680	0.47	N.A.	N.A.	N.A.	407680	0.47
4	Shri N.K. Shrikantan Raja	120140	0.14	N.A.	N.A.	N.A.		
		120140	0.14	N.A.	N.A.	N.A.	120140	0.14
5	Shri K.T. Ramachandran	447171	0.52	N.A.	N.A.	N.A.		
		447171	0.52	N.A.	N.A.	N.A.	447171	0.52
6	Shri R.S. Agarwal	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
7	Shri V. Santhanaraman	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
8	Smt. Justice Chitra Venkataraman (Retd.)	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
Key Managerial Personnel								
1	Shri Prem G Shanker	10893	0.01	N.A.	N.A.	N.A.		
		10893	0.01	N.A.	N.A.	N.A.	10893	0.01
2	Shri K. Sankaranarayanan	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
3	Shri S. Balamurugasundaram	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

In ₹ lakhs

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount	12,759.78	8,500.00		21,259.78
(ii) Interest Due but not paid	-	-	-	-
(iii) Interest accrued but not due	105.30	-	-	105.30
Total of (i+ii+iii)	12,865.08	8,500.00	-	21,365.08
Change in Indebtedness during the Financial year				
Addition	2,000.00	10,536.33	-	12,536.33
Reduction	6,565.62	8,500.00	-	15,065.62
Net change	-4,565.62	2,036.33	-	-2,529.29
Indebtedness at the end of the Financial year				
(i) Principal Amount	8,210.33	10,536.33	-	18,746.66
(ii) Interest Due but not paid	-	-	-	-
(iii) Interest accrued but not due	26.42	-	-	26.42
Total of (i+ii+iii)	8236.75	10,536.33	-	18,773.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(In ₹)

Sl. No.	Particulars of remuneration	Name of MD	Name of WTD	Name of Manager	Total Amount
		Shri P.V. Abinav Ramasubramaniam Raja	-	-	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,16,00,000	-	-	2,16,00,000

Sl. No.	Particulars of remuneration	Name of MD	Name of WTD	Name of Manager	Total Amount
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Others - Commission	58,94,117	-	-	58,94,117
3	Contribution towards Provident Fund	15,55,200			15,55,200
4	Sitting Fee	Refer Item (B) below			
	Total (A)	2,90,49,317	-	-	2,90,49,317
	Ceiling as per the Act	See Note below			

Note:

Shri P.V. Abinav Ramasubramaniam Raja, had been appointed as Managing Director of the Company for a period of five years with effect from 4.6.2017 by the Shareholders at their AGM held on 4.8.2017 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 recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and fixed 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.

B. Remuneration to other Directors :

In ₹

Sl. No.	Particulars of Remuneration	Name of the Directors								Total Amount
		Shri P.R. Venketrama Raja	Shri P.V. Abinav Ramasubramaniam Raja	Shri S.S.Rama-chandra Raja	Shri N.K. Shrikantan Raja	Shri K.T. Ramachandran	Shri R.S. Agarwal	Shri V. Santhanaraman	Smt. Justice Chitra Venkataraman (Retd.)	
1	Independent Directors									
	Fee for attending Board/ Committee Meetings	-		-	-	360000	475000	240000	425000	1500000
	Commission	-		-	-	-	-	-	-	-
	Others, please specify	-		-	-	-	-	-	-	-
	Total (1)	-		-	-	360000	475000	240000	425000	1500000
2	Other Non Executive Directors									
	Fee for attending Board/ Committee Meetings	435000	-	200000	330000	-	-	-	-	965000
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	435000	-	200000	330000	-	-	-	-	965000

3	Executive Director								
	Fee for attending Board/ Committee Meetings	-	225000	-	-	-	-	-	225000
	Commission	Refer Item (A) above							
	Others, please specify	-	-	-	-	-	-	-	-
	Total (3)	-	225000	-	-	-	-	-	225000
	Total (B) = (1+2+3)	435000	225000	200000	330000	360000	475000	240000	425000
	Overall Ceiling as per the Act	Only Sitting fees is being paid to Directors which is not included in the ceiling as per Section 197(2) of the Act.							
	Total Managerial Remuneration (A+B)								3,17,39,317

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

Sl. No.	Particulars of remuneration	Key Managerial Personnel		
		Shri Prem G Shanker, Chief Executive Officer	Shri K. Sankaranarayanan, Chief Financial Officer	Shri S. Balamurugasundaram, Company Secretary & Legal Head
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	21192719	6390180	2811440
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - Others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total	21192719	6390180	2811440

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishments/compounding of offences for the year ended 31st March, 2019.

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED

P.R. VENKETRAMA RAJA
Chairman

Place : Chennai
Date : 23-05-2019

ANNEXURE - 4 TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Pursuant to Schedule V(C) of SEBI (LODR) Regulations, 2015

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Since inception, Ramco Industries Limited assiduously follows its self-determined goals on Corporate Governance. It strives to achieve these objectives through set of systems procedures, Policies, Practices and high standards in dealings and following business ethics in all its activities. The objective of the Company is to protect and enhance the value of all stakeholders of the Company viz. Shareholders, Creditors, Customers and employees.

The Company believes in continuous up-gradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company lays great emphasis on team building and motivation. The Company has strong faith in innate and infinite potential of human resources. It believes in the creative abilities of the people who work for the Company and believes in investing in their development and growth as foundation for strong and qualitative growth of the Organization.

If there is no customer, there is no business. Customers' continued satisfaction and sensitivity to their needs are the Company's source of strength and security.

The Company also believes that as the Organization grows, the society and the community around it should also grow.

2. BOARD OF DIRECTORS

The Board of Directors of the Company is headed by the Chairman, Shri P.R. Venketrama Raja. Shri P.V.Abinav Ramasubramaniam Raja is the Managing Director. The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Law, Finance, Engineering etc. The Board had 8 Directors out of which 7 Directors were Non-Executive, including 4 Independent Directors. Independent Directors constitute 50% of the total strength of the Board of Directors as required under the Code of Corporate Governance. There are no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company. The Board reviews and approves strategy and oversees the actions and performance of the Management periodically for enhancing the stakeholders' value.

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [LODR], the Board of Directors have identified the following Core Skills/Expertise/Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

- * Building Products Processing Technology
- * Textile Technology
- * Strategy Management
- * Business Management
- * Banking and Financial Management
- * Project Management
- * Risk Management including Foreign Exchange Management
- * Industrial Relationship Management, including Environment, Health and Safety
- * Legal Knowledge
- * Tax Planning and Management
- * General Administration
- * Knowledge on Economic Affairs
- * Knowledge on Environmental Laws

The Skills/Expertise/Competencies available with the Directors have been furnished under the individual Director's profile.

DIRECTORS' PROFILE

SHRI P.R. VENKETRAMA RAJA

Shri.P.R.Venketrama Raja, aged 60 years, holds a Bachelor's Degree in Chemical Engineering and a Masters in Business Administration from the University of Michigan, USA. He has been on the Board of the Company since 1992. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors. As a Member of the Board, he is responsible for guiding the Company in establishment of new units, selection of process and equipments and adoption of latest technologies since 1992.

Skill/Expertise/Competency	Building Products Processing Technology, Textile Technology, Expert knowledge in Information Technology, Strategy Management, Business Management and Industrial Relationship Management
----------------------------	--

Names of the listed entities in which Shri P.R. Venketrana Raja is a Director and his category of Directorship :

Name of the Company	Category of Directorship
The Ramco Cements Limited	Executive & Non-Independent
Ramco Systems Limited	Non-Executive & Non-Independent
Rajapalayam Mills Limited	Non-Executive & Non-Independent
The Ramaraju Surgical Cotton Mills Limited	Non-Executive & Non-Independent

SHRI.R.S.AGARWAL

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

While in service with IDBI, he had dealt with many subjects and projects including -

- * Member of “Satyam Committee” set up by Government of India in 1999-2000 for formulation of policy for textile industry and involvement in preparation of policy notes, detailed guidelines and implementation of “Technology Upgradation Fund (TUF)” introduced by the Ministry of Textiles, Government of India in April 1999.
- * Preparation of policy paper and guidelines on development of “Special Economic Zone” in the country for the Ministry of Commerce, Government of India in January 2002.
- * Head of the Infrastructure Finance Department and Project Appraisal Department of IDBI from February 1999 to March 2002, during which period about 30 large size power projects in the range of 250 MW to 500 MW were evaluated and sanctioned assistance by IDBI.

He has been on the Board of Ramco Industries Limited since 2008.

Skill / Expertise / Competency	Banking and Financial Management, Project Management
--------------------------------	--

Names of the listed entities in which Shri.R.S.Agarwal is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramco Cements Limited	Non-Executive & Independent
Ramco Systems Limited	Non-Executive & Independent
Suryalakshmi Cotton Mills Limited	Non-Executive & Independent

SHRI S.S. RAMACHANDRA RAJA

Shri. S S Ramachandra Raja, a Science Graduate and has been Director of the Company since 1992 extending valuable guidance.

Skill / Expertise / Competency	Textile Technology Business Management
--------------------------------	---

Name of the listed entity in which Shri S.S. Ramachandra Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Rajapalayam Mills Limited	Non-Executive & Non-Independent

SHRI K.T. RAMACHANDRAN

Shri K.T. Ramachandran, 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.

Skill / Expertise / Competency	Project Management
--------------------------------	--------------------

SHRI N.K. SHRIKANTAN RAJA

Shri.N K Shrikantan Raja, a Commerce graduate, has been Director of the Company since 1986 extending valuable guidance.

Skill / Expertise / Competency	Textile Technology Business Management
--------------------------------	---

Name of the listed entity in which Shri N.K. Shrikantan Raja is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramaraju Surgical Cotton Mills Ltd.	Non-Executive & Non-Independent

SHRI V. SANTHANARAMAN

Shri.V.Santhanaraman holds degree in Commerce and completed CAIIB. He has served in the Banking Sector for the past four decades from 1970 to 2009. He was appointed as Probationary Officer in the year 1970 in Indian Bank and held various positions and appointed as General Manager in the year 1998 and held that position till 2006. He was appointed as Executive Director of Bank of Baroda in October, 2006 and retired in August 2009. He has been on the Board of Ramco Industries since 2014.

Skill / Expertise / Competency	Banking and Financial Management, Risk Management including Foreign Exchange Management
--------------------------------	---

Name of the listed entities in which Shri V. Santhanaraman is a Director and his category of Directorship:

Name of the Company	Category of Directorship
Rajapalayam Mills Ltd.	Non-Executive & Independent Director
The Ramaraju Surgical Cotton Mills Ltd.	Non-Executive & Independent Director

SMT. JUSTICE CHITRA VENKATARAMAN (RETD.)

Smt. Justice Chitra Venkataraman (Retd.) (DIN: 07044099), a graduate in Economics from Ethiraj College, Chennai, and B.L. from Law College, Chennai, started her practice at Madras High Court. She specialised in Direct and Indirect tax laws. She was appointed as Government Pleader during the period 1991 to 1995 and thereafter as the Standing Counsel for Income Tax for about 10 years. She was elevated as Judge of Madras High Court in the year 2005 and retired in April 2014.

She has been on the Board of Ramco Industries since 2015.

Skill / Expertise / Competency	Legal Knowledge, Tax Planning and Management
--------------------------------	--

Names of the listed entities in which Smt. Justice Chitra Venkataraman (Retd.) is a Director and his category of Directorship:

Name of the Company	Category of Directorship
The Ramco Cements Limited	Non-Executive & Independent
Lakshmi Machine Works Limited	Non-Executive & Independent

The Board of Directors have confirmed at the Meeting held on 23.5.2019 that all the above Independent Directors fulfil the conditions specified in LODR and are independent of the management.

During the year under review, no Independent Director has resigned.

During the year under review, five Board Meetings were held, one each on 24.05.2018, 02.08.2018, 31.10.2018, 29.1.2019 and 26.03.2019.

Details of attendance of each Director at the Board Meetings held during the year are as follows:

Sl. No	Name of the Director	Directorship*	No. of Board Meetings attended	Attendance at last AGM
1.	Shri P.R. Venketrama Raja (Chairman from 4-06-2017) (VCMD upto 03-06-2017) DIN : 00331406	P & NE	5	Yes
2.	Shri.P.V.Abinav Ramasubramaniam Raja Managing Director (from 04-06-2017) DIN : 07273249	P&E	5	Yes
3.	Shri S.S. Ramachandra Raja DIN : 00331491	NE	5	Yes
4.	Shri N.K. Shrikantan Raja DIN : 00350693	NE	5	Yes
5.	Shri K.T. Ramachandran DIN : 00351334	NE & ID	4	No
6.	Shri R.S. Agarwal DIN : 00012594	NE & ID	5	Yes
7.	Shri V. Santhanaraman DIN : 00212334	NE & ID	5	No
8.	Smt. Justice Chitra Venkataraman (Retd.) DIN : 07044099	NE & ID	5	No

* P- Promoter; E- Executive ; NE - Non-Executive; ID - Independent Director

Other Directorships

The Number of other Boards or Board Committees in which the Director is a Member or Chairperson as on 31-03-2019 is given below :

No	Name of the Director	Other Directorships *	Committee Positions **	
			Chairperson	Member
1.	Shri P.R. Venketrama Raja	8	4	2
2.	Shri.P.V.Abinav Ramasubramaniam Raja	2	-	1
3.	Shri S.S. Ramachandra Raja	1	-	1
4.	Shri N.K. Shrikantan Raja	6	3	2
5.	Shri R.S. Agarwal	3	1	3
6.	Shri K.T. Ramachandran	-	-	-
7.	Shri V. Santhanaraman	2	0	0
8.	Smt Justice Chitra Venkataraman (Retd.)	2	1	2

* Public Limited Companies, other than Ramco Industries Limited.

** Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies, other than Ramco Industries Limited.

Disclosure of relationships between directors inter-se

Shri P.R. Venketrama Raja, Chairman is the father of Shri.P.V.Abinav Ramasubramaniam Raja, Managing Director.

Details of familiarisation programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link at http://www.ramcoindltd.com/boards_of_directors.html

The Board of Directors periodically reviews Compliance Reports pertaining to all Laws applicable to the Company. No non-compliance was reported during the year under review. The Board is also satisfied that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website at the following link at <http://www.ramcoindltd.com/Policies.html>

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of SEBI (LODR) Regulations, 2015 have been adequately complied with.

3. AUDIT COMMITTEE

The terms of reference of the Audit Committee include:

- i) To review the reports of Internal Audit Department;
- ii) To review the Auditors' Report on the financial statements;
- iii) To review and approve the Related Party Transactions;
- iv) To review the Annual Cost Audit Report of the Cost Auditor;
- v) To review the Annual Secretarial Audit Report of the Secretarial Auditor;
- vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;
- vii) To generally assist the Board to discharge their functions more effectively.
- (viii) To review the financial statements and any investments made by the Company/Subsidiary Company.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by LODR and Companies Act, 2013.

Composition :

The Audit Committee consists of the following Directors:

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri R.S. Agarwal, Chairman of the Committee	4
2.	Shri P.R. Venketrama Raja	4
3.	Shri K.T. Ramachandran	3
4.	Smt. Justice Chitra Venkataraman (Retd.)	4

No. of Meetings held during the year : Four

Date of Meetings : 24.05.2018, 02.08.2018, 31.10.2018 and 29.01.2019

The Statutory Auditors, Chief Executive Officer, Chief Financial Officer and Head of Internal Audit Department are invitees to the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee.

The representatives of the Cost Auditor and Secretarial Auditor are invited to attend the meeting of the Audit Committee when their reports are tabled for discussion.

Out of four members, three members of the Audit Committee are Independent Directors in compliance with the requirement of 2/3rd as stipulated in Regulation 18 (1) (b) of LODR.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, LODR and functions as mandated by the Board of Directors from time to time. The Nomination and Remuneration Policy is to ensure that the level and composition of remuneration is reasonable, the relationship of remuneration to performance is clear and appropriate to the long term goals of the company.

The complete details about the terms of reference for Nomination and Remuneration Committee and Nomination and Remuneration Policy are available at Company's website at the following link at <http://www.ramcoindltd.com/Policies.html>

Composition :

The Nomination and Remuneration Committee consists of the following Directors :

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri R.S. Agarwal, Chairman of the Committee	2
2.	Shri K.T. Ramachandran	1
3.	Shri N.K. Shrikantan Raja	2

No. of Meetings held during the year : Two

Date of the Meetings : 24.5.2018 and 29.1.2019

The Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which will be based on attendance, expertise and contribution brought in by the Independent Director at the Board and Committee Meetings, which shall be taken into account at the time of reappointment of Independent Director.

5. REMUNERATION OF DIRECTORS

The Directors are paid Sitting Fee of ₹ 40,000/- per meeting for attending the Board and Committees thereof.

Name of the Director	₹ In lacs			No. of Shares held
	Sitting Fee	Remuneration	Commission	
Shri P.R. Venketrama Raja	4.35	Nil	Nil	62,20,655
Shri.P.V.Abinav Ramasubramaniam Raja	2.25	290.49		40,000
Shri S.S. Ramachandra Raja	2.00	Nil	Nil	4,07,680
Shri N.K. Shrikantan Raja	3.30	Nil	Nil	1,20,140
Shri K.T. Ramachandran	3.60	Nil	Nil	4,47,171
Shri R.S. Agarwal	4.75	Nil	Nil	Nil
Shri V. Santhanaraman	2.40	Nil	Nil	Nil
Smt. Justice Chitra Venkataraman (Retd.)	4.25	Nil	Nil	Nil

There are no other pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company, other than fees for attending Meetings of the Board and its Committees.

Shri P.V. Abinav Ramasubramaniam Raja, had been appointed as Managing Director of the Company for a period of five years with effect from 4.6.2017 by the Shareholders at their AGM held on 4.8.2017 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 recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company and fixed 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.

The complete details of remuneration paid to Directors are given in Form MGT-9, forming part of annexure to Board's Report.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of the following Directors :

Sl. No.	Name of the Director	No. of Meetings attended
1.	Shri P.R. Venketrama Raja, Chairman of the Committee	2
2.	Shri N.K. Shrikantan Raja	2
3.	Smt. Justice Chitra Venkataraman (Retd.)*	1

* Appointed as Member from 2.8.2018

Name of Non-Executive Director heading the Committee	Shri P.R. Venketrama Raja
Name and Designation of Compliance Officer	Shri S. Balamurugasundaram, Company Secretary & Legal Head
No. of complaint received during the year	0
Number not solved to the Satisfaction of shareholders	0
Number of pending complaints	Nil

No. of Meeting held during the year : Two

Date of the Meeting : 24.05.2018 and 26.03.2019

7. GENERAL BODY MEETINGS

i. Location and time, where last three AGMs held :

Year ended	Date	Time	Venue
31.03.2016	04.08.2016	11.00 A.M	P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2017	04.08.2017	11.00 A.M.	- do -
31.03.2018	03.08.2018	11.00 A.M.	- do -

ii. Details of Special Resolutions passed in the previous three Annual General Meetings

Date of the AGM	Subject Matter of the Special Resolution
03.08.2018	Reappointment of Shri R.S. Agarwal (DIN : 00012594) as an Independent Director from 01.04.2019 to 31.03.2024
	Reappointment of Shri K.T. Ramachandran (DIN : 00351334) as an Independent Director from 01.04.2019 to 31.03.2024
	Invitation to subscribe for Secured Non-Convertible Debenture
04.08.2017	Appointment of Shri P.V. Abinav Ramasubramaniam Raja (DIN : 07273249) as Managing Director of the Company
04.08.2016	Re-appointment of Shri P.R. Venketrama Raja (DIN : 00331406) as Vice Chairman and Managing Director of the Company

iii. One Special Resolution was passed during the year, for the continuation of Directorship of Shri S.S. Ramachandra Raja (DIN 00331491) in the category of Non-Executive Director, of the Company after 31.3.2019, as per Regulation 17(1A) of SEBI (LODR) 2015, through Postal Ballot under Section 110 of the Companies Act, 2013.

iv. No Special Resolution is proposed to be conducted through Postal Ballot.

8. MEANS OF COMMUNICATION

The Un-audited Quarterly and Half yearly Financial Results and Audited Annual Results were published in English in Financial Express (All editions) and in Tamil in Makkal Kural (All editions in TN). The results were also displayed on the Company's website www.ramcoindltd.com.

All the financial results are provided to the Stock Exchanges. Official News Releases whenever issued, will be displayed in Company's website.

9. GENERAL SHAREHOLDER INFORMATION

a	Annual General Meeting	On Thursday the 8 th August, 2019 at 11.00 A.M. at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai,Rajapalayam 626 108 (Tamil Nadu)
b	Financial Year	1 st April 2018 to 31 st March 2019
c	Dividend Payment date	14.8.2019 onwards
d	Name and Address of Stock Exchanges where the Company's Securities are Listed	BSE Limited P J Towers, Dalal Street, Mumbai 400001 National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra, Mumbai - 400 051 The Annual Listing fees for the year 2019-20 had been paid to the Stock Exchanges
e	<u>Stock Code</u> BSE Limited National Stock Exchange of India Limited	532369 RAMCOIND EQ
f	Market Price Data	Enclosed as Annexure - A
g	Performance in Comparison to broad based indices	
h	Whether the securities are suspended from trading	No
i	Registrar and Transfer Agents	M/s. Cameo Corporate Services Limited Subramanian Building No: 1, Club House Road, CHENNAI 600 002. (Telephone No. : 044-2846 0390; Fax No.: 044-28460129)
j	Share Transfer System	For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected by Cameo till 31.3.2019.Vide Press Release No:51/2018 dt. 3.12.2018 of SEBI, only transmission or transposition of securities are eligible for processing in physical form with effect from 1.4.2019.
k	Distribution of Shareholding	Enclosed in Annexure - B
l	Dematerialisation of Shares & liquidity	As on 31 st March, 2019, 97.60% of the Company's Shares have been dematerialized. Regarding liquidity of our Company's shares, the details are available in Annexure - A
m	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, date and likely impact on equity	Nil
n	Commodity Price Risk or Foreign Exchange Risk and Hedging Activities	With respect to Buyers' Credit in foreign currencies, forward contracts are booked taking in to account, the cost of hedging and the foreign currency receivables. The currency rate movements are monitored closely for taking covers with respect to unhedged portions, if any

o. PLANT LOCATIONS :

(a) Building Products Division : (i) Fibre Cement Sheet Units :	1. Karur, Karnataka 2. Maksi, Madhya Pradesh 3. Silvassa, U.T of Dadra & Nagar Haveli 4. Kharagpur, West Bengal 5. Ibrahimpatnam, Vijayawada, A.P. 6. Sinugra Village, Anjar Taluk, Gujarat 7. Gangaikondan, Tirunelveli Dist., Tamil Nadu 8. Bihiya, Bhojpur District, Bihar
(ii) Fibre Cement Pressure Pipes unit:	Maksi, Madhya Pradesh
(iii) Calcium Silicate Board unit :	Arakkonam, Tamil Nadu / Kotputli, Rajasthan
(b) Textile Division : Cotton Yarn Spinning unit	Rajapalayam, Tamil Nadu
(c) Wind farm Division :	1. Tirunelveli and Coimbatore Districts, Tamil Nadu 2. Chitradurga and Hassan Districts, Karnataka 3. Kutch District, Gujarat

p. Address of Corporate Office for Shareholders' Correspondence/ enquiries:

S. BALAMURUGASUNDARAM
Company Secretary (Compliance Officer) & Legal Head
Ramco Industries Limited
"Auras Corporate Centre", VI Floor
98-A, Dr.Radhakrishnan Road
Mylapore, Chennai - 600 004
Phone: 044-2847 8585; Fax: 044-28478597; e-mail : bms@ril.co.in

q. Credit Rating :

The Company's Credit Rating agencies viz. ICRA and CRISIL have rated our borrowing programmes as follows :

₹ in Lacs

Security	Outstanding as on 31.03.2019	Limit Amount	Rating	Rating Agency
Commercial Papers		10000	A 1 +	CRISIL
Fund Based Facilities				
Cash Credit/Short Term Loans/BC and other Facilities	13,224	35000	A1 +	ICRA
Non-Fund Based Facilities	3,105			
Long Term Loans from Banks	5,575	15000	AA - *	

* ICRA have upgraded our rating from A+ to AA- in July 18 for Long Term Borrowing

10. OTHER DISCLOSURES

- There was no materially significantly related party transactions made by the Company that may have potential conflict with the interests of the Company at large.
- There are no instances of non-compliance by the Company and no penalties or strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- The Company has a Whistle Blower Policy, available at the Company's website and it is affirmed that no personnel has been denied access to the Audit Committee. The Policy is available at the following weblink :
<http://www.ramcoindltd.com/Policies.html>

- d. The Company has complied with the Mandatory requirements. The status of adoption of the Non-Mandatory requirements is given below:
- i. The Company's financial statements are with unmodified audit opinion for the year 2018-19.
- e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink is - http://www.ramcoindltd.com/files/MATERIAL_SUBSIDIARY_POLICY_2015.pdf
- f. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is - http://www.ramcoindltd.com/files/RELATED_PARTY_TRANSACTION_POLICY_RIL.pdf
- g. Commodity Price Risks and Commodity Hedging Activities :
The Company has not undertaken any transaction in this regard.
The details relating to commodity price risks and commodity hedging activities are not applicable.
- h. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.
- i. M/s. S. Krishnamurthy & Co., Company Secretaries, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing of Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.
- j. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.
- k. Total fee paid to Statutory Auditors including subsidiaries:
The total fees for all the services paid by the Company on a consolidated basis (exclusive of Srilanka subsidiaries) to the Statutory Auditors is ₹ 7.20 lakhs.
M/s. Ramakrishna Raja And Co., Chartered Accountants, one of the Statutory Auditors of the Company, are the Statutory Auditors for M/s. Sudharsanam Investments Limited, Company's Wholly Owned Subsidiary.
- l. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed of during the financial year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

11. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of SEBI (LODR) Regulations.
12. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted is given against Clause 10(d) above.
13. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.
As required under Regulation 46(2)(b) to (i) of LODR, the following information have been duly disseminated in the Company's website.
- * Terms and conditions of appointment of Independent Directors
 - * Composition of various committees of Board of Directors
 - * Code of Conduct of Board of Directors and Senior Management Personnel
 - * Details of establishment of Vigil Mechanism/Whistle Blower Policy
 - * Criteria of making payments to Non-Executive Directors
 - * Policy on dealing with Related Party Transactions
 - * Policy for determining 'Material Subsidiaries'
 - * Details of familiarization Programmes imparted to Independent Directors
14. The Company has no material subsidiary.
15. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.

16. The Management of the unlisted subsidiaries periodically brings to the notice of the Board, a statement on significant transactions and arrangements entered into by them.
17. Senior Management Personnel discloses to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.
18. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 15 days from the close of the quarter duly signed by the Compliance Officer.
19. The various disclosures made in the Board's Report, may be considered as disclosures made under this report.
20. The Company has also the following Committees of Board of Directors:

a. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Sl. No.	Name of the Director
1	Shri P.R. Venketrama Raja, Chairman of the Committee
2	Shri R.S. Agarwal
3	Shri P.V. Abinav Ramasubramaniam Raja

No. of Meetings held during the year : One

Date of the Meeting : 24.05.2018

b. **RISK MANAGEMENT COMMITTEE**

MEMBERS

Sl. No.	Name of the Director
1	Shri.P.R.Venketrama Raja, Chairman of the Committee
2	Shri Prem G Shanker, CEO

21. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

No.	Details	No. of Shareholders	No. of Shares of ₹ 1/- each
(1)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	9	14,480
(2)	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	1	2,000
(3)	(i) Number of shareholders to whom shares were transferred from suspense account during the year;	1	2,000
	(ii) Shares transferred to IEPF	0	0
(4)	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	8	12,480
(5)	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

23. Declaration signed by the Chief Executive Officer of the Company as per Schedule V(D) of LODR, in compliance with the Code of Conduct is annexed.
24. Compliance Certificate as per Regulation 17(8) read with Part B of Schedule II of LODR, provided by the Chief Executive Officer and Chief Financial Officer is annexed.

DECLARATION

As provided under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2019.

Place : Chennai
Date : 23-05-2019

For Ramco Industries Limited
Prem G Shanker
Chief Executive Officer

To

The Board of Directors
Ramco Industries Limited
Rajapalayam

Certification under Regulation 17(8) of SEBI (LODR) Regulations

We hereby certify that -

- A. We have reviewed the financial statements and the cash flow statement for the year 2018-19 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee that-
 - i. there are no Significant changes in the internal control over the financial reporting during the year;
 - ii. there are no significant changes in Accounting Policies, during the year;
 - iii. there are no instances of significant fraud of which we have become aware.

K.Sankaranarayanan
Chief Financial Officer

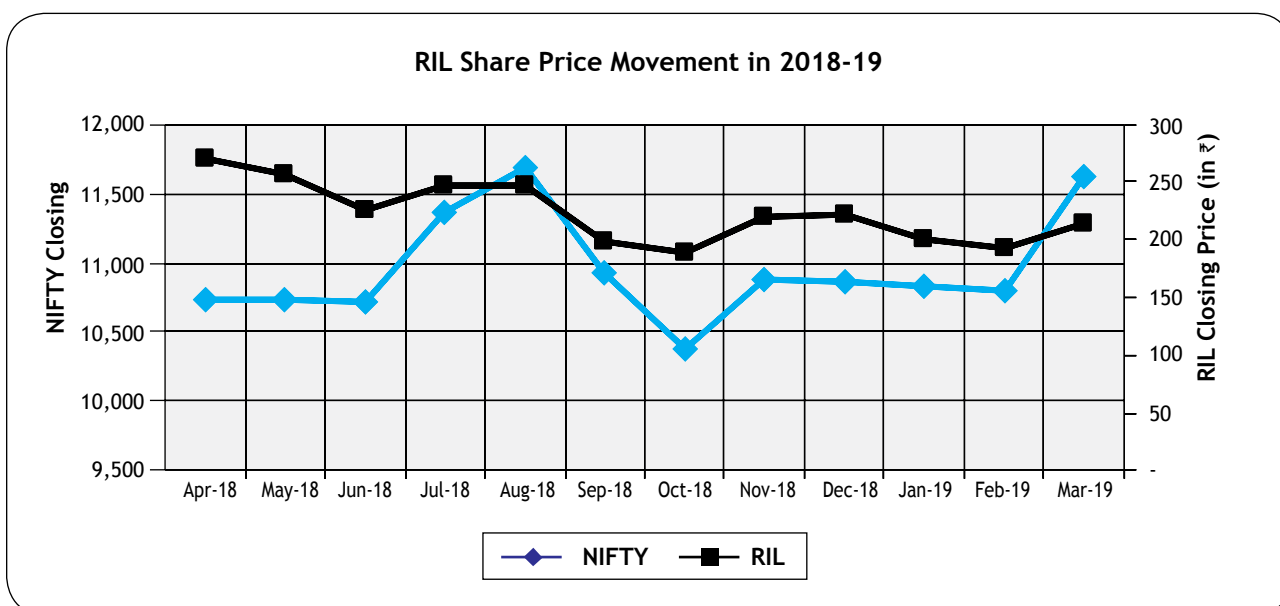
Prem G Shanker
Chief Executive Officer

Place : Chennai
Date : 23-05-2019

STATISTICAL DATA - Share Price - High & Low - Traded Volume (During April, 2018 to March, 2019 in NSE and BSE)

Month	NSE			BSE		
	High Price	Low Price	Qty.Traded	High Price	Low Price	Qty.Traded
April, 2018	285.50	228.00	21,20,325	284.95	231.10	3,64,427
May, 2018	274.30	228.85	13,16,052	273.60	230.00	2,29,047
June, 2018	266.00	212.00	12,61,789	264.80	212.20	1,45,757
July, 2018	251.60	206.80	10,20,802	251.55	207.70	1,81,743
August, 2018	260.80	230.35	15,54,256	264.00	230.75	3,30,788
September, 2018	254.95	189.00	8,08,054	255.10	190.00	6,89,431
October, 2018	200.00	172.10	7,29,952	204.00	172.00	1,17,203
November, 2018	229.00	183.00	11,47,546	228.20	183.00	3,07,802
December, 2018	226.95	206.00	5,65,816	227.00	207.05	1,11,367
January, 2019	241.00	191.80	8,22,528	241.40	192.20	1,47,052
February, 2019	205.05	173.50	5,17,846	203.95	173.00	84,253
March, 2019	216.00	191.65	9,17,832	215.95	191.55	90,859

Share Price Movement - RIL vis-à-vis NSE's NIFTY



Annexure - B

Pattern of Shareholding as on 31.03.2019

Description	No. of Share-holders	%	No. of Shares (₹ 1/- each)	% to Capital
A. PROMOTERS HOLDING				
Promoter & Promoter Group	18	0.11	4,67,29,821	53.92
B. NON-PROMOTERS HOLDING				
1. Mutual Funds & UTI	4	0.02	24,78,621	2.86
2. Alternate Investment Funds	1	0.01	1,60,000	0.18
3. Foreign Portfolio Investors	19	0.12	6,31,902	0.73
4. F.Is / Banks	5	0.03	14,64,267	1.69
5. Central/State Govt/s; VCF; Ins. Companies	1	0.01	65,180	0.08
6. Foreign Portfolio Investor (Category-III)	3	0.02	3,900	0.00
7. Bodies Corporate	299	1.87	22,74,522	2.62
8. Individual Shareholders holding nominal Share Capital :				
a. Up to ₹ 2.00 Lakhs	14,426	90.09	1,81,17,084	20.91
b. In excess of ₹ 2.00 Lakhs	23	0.14	1,17,59,248	13.57
9. Others-HUF/NRI/Clearing Members etc.	1,213	7.58	29,78,515	3.44
Grand Total	16,012*	100.00	8,66,63,060	100.00

* Based on PAN for Stock Exchange disclosures

Distribution of Shareholding as on 31.03.2019

Range (No. of Shares of ₹ 1 each)	No. of Share holders	%	No. of Shares (₹ 1/- each)	%
Upto - 500	12,092	73.61	16,41,617	1.89
501 to 1000	1,538	9.36	13,06,366	1.51
1001 to 2000	1,405	8.55	22,61,176	2.61
2001 to 3000	331	2.02	8,46,027	0.98
3001 to 4000	209	1.27	7,72,234	0.89
4001 to 5000	143	0.87	6,72,249	0.77
5001 to 10000	289	1.76	21,83,459	2.52
10001 & above	420	2.56	7,69,79,932	88.83
Total	16,427	100	8,66,63,060	100

Category of Shareholding as on 31.03.2019

Category	No. of Share Holders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	9,630	58.62	6,25,77,673	72.21
CDSL	6,631	40.37	2,20,07,707	25.39
Physical Form	166	1.01	20,77,680	2.40
Total	16,427	100	8,66,63,060	100.00

Total Shareholders - 16,012 (after merging 1st Holder PAN)

AUDITORS' CERTIFICATE
(under Schedule V(E) of LODR 2015)

This is to certify that we, the Auditors of M/s. RAMCO INDUSTRIES LIMITED, Rajapalayam, have reviewed the compliance by the Company of the conditions of Corporate Governance as stipulated in Schedule II of LODR 2015 and report that all the conditions contained therein have been complied with by the Company.

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
3rd Floor, Anmol Palani Building
88, G.N. Chetty Road
T.Nagar, Chennai - 600 017
Place: Chennai
Date : 23-05-2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.: 227833
1D, Shanthi Nikethan,
Rathinasamy Nadar Road,
Bibikulam, Madurai-625 002

ANNUAL REPORT ON CSR ACTIVITIES

- 1 A brief outline of the Company's CSR Policy
The objective of the CSR Policy is to
 - a. Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
 - b. To directly or indirectly take up programmes that benefit the communities in & around its work locations and results, over a period of time, in enhancing the quality of life & economic well being of the local populace.
 - c. To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.
Weblink to the CSR Policy: <http://www.ramcoindltd.com/shareholders/policies>
- 2 The Composition of the CSR Committee:
 1. Shri.P.R.Venketrana Raja, Chairman of the Committee
 2. Shri.P.V.Abinav Ramasubramaniam Raja, Member
 3. Shri.R.S.Agarwal, Member
- 3 Average net profit of the Company for last three financial years - ₹ 4590.20 Lakhs
- 4 Prescribed CSR Expenditure - ₹ 91.80 lakhs (2% of the amount as in item 3 above)
- 5 Details of CSR spent during the financial year
 - a. Total amount spent for the financial year - ₹ 93.47 lacs
 - b. Amount unspent, if any - NIL
 - c. Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified & Sector in which the project is covered	Projects or Programmes	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative Expenditure upto the reporting period	Amount spent: Directly	Amount spent: through implementing agency
1	Eradication of Hunger, poverty, malnutrition making available safe drinking water, promotion of healthcare, including preventive healthcare	Substantial amount has been spent in most of the districts in the States where our plants are situated	15.62	15.62	15.62	11.36	4.26
2	Promoting education, including Special Education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	-- do --	24.87	24.87	24.87	11.17	13.70

1	2	3	4	5	6	7	8
S. No	CSR project or activity identified & Sector in which the project is covered	Projects or Programs	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative Expenditure upto the reporting period	Amount spent: Directly	Amount spent: through implementing agency
3	Ensuring Environmental Sustainability, ecological balance, protection of flora and fauna, animal welfare etc.,	-- do --	2.35	2.35	2.35	2.36	-
4	Protection of national Heritage, Art and Culture, promotion and development of traditional arts, restoration of building and sites of historical importances	-- do --	22.68	22.68	22.68	6.84	15.83
5	Training to promote rural sports, national recognised sports, paraolympic sports etc.,	-- do --	27.22	27.22	27.22	11.02	16.20
6	Contribution to Chief Minister / Prime Minister Relief Fund	-- do --	0.50	0.50	0.50	0.50	-
7	Rural Development Projects	-- do --	0.23	0.23	0.23	0.23	-
	Total		93.47	93.47	93.47	43.48	49.99

The CSR Committee Confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Place : Chennai
Date : 23-05-2019

Sd/-
P.R.VENKETRAMA RAJA
CHAIRMAN

Sd/-
PREM G SHANKER
CHIEF EXECUTIVE OFFICER

Annexure - 7

Form AOC-2

[Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis - NIL
2. Details of material contracts or arrangement or transactions at arm's length basis -

M/s. Raja Charity Trust who has been appointed as Sole Selling Agent by the Company has received commission of ₹ 720.65 lakhs for the sales made through them of ₹ 72,065 lakhs during the year 2018-19 (as approved by Shareholders in the AGM held on 4.08.2016 for the period from 3.05.2017).

Place : Chennai
Date : 23-05-2019

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED

P.R.VENKETRAMA RAJA
CHAIRMAN

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

In terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31.03.2019.

CONSERVATION OF ENERGY (Pertaining to Building Products Division)			
	(a)	The Steps taken or impact on conservation of energy	<ol style="list-style-type: none"> Higher load Liquid ring vacuum pumps were replaced by Lower Load Reciprocating vacuum pump and roots blower Old Mercury Vapor lamps replaced with LED lamps. Screw compressor replaced with Roots blower for Cement and Fly ash pumping Conventional motors replaced by Energy efficient IE3 motors. Vent out steam utilized for Pre heating the boiler water in Board Manufacturing plants. Ramp up of the alternate Autoclave with the vent out steam of the running autoclave in Board Manufacturing plants. Drier layout modified in Kotputli unit and excess drives removed.
	(b)	The steps taken by the Company for utilizing alternate sources of energy	<ol style="list-style-type: none"> Wind energy has been efficiently utilized. Bio waste Briquettes are used for Boilers in Kotputli unit instead of Furnace oil.
	(c)	The capital investment on energy conservation equipments	₹ 50.37 Lakhs
TECHNOLOGY ABSORPTION			
	(i)	Efforts made in Technology Absorption	Addition of PVA Fibre as replacement for Asbestos.
	(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ol style="list-style-type: none"> Auto sheet rejection due to low thickness implemented Pulp quantity has been increased in Corrugated Asbestos sheet for better quality and RM cost reduction. The ratio of the indigenous pulp increased and the imported pulp reduced in the overall pulp requirement for Boards manufacturing for RM cost reduction
	(iii)	In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	NIL
	(a)	The details of technology imported	NIL
	(b)	The year of Import	NIL
	(c)	Whether the technology been fully absorbed	NIL
	(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
	(iv)	The expenditure incurred on Research and Development	₹ 40 Lakhs

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

In terms of Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, the following information is furnished for the year ended 31.03.2019.

A. CONSERVATION OF ENERGY (pertaining to Cotton Yarn Division)	
(a) the Steps taken or impact on conservation of energy	<ol style="list-style-type: none"> 1. In A Unit TFO Spindles extended from 156 to 216 with same motor capacity. Hence, there is savings in energy. 2. Both A & B Unit Blow Room, Automatic Waste Collection System motors interlinked with Blowroom panel to switch off automatically, whenever Blowroom is stopped to save energy. 3. In A Unit G5/1 Spinning machine pneumafil fan motor diameter reduced from 490mm to 470mm. Hence, there is savings in energy. 4. Internal Energy Audit and conservation measure is being adopted periodically.
(b) the steps taken by the Company for utilising alternate sources of energy	Already the Company had invested on windmills to generate green energy for their captive consumption.
(c) The capital investment on energy conservation equipments	Nil
B. TECHNOLOGY ABSORPTION	
(i) Efforts made in Technology Absorption	We have installed Air Flow Meter in Autoconer for monitoring Air Consumption.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	There is saving in energy and improved product being offered for Indian and International Yarn Market.
(iii) Incase of Imported technology (imported during the last 3 years reckoned from the beginning of the financial year)	Nil
(a) The details of technology imported	Nil
(b) The year of Import	Nil
(c) Whether the technology been fully absorbed	Not Applicable
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Not Applicable
(iv) The expenditure incurred on Research and Development	Not Applicable
C. FOREIGN EXCHANGE EARNINGS AND OUTGO (pertaining to Cotton Yarn Division)	
(a) Foreign exchange earned in terms of actual inflows during the year	₹ 5,797.13 Lakhs
(b) Foreign exchange out go during the year in terms of actual outflows	₹ 2,754.27 Lakhs

I. Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(1), (2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. & ii. The ratio of the remuneration of each director to the median remuneration of the employees of the company and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the Financial Year 2018-19.

Name of the Director / KMP and Designation	Remuneration of the Director / KMP for financial year 2018-19 ₹ in lakhs	% increase in remuneration in the financial year 2018-19	Ratio of Remuneration of each Director / to median remuneration of employees	Comparison of remuneration of the KMP against the performance of the Company
Shri P.R. Venketrama Raja	4.35	-	2:1	The Operating Profit Before Tax increased by 13% and Profit After Tax by 2% in 2018-19
Shri P.V.Abinav Ramasubramaniam Raja	292.74	41	107:1	The Operating Profit Before Tax increased by 13% and Profit After Tax by 2% in 2018-19
Shri S.S. Ramachandra Raja	2.00	60	0.73:1	
Shri K.T. Ramachandran	3.60	80	1.31:1	
Shri N.K. Shrikantan Raja	3.30	65	1.20:1	
Shri R.S. Agarwal	4.75	36	1.73:1	
Shri V. Santhanaraman	2.40	60	0.87:1	
Smt. Justice Chitra Venkataraman (Retd.)	4.25	55	1.55:1	
Shri Prem G Shanker (Chief Executive Officer)	211.93	20	77:1	The Operating Profit Before Tax increased by 13% and Profit After Tax by 2% in 2018-19
Shri K. Sankaranarayanan (Chief Financial Officer)	63.90	9	23:1	
Shri S. Balamurugasundaram (Company Secretary & Legal Head)	28.11	13	10:1	

- iii. The median remuneration of the employees during the financial year was ₹ 2,74,422/- and the percentage increase in the median remuneration was 0.43%.
- iv. There were 1,282 permanent employees on the rolls of the Company, as on 31st March 2019.
- v. Explanation on the relationship between average increase in remuneration and the company's performance:
There was no relationship between the average increase in remuneration and the Company's performance, as except Bonus and Incentives the rest of the components of the remuneration are not directly linked to the performance of the Company.
- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:
The total remuneration of Key Managerial Personnel increased by 11.64% (i.e.) from ₹ 5.38 Crores in 2017-18 to ₹ 6.01 Crores in 2018-19.
- vii. a. Variations in the market capitalisation of the Company: The market capitalisation of ₹ 1,992.81 Crores as on 31st March, 2018 had decreased to ₹ 1,846.36 Crores as on 31st March 2019, showing a decrease of 7.35%.
b. Price earning ratio: The price earning ratio of the Company was 25.24 as at 31st March 2019 and was 27.67 as at 31st March, 2018.

- c. Percentage increase or decrease in the market quotations of the shares of the company as compared to the rate at which the company came out with the last public offer in the year: The Company has not come out with public issue. However, a Shareholder investing ₹ 10/- in the share capital of the Company at the time of incorporation, would have received ₹ 1917.99 as dividend. The said investment of ₹ 10/- would have risen to a value of ₹ 28,762 as on 31-03-2019.
- viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2018-19 was 7.66% and the increase in the managerial remuneration of KMP for the same financial year was 11.64%.
- ix. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company - Provided under i & ii above.
- x. MD's remuneration is 3% of the profits of the Company for first 2 years and 5% for remaining period of 5 years, calculated in accordance with Section 198 of the Companies Act, 2013 and in case of inadequate profits, remuneration is based on Section II Part II of Schedule V of the Companies Act, 2013.
- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year - Not applicable.
- xii. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

II Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Employed throughout the financial year 2018-19 and was in receipt of remuneration, in the aggregate, not less than ₹ 1.02 Crores

Sl. No	Name	Designation	Remuneration (in lakhs)	Qualification And Experience	Date of commencement of employment	Age	Last employment
1	P V ABINAV RAMASUBRAMANIAM RAJA	MANAGING DIRECTOR	292.74	International Baccalaureate, Bachelors of Science in Industrial Eng	04-06-2017	26	N.A.
2	PREM G SHANKER	Chief Executive Officer	211.93	B.TECH, MS IN MECHANICAL ENGINEERING, DIPLOMA IN MANAGEMENT	09-10-2008	56	TEXMO INSUTRIES, COIMBATORE
3	K SANKARANARAYANAN	Chief Financial Officer	63.9	BCOM,ACA, ICWA,ACS	05-09-2013	52	RANE ENGINE VALVES LTD.
4	P NARAYANSWAMY	Vice President Marketing	60.29	BCom,M B A	21-12-2015	50	Allied Blenders & Distillers P Ltd
5	SAMBASIVAM SRINIVAS	Vice President Marketing & Sales	57.26	BSc ZOOLOGY, PGDBA - MARKETING	05-06-2013	53	ACO SYSTEMS AND SOLUTIONS PVT. LTD., BANGALORE
6	K S NAGENDRAN	Vice President Production	34.97	B E MECHANICAL ENGG.,M B A GENERAL MARKETING	25-08-2014	54	HIL LTD., BALASORE & SATHARIYA
7	T A RAVICHANDRAN	Senior General Manager- Taxation & Accounts	33.25	BCOM,ACA	09-09-2015	48	L&T SHIPBUILDING LTD.
8	D MANICKAVASAGAM	Associate Vice President	30.1	DIPLOMA IN MECH ENGG,BE-MECH ENGG,MBA	20-09-2010	58	VISAKA INDS LTD, S'BAD
9	BHATT NARAYAN SHANKER	Vice President Niche Marketing	29.16	MBA	04-10-2018	49	HINDUSTAN COCACOLA
10	S LAKSHMANAN	Assistant Vice President Production	28.14	Diploma in Electrical Engineering	15-06-1984	53	RAMCO INDUSTRIES LTD

(ii) Employed for a part of the financial year 2018-19 and was in receipt of remuneration, at a rate which, in the aggregate, not less than ₹ 8.5 lakhs per month - NIL

NOTES :

1. All appointments are contractual.
2. None of the employees mentioned above is related to any director of the Company except Shri P.V.Abinav Ramasubramaniam Raja, Managing Director who is related to Shri P.R. Venketrana Raja, Chairman.
3. No employee was in receipt of remuneration in excess of that drawn by Managing Director.
4. MD's remuneration includes contribution to PF and after deduction of salary paid by M/s. Ramco Systems Limited, as approved by Shareholders on 04.08.2017.
5. Remuneration to others include salary, variable performance pay, allowances, contribution to Provident Fund and Superannuation Fund, taxable value of perks and leave encashment but excludes gratuity.

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED

P.R.VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : 23-05-2019

INDEPENDENT AUDITORS' REPORT

To the Members of Ramco Industries Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of RAMCO INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, the Statement of changes in Equity and the Statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Separate Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid separate financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the separate financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1	<p>Existence and impairment of Trade Receivables</p> <p>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability the amounts. Given the magnitude and inherent uncertainty involved in the judgment involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>(Refer to Note No. 12 to the Separate Financial Statements)</p>	<p>Principal Audit Procedures:</p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</p>
2	<p>Evaluation of uncertain Tax Position:</p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p>(Refer to Note No. 38 to the Separate Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</p> <p>We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p> <p>We also reviewed to relevant judgements and the opinions given by the company's advisers, which were relied on by the management for such claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements.</p>

<p>3</p>	<p>Recognition and measurement of deferred taxes</p> <p>The recognition and measurement of deferred tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with IND AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of deferred tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p>(Refer to Note No.19 to the Separate Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of deferred tax and re-performance of calculations and assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the financial statements.</p>
<p>4</p>	<p>Revenue Recognition in view of adoption new Ind AS 115 (Revenue from Contracts with Customers) accounting standard:</p> <p>The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations.</p> <p>(Refer to Note No.26 to the Separate Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>Audit procedure involved review of the company's IND AS 115 implementation process, and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition.</p> <p>Our tests in detail focused on transactions occurring within proximity of the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports.</p> <p>We have evaluated the cumulative effect adjustments are made with effect from 01.04.2018 for compliance with the new revenue standard.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Separate financial statements</p>

Information Other than the Separate Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and, Report on CSR activities, and Shareholders information but does not include the Separate financial statements and our auditor's report thereon.

Our opinion on the Separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Separate financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Separate Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these separate financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act 2013 read with relevant rules issued there under and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Separate financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the Separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Separate financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Separate financial statements, including the disclosures, and whether the Separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Separate Financial Statements includes financial performance of a foreign branch which reflects total assets of ₹ 143.06 Lakhs, total revenue of ₹ 116.96 Lakhs and net cash inflow amounting to ₹135.32 Lakhs for the year ended on 31st March 2019, which was audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the consolidated financial statements solely based on such audited financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
- (d) In our opinion, the aforesaid separate financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company’s internal financial control over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the details of the pending litigations and its impact on the financial statements in Note No.38.2 to 38.2.10 of the ‘Disclosures forming part of the Separate Financial Statements’ for the year ended 31st March 2019;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date : 23rd May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.: 227833

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date

i. Fixed Assets

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

ii. Inventory

- a) The management has conducted the physical verification of inventory at reasonable intervals.
- b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material.

iii. The company has granted loan to a party listed in the register maintained under Section 189 of the Act. The maximum outstanding at any time during the year was ₹ 471.15 Lakhs (Previous year ₹ 511.04 Lakhs) and the amount outstanding as on 31st March 2019 is ₹ 411.57 Lakhs (Previous year ₹ 461.93 Lakhs)

- a) In our opinion, the terms and conditions on which the loan has been granted to the party listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the Company.
- b) The payment of the principal and the interest wherever applicable are regular.
- c) There are no overdue amounts in respect of the loan granted to a party listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans, investments, guarantees and security.

v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits during the year. Accordingly, reporting under this clause does not arise.

vi. The Company is maintaining the accounts and records which have been specified by the Central Government under section 148 (1) of the Companies Act 2013.

vii. Undisputed and disputed taxes and duties

- a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrear as at 31st March 2019 for a period of more than six months from the date they become payable.
- b) As at 31st March 2019 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

(₹ In Lakhs)

Sl. No	Name of the Statute	Forum where dispute is pending	As at 31-03-2019	As at 31-03-2018
1	Income Tax Act	Deputy Commissioner	313.72	313.72
		Commissioner Appeal	657.71	672.59
		High Court	1026.71	796.05
		Appellate Tribunal	19.07	615.19
2	Sales Tax			
	CST	Appellate Authority	14.16	-
		Assistant/Deputy/ Joint Commissioner Appeal	11.22	11.32
	Entry Tax	Assistant/Deputy/ Joint Commissioner Appeal	9.51	10.67
	Sales Tax Act	Appellate Authority	72.45	72.45
VAT Act	Assistant/Deputy/ Joint Commissioner Appeal	102.69	94.57	



3	Central Excise Act and Cenvat Credit Rules	Appellate Authority	61.43	75.35
		Commissioner Appeal	73.03	132.56
4	Electricity Act	High Court	414.33	348.95
Total			2776.03	3143.42

- viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.
- ix. The company has not raised money by way of initial public offer or further public offer during the Current year. The Company has not raised any fresh term loans from banks/institutions during the year. The proceeds of term loans availed in the previous years have been applied for the purposes for which they were raised. The Company has not issued any debenture during the year.
- x. In our opinion and according to the information and explanations given to us, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause (xii) of Para 3 of the Order 2016 is not applicable to the Company.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made a preferential allotment or private placement shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause (xiv) of Para 3 of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause (xvi) of Para 3 of the Order 2016 is not applicable to the Company

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date : 23rd May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.: 227833

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE SEPARATE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE INDIAN ACCOUNTING STANDARDS OF RAMCO INDUSTRIES LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of M/s. RAMCO INDUSTRIES LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the separate financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were

operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date : 23rd May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.: 227833



BALANCE SHEET AS AT 31ST MARCH 2019

	Note No.	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
I ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipments	6	40,651.68	38,792.79
Capital Work -in- Progress	6	91.21	459.67
Intangible Assets	6	750.61	602.16
Investment Property	7	66.35	69.77
Investment in Subsidiaries and Associates	8-A	22,271.90	21,271.42
Financial Assets			
Other investment	8-B	3,690.46	3,416.44
Loans	9	411.57	461.93
Other Financial Assets	9	654.67	554.68
Other Non - Current Assets	10	204.17	239.54
		<u>68,792.62</u>	<u>65,868.40</u>
CURRENT ASSETS			
Inventories	11	25,111.22	23,297.99
Financial Assets			
Trade Receivables	12	9,324.64	8,704.44
Cash and Cash Equivalents	13	989.48	632.20
Other Financial Assets	14	244.92	224.71
Current Tax Assets		10,408.44	7,039.63
Other Current Assets	15	1,957.92	1,578.51
		<u>48,036.62</u>	<u>41,477.48</u>
TOTAL ASSETS		<u>1,16,829.24</u>	<u>1,07,345.88</u>
II EQUITY AND LIABILITIES			
SHARE HOLDERS' FUND			
Equity Share Capital	16	866.63	866.63
Other Equity	17	72,650.67	65,550.69
Total Equity		<u>73,517.30</u>	<u>66,417.32</u>
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	18	2,560.92	5,570.44
Deferred Tax Liability (Net)	19	5,081.70	3,017.94
Deferred Government Grants	20	139.13	150.83
		<u>7,781.75</u>	<u>8,739.21</u>
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	21	13,171.87	13,003.27
Trade Payables			
Dues of Micro and Small Enterprises	22	71.59	-
Dues of creditors other than Micro and Small Enterprises	22	3,835.86	3,513.33
Other financial Liabilities	23	9,602.24	8,547.51
Deferred Government Grants		11.69	11.70
Other Current liabilities	24	1,857.99	2,205.58
Provisions	25	6,978.95	4,907.96
		<u>35,530.19</u>	<u>32,189.35</u>
TOTAL EQUITY & LIABILITIES		<u>1,16,829.24</u>	<u>1,07,345.88</u>
Significant Accounting Policies, Judgements and Estimates	1-5		
See accompanying notes to the financial statements	6-48		

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

INCOME	Note No.	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
Revenue from operations	26	89,775.35	82,542.27
Other Income	27	3,284.39	3,656.61
Other Finance Income	28	<u>137.97</u>	<u>496.17</u>
Total Revenue		<u>93,197.71</u>	<u>86,695.05</u>
EXPENSES			
Cost of materials consumed	29	44,615.81	41,568.05
Cost of Resale materials		162.52	76.38
Change in inventories of Finished Goods and Work in Progress	30	712.48	593.44
Excise duty on sale of goods		-	2,677.88
Employee benefit expenses	31	8,092.21	7,075.80
Finance costs	32	1,506.29	2,163.19
Depreciation and amortisation expenses	6	2,460.69	2,309.79
Other expenses	33	<u>25,844.95</u>	<u>21,592.36</u>
Total Expenses		<u>83,394.95</u>	<u>78,056.89</u>
Profit/(Loss) before exceptional items and tax		9,802.76	8,638.16
Exceptional Items	34	-	<u>1,264.97</u>
Profit / (Loss) before Tax		9,802.76	9,903.13
Income Tax expenses	36		
Current Tax		1,934.19	2,337.76
Deferred Tax		2,059.39	1,913.72
MAT Credit		<u>(1,509.93)</u>	<u>(1,553.50)</u>
Total Tax Expenses		<u>2,483.65</u>	<u>2,697.98</u>
Profit / (Loss) for the year		<u>7,319.11</u>	<u>7,205.15</u>
Other Comprehensive income			
Item will not be reclassified to profit / (loss) in subsequent periods:			
Actuarial Gain/(loss) on defined benefit obligation(net)		(60.60)	67.99
Fair value gain/(loss) on Equity instruments through OCI (net)		274.78	604.41
Total Comprehensive income for the year, net of Tax		7,533.29	7,877.55
Earnings per equity share of face value of ₹ 1 each			
Basic & Diluted in Rupees		8.45	8.31
Significant Accounting Policies, Judgements and estimates	1-5		
See accompanying notes to the financial statements	6-48		

As per our Report Annexed
For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board
P.R. VENKETRAMA RAJA
Chairman
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
A Cash flow from operating activities		
Profit Before Tax	9,802.76	9,903.13
Adjusted for		
Loss on sale of assets	7.80	1.28
Depreciation	2,460.69	2,309.79
Dividend Income	(3,000.16)	(3,061.95)
Profit on sale of assets	(12.24)	(1,423.21)
Fair value loss/(gain) on investments	4.61	(4.20)
Interest income	(137.97)	(496.17)
Cash flow arising out of Actuarial loss on defined benefit obligation	(60.60)	67.99
Interest paid	1,521.27	2,200.83
Royalty receipts	(1,540.23)	(1,482.64)
	<u>(756.83)</u>	<u>(1,888.28)</u>
Operating profit before working capital changes	9,045.93	8,014.85
Adjusted for		
Trade and other receivables	(620.20)	(1,386.81)
Inventories	(1,813.23)	7,180.38
Trade payables	394.12	(1,598.88)
Other Current Assets	(5,528.43)	(3,019.45)
Other current Liabilities	2,448.59	759.48
	<u>(5,119.15)</u>	<u>1,934.72</u>
Cash (used in) / generated from operations	3,926.78	9,949.57
Taxes paid	1,335.74	925.74
Net cash (used in) / generated from operating activities	5,262.52	10,875.31
B. Cash flow from Investing activities		
Purchase of Plant, property and Equipment	(4,572.54)	(2,667.63)
Proceeds from Sale of Plant, property and Equipment	71.24	1,906.75
Adjustments in Assets	38.23	75.21
Proceeds from Sale of shares	-	3.40
Interest income	137.97	496.17
Dividend income	3,000.16	3,061.95
Changes in Capital WIP	368.46	(210.14)
Advance for long term purpose	(10.84)	60.93
Purchase of investment	(1,000.48)	(0.75)
Royalty receipts	1,540.23	1,482.64
Net cash (used in) / from investing activities	(427.57)	4,208.53

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 Contd...

	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
C. Cash flow from financing activities		
Proceeds from long term borrowing	(2,679.99)	(1,952.06)
Proceeds from other Long term liabilities	(11.70)	(11.70)
Proceeds from short term borrowings	168.60	(10,407.55)
Dividend paid	(433.31)	(433.30)
Finance cost	(1,521.27)	(2,200.83)
Net cash from / (used in) Financing activities	(4,477.67)	(15,005.44)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	357.28	78.40
Cash and cash equivalents as at the beginning of the year	632.20	553.80
Cash and Cash equivalents as at end of the year	989.48	632.20
Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:		
Balance at the beginning of the year		
Long Term Borrowings	5,570.44	6,452.49
Short Term Borrowings (excluding cash credit)	13,003.27	23,410.82
Current maturities of Long Term Debt	2,679.99	3,750.00
Interest accrued	105.30	156.75
Sub-total Balance at the beginning of the year	21,359.00	33,770.06
Cash flows during the year		
Proceeds from Long Term Borrowings	-	5,000.00
Repayment of Long Term Borrowings	(2,679.99)	(6,952.06)
Proceeds from / (Repayment of) Short Term Borrowings (net)	168.60	(10,407.55)
Interest paid	(1,600.15)	(2,252.28)
Sub-total Cash flows during the year	(4,111.54)	(14,611.89)
Non-cash changes		
Interest accrual for the year	1,521.27	2,200.83
Balance as at the end of the year		
Long Term Borrowings	2,560.92	5,570.44
Short Term Borrowings	13,171.87	13,003.27
Current maturities of Long Term Debt	3,009.52	2,679.99
Interest accrued but not due	26.42	105.30
Balance as at the end of the year	18,768.73	21,359.00

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Statement of Changes in Equity for the year ended 31st March 2019

A. EQUITY SHARE CAPITAL

₹ In Lakhs

Balance as at 01-04-2017	866.63
Changes in Equity Share Capital during the year 2017-18	0
Balance as at 31-03-2018	866.63
Changes in Equity Share Capital during the year 2018-19	0
Balance as at 31-03-2019	866.63

B. OTHER EQUITY

For the year ended 31st Mar 2019

Particulars	Surplus				Items of OCI		Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 01-04-2018	1,260.71	209.53	16,333.76	44,373.46	3,373.23	-	65,550.69
Profit for the period	-	-	7,319.11	-	-	-	7,319.11
Other comprehensive income	-	-	-	-	274.78	(60.60)	214.18
Total Comprehensive Income	-	-	7,319.11	-	274.78	(60.60)	7,533.29
Issue of Share Capital	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	(1,100.00)	1,100.00	-	-	-
Transfer to Retained Earnings	-	-	(60.60)	-	-	60.60	-
Transaction costs	-	-	-	-	-	-	-
Cash dividends	-	-	(433.31)	-	-	-	(433.31)
As at 31-03-2019	1,260.71	209.53	22,058.96	45,473.46	3,648.01	-	72,650.67

For the year ended 31st March, 2018

Particulars	Surplus				Items of OCI		Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 01-04-2017	1,260.71	209.53	10,759.69	43,273.46	2,768.82	(165.77)	58,106.44
Profit for the period	-	-	7,205.15	-	-	-	7,205.15
Other comprehensive income	-	-	-	-	604.41	67.99	672.40
Total Comprehensive Income	-	-	7,205.15	-	604.41	67.99	7,877.55
Issue of share capital	-	-	-	-	-	-	-
Transfer to general reserve	-	-	(1,100.00)	1,100.00	-	-	-
Transfer to Retained Earnings	-	-	(97.78)	-	-	97.78	-
Cash dividends	-	-	(433.30)	-	-	-	(433.30)
As at 31-03-2018	1,260.71	209.53	16,333.76	44,373.46	3,373.23	-	65,550.69

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 0150415

G. CHELLA KRISHNA
Partner
Membership No.: 210474

Place: Chennai
Date: 23th May, 2019

For M/s. Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No.: 0053335

C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman

PREM.G.SHANKER
Chief Executive Officer

K. SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. Corporate Information

Ramco Industries Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act 1956. The Registered office of the Company is located at “Ramamandiram”, No. 47 P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu and corporate office of the company is located at “Auras corporate centre”, VI Floor, 98A- Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu. The Company’s shares are listed in BSE Limited and NSE Limited.

The Company is engaged in manufacture of Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs). The Company’s segments are building products, Textiles and power generation from wind mills. The Company caters mainly to the domestic markets. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The financial statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 23-05-2019.

2. Basis of Preparation of Separate Financial Statements

- 2.1 The Company has prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.
- 2.2 The significant accounting policies used in preparing the financial statements are set out in Note No.4
- 2.3 The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 2.4 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 2.5 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 2.6 The financial statements are presented in Indian Rupees rounded off to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.

3. Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

4. Significant Accounting Policies

4.1 Inventories

- 4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- 4.1.2 Process stock is valued at moving weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- 4.1.3 Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

4.2 Cash Flow Statement

- 4.2.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.2.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.

4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

4.3 Dividend distribution to Equity shareholders

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes (If any) is recognised directly in Equity.

4.4 Income Taxes

4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income Tax Act, 1961 and other applicable tax laws.

4.4.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.

4.4.3 Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.

4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.

4.4.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4.4.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.

4.4.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

4.5 Property, plant and equipments (PPE)

4.5.1. PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT / GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

4.5.2 The Company follows the useful lives of the significant parts of certain class of PPE on best estimate basis upon technical advice, as detailed below, that are different from the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013:

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Asset type	Useful life ranging from
Buildings	3 to 60 years
Plant and Machinery	5 to 25 years
Windmills	5 to 30 years

- 4.5.3 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- 4.5.4 PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value or any value whichever is less.
- 4.5.6 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- 4.5.7 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.
- Capital Work in progress**
- 4.5.8 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date
- 4.6 Leases**
- 4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.
- 4.6.2 The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts and payments are recognised in the Statement of Profit and Loss on accrual basis as per the lease terms. The company do not have any finance leases.
- 4.6.3 The amount paid for securing right to use of lands qualify as Operating lease and the amount paid for leasehold land is classified as “lease prepayments” under prepaid expenses, which are amortised over the tenure of lease.
- 4.7 Revenue Recognition**
- 4.7.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- 4.7.2 **Revenue from Operations**
The Company has adopted Ind AS 115 with effect from 01.04.2018 (i.e) from the date on which it become effective.
- Sale of products**
Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods including excise duty up to 30.06.2017 and after deducting discounts, volume rebates and applicable taxes on sale including GST. The company provides discounts to customers on to achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the company as per Ind AS 115. The company do not have any non-cash consideration.
- Project Revenue recognition policy**
Contract revenue from Project activity on fixed price contracts is recognized when the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on work certified by the customer.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO/ BESCO/PGVCL are consumed at factories and unutilized units are sold to concerned distribution companies. The monetary values of such power generated that are captively consumed are not recognised as revenue for the company.

Power generated from windmills that are covered under power purchase agreement with TANGEDCO /BESCO/ PGVCL are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is recognised as Sale of surplus power generated from windmills

Scrap sale

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods including excise duty up to 30.06.2017 excluding applicable taxes on sale.

Industrial Promotion Assistance

This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance.

4.7.3 Other Income

- a. Dividend income is recognised when the Company's right to receive dividend is established.
- b. Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease
- c. Value of Carbon credits are recognised when the Company's right to receive the same is established.

4.8 Employee Benefits

- 4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- 4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- 4.8.3 The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.
- 4.8.4 The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to Ramco Industries Limited Officer's Superannuation Fund administered by trustees and managed by LIC of India. There are no further obligations in respect of the above contribution plan.
- 4.8.5 The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Ramco Industries Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.
- 4.8.6 The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- 4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

4.9 Government Grants

- 4.9.1 In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- 4.9.2 Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.10 Foreign currency transactions

- 4.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- 4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.
- 4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- 4.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

4.11 Borrowing Costs

- 4.11.1 Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- 4.11.2 Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the general borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. The amount of borrowing cost that the Company capitalises does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.

4.12 Earnings per Share

- 4.12.1 Net profit after tax is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding if any, during the year.
- 4.12.2 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.12.3 The Company do not have any potential equity shares.

4.13 Impairment of Non-Financial Assets

- 4.13.1 The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.
- 4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- 4.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- 4.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

4.14 Provisions, Contingent Liabilities and Contingent Assets

- 4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- 4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.14.3 Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.

4.14.4 Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

4.15 Intangible Assets

4.15.1 The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.

4.15.2 Intangible Assets are amortised over their estimated useful life on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team. Its accounting classification is given below:

Nature of Intangible assets	Estimated useful life
Computer software	5 years
Amortisation of Intangible assets	Accounting classification
Computer software	Depreciation & Amortisation

4.15.3 The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.

4.15.4 The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.

4.16 Investment Properties

4.16.1 An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.

4.16.2 Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.

4.16.3 The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

4.16.4 Depreciation on investment properties are calculated on straight-line method based on useful life of the significant components.

Asset type	Useful life ranging from
Buildings under Investment properties	60 years

4.16.5 Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.

4.16.6 The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.

4.17 Operating Segments

Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

The Company has three operating/reportable segments viz. building products, textile and wind power generation.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

4.18 Financial Instruments

- 4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.
- 4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.
- 4.18.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

Financial Assets

- 4.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.
- 4.18.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:
 - a) Amortised cost; or
 - b) Fair value through other comprehensive income (FVTOCI); or
 - c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

- 4.18.6 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.18.7 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

- a. significant risk and rewards of the financial asset, or
- b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retention of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

4.18.8 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

4.18.9 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial Liabilities

4.18.10 Financial liabilities comprises of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.18.11 The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

4.18.12 Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

4.18.13 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.

4.18.14 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.19 Fair value measurement

- 4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- 4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.
- 4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:
- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.
- 4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.
- 4.19.5 For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.
- 4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

Investments in Equity / Mutual Funds

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

Trade and other receivables

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

Forward exchange contracts

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

Non-derivative financial liabilities

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Financial guarantee obligation

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

Investment Properties

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

5. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Asset (Including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent Liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of Trade receivables

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Interests in other entities

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

6 PROPERTY PLANT & EQUIPMENT

Particulars	YEAR	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
		As At 01-APR-2018	Additions	Withdrawals/ Adjustments	As At 31-MAR-2019	As At 01-APR-2018	For the year 2018-19	Withdrawals/ Adjustments	As At 31-MAR-2019	As At 31-MAR-2019	As At 31-MAR-2018
LAND - FREEHOLD	2018-19	1,672.61	582.98	-	2,255.59	-			-	2,255.59	1,672.61
	2017-18	1,679.00		6.39	1,672.61				-	1,672.61	1,679.00
LAND - LEASE HOLD	2018-19	1,399.35			1,399.35	92.82	15.60		108.42	1,290.93	1,306.53
	2017-18	1,399.35			1,399.35	77.23	15.59		92.82	1,306.53	1,322.12
BUILDINGS	2018-19	16,009.02	1,007.82	12.33	17,004.51	5,055.72	424.71	11.21	5,469.22	11,535.29	10,953.30
	2017-18	16,495.72	188.31	675.01	16,009.02	4,981.42	429.28	354.98	5,055.72	10,953.30	11,514.30
RAILWAY SIDINGS	2018-19	20.68			20.68	19.65			19.65	1.03	1.03
	2017-18	20.68			20.68	19.65			19.65	1.03	1.03
PLANT & MACHINERY	2018-19	48,898.08	2,220.09	618.72	50,499.45	27,987.21	1,242.17	532.93	28,696.45	21,803.00	20,910.87
	2017-18	48,228.93	1,930.22	1,261.07	48,898.08	27,851.16	1,165.84	1,029.79	27,987.21	20,910.87	20,377.77
ELECTRICAL MACHINERY	2018-19	7,706.99	363.59	130.40	7,940.18	4,117.95	513.88	122.37	4,509.46	3,430.72	3,589.04
	2017-18	7,362.45	345.19	0.65	7,706.99	3,596.28	522.24	0.57	4,117.95	3,589.04	3,766.17
FURNITURE	2018-19	341.00	4.09	7.02	338.07	179.48	23.63	6.33	196.78	141.29	161.52
	2017-18	339.42	1.58		341.00	155.98	23.50		179.48	161.52	183.44
OFFICE EQUIPMENTS	2018-19	241.73	16.09	142.78	115.04	193.44	13.10	135.62	70.92	44.12	48.29
	2017-18	230.70	11.50	0.47	241.73	180.14	13.73	0.43	193.44	48.29	50.56
VEHICLES	2018-19	462.24	38.13	20.89	479.48	312.64	36.30	19.17	329.77	149.71	149.60
	2017-18	470.86	29.23	37.85	462.24	314.27	34.01	35.64	312.64	149.60	156.59
TOTAL TANGIBLE ASSETS	2018-19	76,751.70	4,232.79	932.14	80,952.35	37,958.91	2,269.39	827.63	39,400.67	40,651.68	38,792.79
	2017-18	76,227.11	2,506.03	1,981.44	76,751.70	37,176.13	2,204.19	1,421.41	37,958.91	38,792.79	39,050.98

Capital work-in-progress

CAPITAL	2018-19	459.67	3,864.33	4,232.79	91.21					91.21	459.67
WORK-IN-PROGRESS	2017-18	249.53	2,716.17	2,506.03	459.67					459.67	249.53

Intangible Assets

COMPUTER SOFTWARE	2018-19	1,300.21	339.75	452.70	1,187.26	698.05	191.30	452.70	436.65	750.61	602.16
	2017-18	1,138.61	161.60		1,300.21	592.45	105.60		698.05	602.16	546.16
TOTAL INTANGIBLE ASSETS	2018-19	1300.21	339.75	452.70	1187.26	698.05	191.30	452.70	436.65	750.61	602.16
	2017-18	1,138.61	161.60	-	1,300.21	592.45	105.60	-	698.05	602.16	546.16

Note: The carrying amount of movable fixed assets of the company have been pledged by the way of pari passu first charge as security for Long Term Borrowings.


NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
7 INVESTMENT PROPERTY		
Gross Block		
As at the beginning of the year	283.33	268.31
Add: Additions during the year	-	66.80
Less: Sold during the year	-	(51.78)
As at the end of the year	<u>283.33</u>	<u>283.33</u>
Depreciation and impairment		
As at the beginning of the year	213.56	224.37
Add: Additions during the year	-	13.41
Less: Sold during the year	-	(30.51)
Add: Depreciation during the year	3.42	6.29
As at the end of the year	<u>216.98</u>	<u>213.56</u>
Net Block		
As at the end of the year	66.35	69.77
Information regarding income and expenditure of Investment property		
Rental Income from Investment Properties	27.20	27.20
Direct Operating Expenses	12.33	7.25
Profit arising from Investment Properties before Depreciation and indirect expenses	14.87	19.95
Less: Depreciation	3.42	6.29
Profit arising from Investment Properties	11.45	13.66
Fair Value of Investment property	283.33	283.33

- a. The Company's investment property consists of a commercial property at Chennai (Tamilnadu) and Pipe plant Building at Maksi(Madhya Pradesh).
- b. The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- c. The fair valuation of these investment properties are determined by an internal technical team, measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs. In the current financials, the fair value of the investment property approximates to the historical cost at which it is carried.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
8 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

₹ in Lakhs

	Name of the Company	Face Value per share ₹	As at 31-03-2019		As at 31-03-2018	
			Number	Amount	Number	Amount
A.	Quoted Investment - Fully paid Equity shares					
	The Ramco Cements Limited	1	4,94,60,420	6,816.33	4,93,12,420	5,815.85
	Rajapalayam Mills Limited	10	1,27,360	61.79	1,27,360	61.79
	Ramco Systems Limited	10	54,67,376	13,216.19	54,67,376	13,216.19
	Sub-Total (A)			20,094.31		19,093.83
	Unquoted Investment - Fully paid Equity shares					
	Associate Companies					
	Ramco Industrial and Technology Services Ltd	10	50,000	5.00	50,000	5.00
	Madurai Trans carrier Ltd	1	3,09,00,000	309.00	3,09,00,000	309.00
	Lynks Logistics Limited	1	19,00,000	19.00	19,00,000	19.00
	Sub-Total			333.00		333.00
	Subsidiaries					
	Sudharsanam Investments Limited	10	42,50,000	425.00	42,50,000	425.00
	Sri Ramco Lanka (Private) Ltd, Srilanka	SLR 10	2,30,00,000	1,365.32	2,30,00,000	1,365.32
	Sri Ramco roofings Lanka (Private) Ltd, Srilanka	SLR 10	12,90,000	54.27	12,90,000	54.27
	Sub-Total			1,844.59		1,844.59
	Sub-Total (B)			2,177.59		2,177.59
	Total Investments in Subsidiaries and Associates C= (A+B)			22,271.90		21,271.42
	Aggregate Market Value of Quoted Investments			3,78,084.98		3,77,711.00
B.	Other Investment					
	Quoted Investment - Fully paid Equity shares (designated at FVTOCI)					
	Indian Bank	10	1,391	3.90	1,391	4.17
	HDFC Limited	2	1,79,200	3,527.10	1,79,200	3,271.48
	HDFC Bank Limited	2	5,500	127.54	5,500	103.74
	Sub-Total (A)			3,658.54		3,379.39
	Investments in Mutual Funds (measured at FVTPL)					
	HDFC Mutual Fund	10	2,40,419	28.90	1,00,000	33.51
	Sub-Total (B)			28.90		33.51
	Investments in Government or Trust Securities					
	National Savings Certificate			-		0.52
	Sub-Total (C)			-		0.52
	III. Other Non-Current Investments, Non-Trade - Unquoted					
	Aadhar Housing Finance Limited (refer Note d below)	10	30,000	3.00	30,000	3.00
	Ramco Industries Employees Co-op Stores Limited		2,500	0.02	2,500	0.02
	Sub-Total (D)			3.02		3.02
	Total Other Investments (A+B+C+D)			3,690.46		3,416.44

- The Company has accounted investments in Subsidiaries and Associates at Cost.
- The carrying amount of Investment in subsidiaries / associates is tested for impairment in accordance with Ind AS 36. There is no impairment in the value of investments as at the reporting date
- During the year, the company purchased 148000 shares of The Ramco Cements Limited.
- Aadhar Housing Finance Limited is previously known as DHFL Vysya Housing Finance Limited.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
9. LOANS AND OTHER FINANCIAL ASSETS [Non Current]		
Loan given to related parties - Considered good	411.57	461.93
Security deposit with Electricity Board	654.67	554.68
	<u>1,066.24</u>	<u>1,016.61</u>
Loan to related party is loan given to our wholly owned subsidiary company, M/s.Sudharsanam Investments Ltd		
10. OTHER NON CURRENT ASSETS		
Secured and considered good		
Advances towards Capital goods	179.36	209.87
Advances to Others	16.62	21.03
Prepaid Expenses	8.19	8.64
	<u>204.17</u>	<u>239.54</u>
11. INVENTORIES		
Raw materials	14,011.71	12,032.36
Raw Materials in Transit	378.53	-
Work-in-progress	2,289.74	2,611.55
Finished goods	7,419.66	7,810.33
Stores and spares	1,010.63	836.64
Asset held for Sale	0.95	7.11
	<u>25,111.22</u>	<u>23,297.99</u>
a. Inventories are valued as per company's accounting policy. [Note No. 4.1 of accounting policies]		
b. The total carrying cost of inventories as at the reporting date has been pledged as security for Short term Borrowings.		
12. TRADE RECEIVABLES [Current]		
Trade receivables, considered good - Unsecured	8,920.33	8,350.10
Trade receivables, which have significant increase in Credit Risk	446.10	427.43
Trade receivables, provision for Credit Risk	(446.10)	(427.43)
Trade receivables, considered good -unsecured - Related Parties	404.31	354.34
	<u>9,324.64</u>	<u>8,704.44</u>
a. Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.		
b. No trade receivable are due from directors or other officers of the company either severally or jointly with any other person.		
c. Trade receivable from related parties is royalty receivable from our subsidiaries and are due not more than 6 months.		
d. The total carrying amount of trade receivables has been pledged as security for Short term Borrowings.		
13. CASH AND CASH EQUIVALENTS		
Cash on Hand	3.77	5.61
Balance With Bank Current account	932.91	599.83
Margin Money	36.01	10.77
Balance with Bank - Unpaid Dividend Warrant Account	16.79	15.99
	<u>989.48</u>	<u>632.20</u>

Refer Note 45 for information about risk profile of Cash and Cash equivalents under Financial Risk Management.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
14. OTHER FINANCIAL ASSETS [Current]		
Security Deposit - Others	209.64	208.57
Asset - Foreign exchange forward contracts	35.28	16.14
	244.92	224.71
15. OTHER CURRENT ASSETS		
Tax Credit - Indirect Taxes	634.23	444.57
Advance to Suppliers	821.01	744.30
Advance to Employees	37.75	6.06
Prepaid Expenses	339.75	210.23
Other Current Assets	125.18	173.35
	1,957.92	1,578.51

16. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued & Subscribed and Fully paid up shares of ₹ 1/- each	8,66,63,060	866.63	8,66,63,060	866.63

A. Reconciliation of the number of Shares

Number of Shares at the beginning	866,63,060	866.63	866,63,060	866.63
Changes in Equity Share capital during the year	-	-	-	-
Number of Shares at the end	8,66,63,060	866.63	8,66,63,060	866.63

B. Terms / Rights / Restrictions attached to Equity shares

The Company has one class of equity shares having a face value of ₹ 1/- each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% held	No. of Shares	% held
The Ramco Cements Ltd	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	84,01,680	9.69	79,20,680	9.14
Shri.P.R.Venketrama Raja	62,20,655	7.18	62,20,655	7.18
Smt.Nalina Ramalakshmi	63,00,655	7.27	63,00,655	7.27
Smt.Saradha Deepa	55,13,655	6.36	62,20,655	7.18
	3,98,09,145	45.93	4,00,35,145	46.20

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
17. OTHER EQUITY		
A. Capital Reserve		
Balance as at beginning and end of the year	1,260.71	1,260.71
Represents the incentives received under “Kutch Development Scheme 2001” in respect of Fibre Cement Plant at Anjar, Bhuj in the State of Gujarat. The Scheme, inter-alia, stipulates investment of the amount equivalent to 50% of the Incentives availed in the new project in the State of Gujarat within a period of 10 years from the date of commencement of commercial production.		
B. Share premium		
Balance as at beginning and end of the year	<u>209.53</u>	<u>209.53</u>
Represents excess of share subscription money received over par value of shares.		
C. General Reserve		
Balance as at beginning of the year	44,373.46	43,273.46
Add: Amount transferred from Retained Earnings	<u>1,100.00</u>	<u>1,100.00</u>
Balance as at end of the year	<u>45,473.46</u>	<u>44,373.46</u>
The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.		
D. Retained Earnings		
Balance as at beginning of the year	16,333.76	10,759.69
Add: Profit for the year	7,319.11	7,205.15
Add: Transfer from FVTOCI Reserve	<u>(60.60)</u>	<u>(97.78)</u>
Balance available for Appropriations	<u>23,592.27</u>	<u>17,867.06</u>
Less: Appropriations		
Final Dividend (₹ 0.50 per share for FY 2018-19 (PY ₹ 0.50))	<u>(433.31)</u>	<u>(433.30)</u>
Amount transferred to General Reserve	<u>(1,100.00)</u>	<u>(1,100.00)</u>
Balance as at end of the year	<u>22,058.96</u>	<u>16,333.76</u>
Represents that portion of the net income of the Company that has been retained by the Company.		
E. Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)		
Balance as at beginning of the year	3,373.23	2,603.05
Other Comprehensive Income for the year	<u>214.18</u>	<u>672.40</u>
	<u>3,587.41</u>	<u>3,275.45</u>
Less: Transfer to Retained Earnings	<u>60.60</u>	<u>97.78</u>
	<u>3,648.01</u>	<u>3,373.23</u>

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
18. BORROWINGS [NON CURRENT]		
Secured:		
Term Loan from Banks	2,560.92	5,570.44
	2,560.92	5,570.44
<p>a. Long term Borrowings from Banks are secured by pari-passu first charge on all movable Fixed Assets of the Company.</p> <p>b. The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment is as follows:</p>		
2021-22	107.59	109.23
2020-21	2,457.68	2,457.68
2019-20	-	3,009.54
Processing charges to be absorbed over the period of loan	(4.35)	(6.01)
	2,560.92	5,570.44
19. DEFERRED TAX LIABILITY (NET)		
Deferred Tax Liabilities		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	5,612.67	5,593.84
Tax effect on Fair Value measurement and Other Items allowable under the Income Tax Act, 1961	(11.63)	1.00
Deferred Tax Assets		
Tax effect-Unabsorbed depreciation under IT Act, 1961	-	(2,047.00)
Tax effect -provision for Bonus and Leave encashment	(363.34)	(356.90)
Disallowances under the Income Tax Act, 1961.	(156.00)	(173.00)
Net Deferred Tax Liability	5,081.70	3,017.94
Reconciliation of deferred tax Liabilities (net)		
Opening balance as on 1 st April	3,017.94	1,104.22
Tax (income)/Expense during the period recognised in statement of Profit and Loss	2,059.39	1,913.72
Deferred Tax charge/(credit) on OCI recognised during the year	4.37	-
Closing balance as on 31 st March	5,081.70	3,017.94
20. DEFERRED GOVERNMENT GRANTS		
Deferred Government Grants	139.13	150.83
	139.13	150.83
<p>Industrial Promotion Assistance (IPA) of ₹ 134.31 Lakhs provided by Department of Industries of Government of Bihar and ₹150.00 Lakhs provided by Government of West Bengal towards creation of infrastructure facilities is recognised as 'Industrial Promotion assistance' over the useful life of the underlying PPE.</p>		
21. BORROWINGS [CURRENT]		
Secured:		
Loan from banks	2,635.54	4,503.27
Unsecured:		
Loan from banks	10,536.33	8,500.00
	13,171.87	13,003.27

Borrowings from Banks are secured by pari-passu first charge on trade receivables and inventories of the Company, present and future.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
22. TRADE PAYABLES		
Trade Payables		
Dues of Micro and Small Enterprises	71.59	-
Dues of creditors other than Micro and Small Enterprises	<u>3,835.86</u>	<u>3,513.33</u>
	<u>3,907.45</u>	<u>3,513.33</u>

- a. Trade payables are non-interest bearing and are normally settled in 10 to 30 days, except where credit term as per contractual is more than 30 days.
- b. The dues to Micro and Small Enterprises as at 31-03-2019 is ₹ 71.59 Lakhs (PY: ₹ NIL). This has been determined to the extent such parties have been identified on the basis of information available with the Company.

23. OTHER FINANCIAL LIABILITIES [CURRENT]

Current Maturities of Long Term Debt - Secured	3,009.52	2,679.99
Unpaid dividends	16.79	15.99
Financial Guarantee Obligation	23.34	40.95
Security Deposit from Customers	3,088.12	2,808.97
Liability - Foreign exchange forward contracts	3.95	-
Other Liabilities	<u>3,460.52</u>	<u>3,001.61</u>
	<u>9,602.24</u>	<u>8,547.51</u>

- a. Unpaid dividends represent amount not due for transfer to Investor Education and Protection Fund.
- b. Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables / receivables in foreign currencies.
- c. The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other income over the tenure of the corporate guarantee.
- d. Provision for interest on delayed payment to MSME Suppliers - ₹ 0.72 Lakhs, included in Other Liabilities

24. OTHER CURRENT LIABILITIES

Statutory Duties and Taxes recovery repayable	907.24	1,115.03
Advance received from Customers	<u>950.75</u>	<u>1,090.55</u>
	<u>1,857.99</u>	<u>2,205.58</u>

Advance from Customers are received in the normal course of business and adjusted against subsequent supplies.

25. PROVISIONS [CURRENT]

Provision for Leave encashment	702.28	618.29
Provision for Gratuity	160.95	45.71
Provision for Taxation	<u>6,115.72</u>	<u>4,243.96</u>
	<u>6,978.95</u>	<u>4,907.96</u>

- a. The Company provides for expenses towards compensated absences provided to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.
- b. The company maintains Gratuity fund account in LIC of India. The Company provides for expenses towards Gratuity to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance sheet date, using Projected Unit Credit method.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
26. REVENUE FROM OPERATIONS		
Sale Revenue	87,467.01	80,841.92
Other operating revenue		
Industrial promotion assistance	608.09	11.70
Royalty Received	1,540.23	1,482.64
Income from Wind power generation {Net of inter-divisional transfer of ₹ 1470.05 Lakhs (Previous year ₹ 1646.53 Lakhs)}	160.02	206.01
	89,775.35	82,542.27

(a) As per the Guidance Note on Division II, Ind AS Schedule III to the Companies Act, 2013 issued by ICAI, Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they have excluded from revenue. On the other hand, the recovery of excise duty is an inflow that the entity receives on its own account since the Company acts as a principal in collecting the excise duty and therefore the revenue has grossed up to include excise duty.

(b) Goods and Service Tax (GST) has been effective from 01-07-2017. Consequently, Excise Duty, Value Added Tax (VAT), Service Tax etc. have been replaced with GST. Until 30-06-2017, 'Sale of Products' and 'Scrap Sales' include the amount of Excise Duty recovered on Sales. With effect from 01-07-2017, 'Sale of Products' and 'Scrap Sales' excludes the amount of GST recovered. Accordingly, Revenue from 'Sale of Products', 'Scrap Sales' and 'Revenue from Operations' for the year ended 31-03-2019 are not comparable with those of the previous year. However, the revenue from operations net of duties and taxes are furnished as below:

Revenue from Operations (net of GST and VAT)	87,467.01	80,841.92
Less: Excise Duty	-	2,677.88
Revenue from Operations, net of duties and taxes	87,467.01	78,164.04

(c) Industrial Promotion Assistance from:

- Government of Bihar - ₹ 581.86 Lakhs [Previous year - NIL]
- Government of Rajasthan - ₹ 14.53 Lakhs [Previous year - NIL]
- Deferred Grant recognised as income - ₹ 11.69 Lakhs [Previous year- ₹ 11.70 Lakhs]

(d) Out of 264.27 Lakhs units [Previous year - 299.98 Lakhs units] generated by our windmills, 50.42 Lakhs units [Previous year - 79.32 Lakhs units] were sold to concerned state Electricity Board, 218.65 Lakhs units [Previous year - 244.22 Lakhs units] were consumed at our plant and 5.23 Lakhs units [Previous year - 10.04 Lakhs units] remain unadjusted.

(e) The Company's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point of time. Revenue from windmills is recognised upon transmission of energy to the grids of state electricity boards. The revenue from project contract is recognised on using percentage of completion method. There is no significant impact in the financials upon adoption of Ind AS 115 w.e.f. from 01.04.2018

27. OTHER INCOME

Dividend Income	1,526.20	1,523.36
Dividend Income from Subsidiaries	1,473.96	1,538.59
Profit on Sale of Assets	12.24	158.24
Other Miscellaneous Income	271.99	436.42
	3,284.39	3,656.61

28. OTHER FINANCIAL INCOME

Interest Income	137.97	496.17
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NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
29. COST OF MATERIALS CONSUMED		
Material consumed for Building Products	35,269.48	33,973.00
Material consumed for Textile Products	9,346.33	7,595.05
	<u>44,615.81</u>	<u>41,568.05</u>
30. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS		
Closing Stock of Finished Goods	7,419.66	7,810.33
Closing Stock of Process Stock	2,289.74	2,611.55
	9,709.40	10,421.88
Opening Stock of Finished Goods	7,810.33	10,518.96
Opening Stock of Process Stock	2,611.55	1,934.06
	10,421.88	12,453.02
(Increase) / Decrease	712.48	2,031.14
ED on stock variance	-	(1,437.70)
(Increase) / Decrease	<u>712.48</u>	<u>593.44</u>
31. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	6,950.63	6,089.61
Contribution to and provision for		
- Provident Fund	446.46	397.09
- Gratuity Fund	106.98	113.70
- Superannuation Fund	31.18	29.57
Staff welfare	556.96	445.83
	<u>8,092.21</u>	<u>7,075.80</u>
Refer Note 39 for disclosures required under Ind AS 19.		
32. FINANCE COSTS		
Interest on Bank borrowings	1,243.10	1,751.02
Others	263.19	258.41
Exchange difference regarded as an adjustment to borrowing cost	-	153.76
	<u>1,506.29</u>	<u>2,163.19</u>
Others includes Interest on Security deposit from Customers.		

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
33. OTHER EXPENSES		
Manufacturing Expenses		
Stores Consumed	1,961.44	1,746.61
Power & Fuel (net off power from Wind Mills)	5,147.80	4,814.04
Repairs & Maintenance - Building	292.38	245.42
Repairs & Maintenance - General	451.44	374.58
Repairs & Maintenance - Plant & Machinery	3,247.57	2,569.78
Establishment Expenses		
Repairs & Maintenance - Vehicle / Aircraft	495.54	432.40
Insurance	103.84	103.48
Travelling expenses	756.29	630.42
Rates & Taxes	361.89	843.18
Exchange fluctuation in foreign currency loss	14.98	37.64
Rent	210.84	190.38
Managing Director Remuneration	290.49	279.25
Printing & Stationery	46.38	45.55
Communication Expenses	92.75	76.36
Donation	79.81	5.98
Corporate Social Responsibility	93.47	76.17
Legal & Consultancy Expenses	320.55	333.74
Loss on Sale of Assets	7.80	1.28
Directors Sitting fees	26.90	17.19
Audit Fees & Expenses [see Note : 35]	21.70	22.53
Selling & Distribution Expenses		
Agency Commission	720.65	615.92
Advertisement Expenses	1,302.12	456.19
Bad and Doubtful Debts	18.67	111.48
Transportation and Handling Expenses	9,019.24	6,667.24
Miscellaneous Expenses	760.41	895.55
	25,844.95	21,592.36

Details of CSR expenditure are furnished in Annexure VI of the Director's report.

34. EXCEPTIONAL ITEMS

Profit on Sale of Assets	-	1,264.97
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During last year, land, buildings and plant & machinery at Kharagpur sold for ₹ 1,700 Lakhs.

35. AUDIT FEES AND EXPENSES

1. Statutory Auditors:		
a. for Statutory Audit	7.00	7.00
b. for Taxation matters	2.50	1.00
c. for certification work and other related fee	1.15	2.50
d. for other fee and reimbursement of expenses	5.55	7.03
2. Cost Auditor:		
a. for Cost Audit	2.50	2.50
3. Secretarial Auditor		
a. for Secretarial Audit	3.00	2.50
	21.70	22.53

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
36. INCOME TAX EXPENSES		
Reconciliation of Tax Expenses and Accounting Profit		
Accounting Profit before Income Tax	9,802.76	9,903.13
At India's statutory Income Tax Rate of 34.944% (2017-18: 34.608%)	3,425.48	3,427.28
Effects of:		
Tax effects on differences between book depreciation and depreciations under the Income Tax act, 1961	(119.68)	(459.51)
Profit/(loss) on Sale of Property, Plant and equipment	0.54	(492.10)
Dividend from Foreign Company	(515.06)	(532.48)
Utilisation of previously unrecognised tax losses	(2,046.55)	(1,557.54)
Other non-deductible expenses (timing Difference)	(513.87)	(385.65)
Other Deduction claimed	(230.86)	-
Net effective income tax under Regular method (A)	-	-
B. 115BBD Tax working (Spl rate of Tax)		
Dividend from Foreign Company- (2019: 17.472)(2018: 17.304)	1,473.96	1,538.59
Net effective income tax u/s 115BBD (B)	257.53	266.25
Income Tax Under MAT		
Accounting Profit before Income Tax	9,802.76	9,903.13
At India's statutory Income Tax Rate of 21.5488% (2018: 21.3416%) including interest	2,136.38	2,179.34
Adjustments as per Income Tax	(344.92)	(293.75)
Net effective income tax (C)	1,791.46	1,885.59
Tax applicable higher of (A and B) or C	1,791.46	1,885.59
Previous year tax adjustment	142.73	452.17
	<u>1,934.19</u>	<u>2,337.76</u>
Deferred Tax Recognised in the Statement of Profit and Loss		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	18.83	879.98
Tax effect on Fair Value measurement and other non deductible expenses	(6.44)	66.23
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	2,047.00	967.51
	<u>2,059.39</u>	<u>1,913.72</u>
MAT Credit		
Net effective income tax excluding interest	1,767.46	1,819.74
Income tax expense under Regular Method	257.53	266.24
MAT Credit	<u>(1,509.93)</u>	<u>(1,553.50)</u>

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ In Lakhs

37.	Commitments	As at 31-3-2019	As at 31-3-2018
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances)	745.42	559.43

38.	Contingent Liabilities	As at	As at
		31-03-2019	31-03-2018
38.1	Guarantees given by the bankers on behalf of company	307.40	407.64
	Letters of Credits to the extent, bills not accepted	1,741.40	739.05
38.2	Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -		
	Income Tax (Ref Note 38.2.1)	2017.21	2,620.48
	VAT & Input Tax Credit, CST (Ref Note 38.2.2)	68.32	144.09
	Excise Duty, CENVAT Credit (Ref Note 38.2.3)	141.17	217.00
	Other demands (Ref Note 38.2.4 to 38.2.6)	319.28	365.82

- 38.2.1 Income Tax Assessment completed upto FY 2015-16 and total pending demand is ₹ 2,017.21 Lakhs (As at 31-03-2018: ₹ 2,620.48 Lakhs). The total demand has been disputed by the company and the company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. In the opinion of the Management, there may not be any further tax liability with regard to the said disallowances. Based on the nature of claim pending disputed, no provision has been considered necessary.
- 38.2.2 Sales Tax demands amounting to ₹ 68.32 Lakhs (As at 31-03-2018: ₹ 144.09 Lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim pending disputed, no provision has been considered necessary.
- 38.2.3 Central Excise demands amounting to ₹ 141.17 Lakhs (As at 31-03-2018: ₹ 217.00 Lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim pending disputed, no provision has been considered necessary.
- 38.2.4 In respect of the electricity matters relating to our Textile Division, the Company has filed appeals / writ petition for ₹ 291.87 Lakhs (As at 31-03-2018: ₹ 291.87 Lakhs) against various subject to the matter of the appeal and the same is pending with Tamilnadu Electricity Regulatory Commission (TNERC) / Honourable High Court / Honourable Supreme Court for resolution. The Company is confident of resolving the matter in its favour and hence no provision is made in the books of accounts.
- 38.2.5 The Company had received two letters from Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) in the year 2000 and 2003 respectively claiming an amount totalling to ₹ 27.41 Lakhs towards alleged violation of the terms and conditions of supply of electricity. The Company has deposited a sum of ₹ 16.87 Lakhs on various dates under protest and filed writ petition before the Honourable High Court of Madras in the year 2003 and the same has been admitted during the year. During the year hearing was posted and further adjourned. The Management is confident of resolving the matter in its favour and hence no provision is made in the books of Accounts
- 38.2.6 Under Tamil Nadu Electricity Regulatory Commission (Renewable Energy Purchase Obligations) Regulations 2010, consumers owning grid connected captive power generating plants and open access consumers with a sanctioned demand of more than 2 MVA are obligated to consume a minimum of 0.5% of their energy requirements from solar sources. The non-complainants are required to purchase Renewable Energy Certificates (REC) from markets @ 1 REC per 1,000 units of shortage or deposit an equivalent amount in a separate designated fund. Even though the Company is consuming wind energy generated from its own wind farms, it has been excluded for reckoning the obligatory consumption, since the Company has wheeling and banking arrangement with TNEB. Aggrieved, the Company including other affected producers have approached the Honourable High court of Madras and obtained an interim stay against the implementation of the said regulation.
- 38.2.7 The Company had put up a plant in Silvassa in The Union Territory of Daman, Diu, Dadra and Nagar Haveli in the year 1998 and availed VAT and CST exemption for the period of 15 years ending on March 2013 based on a certificate of exemption given by appropriate authority in exercise of powers conferred on it by relevant provision of the CST Act, 1956. This power of granting

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

exemption was withdrawn with retrospective effect by an amendment in Finance Act 2002 and the sales tax department has followed it up by issuing a circular for compulsory production of concessional sales tax forms for availing CST exemption. The differential sales tax liability for the year 1998 to the year 2002 works out to ₹ 37 Crores. However, the Company was not in receipt of any demand from the appropriate authority. Aggrieved by the department circular and as an additional precaution, the Company had filed an appeal with Bombay High Court and the Bombay High Court has quashed the circular issued by the Commercial tax department, Silvassa, The Union Territory of Daman, Diu, Dadra and Nagar Haveli thereby allowing continuance of CST exemption even after amendment of relevant provision of CST Act, 1956 by the Finance Act, 2002. But the department of Commercial Tax, Silvassa has preferred an appeal against the Bombay High Court order before the Honorable Supreme Court and the adjudication and the court hearing is in process pending final disposal by the Honorable Supreme Court.

Based on the decision of Bombay High Court and interpretations of other relevant provisions, the Company has been legally advised that there will not be any demand likely to be raised or if the demand is raised it is likely to be deleted or substantially reduced and accordingly no provision is considered necessary.

- 38.2.8 The Company received a notice from the Department of Revenue Intelligence (DRI) for an amount of ₹ 41.23 Lakhs excluding interest and penalty pertaining to the year 2009-10 for short payment of customs duty to the extent of utilization of DEPB Scrip's purchased in the open market by the Company and which were originally obtained by the ultimate export firms fraudulently as alleged by the DRI. The Company had denied the allegations made in the notice in so far as they relate to the Company's role is concerned and also the obligation to pay the duty demanded in the notice vide its letter dated August 4, 2014. We attended the personal hearing before the assistant commissioner of customs JNPT Mumbai during October 2016 and awaiting for the favorable order. The Management is confident of resolving the matter in favour of the Company and hence no provision is considered necessary.
- 38.2.9 The Government of West Bengal enacted "The West Bengal Tax on Entry of goods into Local Areas Act, 2012" and writ petitions was filed by RIL challenging the validity of the said Act. The Calcutta High Court passed order on 20.04.2017 stating that it is no longer retains the jurisdiction over the subject writ petition and directed "West Bengal Taxation tribunal" to decide the case. The Company has filed additional petition with "West Bengal Taxation tribunal" during this year. The company has not received any demand and hence no provision is considered necessary.
- 38.2.10 (A) The Company is eligible for incentives under the "Bihar Industrial Incentive Policy 2006 " in respect of its Fibre Cement Plant at Bihya in the State of Bihar. During the year under review,
- A sum of ₹ 581.86 Lacs (Previous year : Nil) received as Industrial Promotion Assistance has been credited to Profit and loss Account which was received as per VAT scheme.
 - We have recognised a sum of ₹ 11.70 Lakhs due to fair valuation of Government Grants as per Ind AS.
 - Incentive Scheme under GST regime from 1st July, 2017 onwards is yet to be finalised by the Government of Bihar.
- (B) The company is eligible for incentive under the "Rajasthan Investment Promotion Scheme 2010" in respect of its Calcium silicate Board Plant at Kotputli in the state of Rajasthan, during the year under review,
- A sum of ₹ 14.53 Lacs (Previous year: Nil) received as Industrial Promotion Assistance has been credited to Profit and loss Account which was received as per VAT scheme.
 - Incentive Scheme under GST regime is received on 06.06.2018 from Government of Rajasthan . As per the scheme, company is eligible for "Nil" subsidy for the current financial year 2018-19.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ In Lakhs

39.	Financial guarantees	As at 31-03-2019	As at 31-03-2018
	Guarantees given to banks to avail loan facilities by Related parties:		
	- Thanjavur Spinning Mill Limited	-	3,500.00
	- Sri Harini Textiles Limited	4,629.00	4,629.00

40. As per Ind AS 19, the disclosures pertaining to “Employee Benefits” are given below:

Defined Contribution Plan

₹ In Lakhs

Particulars	31-3-2019	31-3-2018
Employer’s Contribution to Provident Fund	466.46	397.09
Employer’s Contribution to Superannuation Fund	31.18	29.57

Principal Actuarial Assumptions

(Expressed as weighted averages)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Discount Rate	7.37%	7.60%	7.37%	7.60%
Rate of increase in compensation levels	6.00%	6.00%	6.00%	6.00%
Attrition Rate	7.95%	7.95%	7.95%	7.95%
Expected rate of return on Plan Assets	7.37%	7.60%	0.00%	0.00%

Changes In The Present Value Of The Obligation (PVO)

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
PVO as at the beginning of the period	1,117.83	1181.12	618.29	583.63
Interest Cost	81.22	72.40	44.33	36.09
Current service cost	105.50	104.40	72.45	71.01
Past service cost	-	-	-	-
Benefits paid	(98.26)	(263.52)	(69.91)	(121.19)
Actuarial loss/(gain) on obligation (balancing figure)	56.50	23.43	37.11	48.75
PVO as at the end of the period	1,262.79	1117.83	702.28	618.29

Changes In The Fair Value Of Plan Assets - Reconciliation Of Opening And Closing Balances:

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Fair value of plan assets as at the beginning of the period	1,072.12	911.53	-	-
Expected return on plan assets	79.74	63.10	-	-
Contributions	52.35	269.59	69.91	121.19
Benefits paid	(98.26)	(263.52)	(69.91)	(121.19)
Actuarial gain/(loss) on plan assets [balancing figure]	(4.10)	91.42	-	-
Fair value of plan assets as at the end of the period	1,101.85	1072.12	-	-

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Actual Return on Plan Assets

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Expected return on plan assets	79.74	63.10	-	-
Actuarial gain (loss) on plan assets	(4.10)	91.42	-	-
Actual return on plan assets	75.63	154.52	-	-

Actuarial Gains and Losses Recognized

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial gain (loss) for the year - obligation	(56.50)	(23.43)	(37.11)	(48.75)
Actuarial gain (loss) for the year - plan assets	(4.10)	91.42	-	-
Subtotal	(60.60)	67.99	(37.11)	(48.75)
Actuarial (gain) / loss recognized	60.60	(67.99)	37.11	48.75
Unrecognized actuarial gains (losses) at the end of the period	-	-	-	-

Amounts Recognised in the Balance Sheet and Related Analyses

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Present value of the obligation	1,262.79	1117.83	702.28	618.29
Fair value of plan assets	1,101.85	1072.12	-	-
Amount determined under Para 63 of Ind AS 19	160.95	45.71	-	-
Net Defined Benefit Liability recognized in the balance sheet	160.95	45.71	702.28	618.29
Present value of future reduction in contribution under Para 65 of Ind AS 19	-	-	-	-
Net Defined Benefit Asset recognised under Para 64 of Ind AS 19	-	-	-	-

Expenses Recognised in the Statement of Profit and Loss:

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Current service cost	105.50	104.40	72.45	71.01
Net Interest on Net Defined Benefit Obligations	1.48	9.30	44.33	36.09
Net actuarial (gain)/loss recognised during the period	-	-	37.11	48.75
Past service cost	-	-	-	-
Expenses recognized in the statement of profit and loss	106.98	113.70	153.90	155.85

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Amount Recognized for the Current Period in the Statement of Other Comprehensive Income [OCI] ₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Actuarial (gain)/loss on Plan Obligations	56.50	23.43	-	-
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	4.10	(91.42)	-	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	60.60	(67.99)	-	-

Movements in the Liability Recognized in the Balance Sheet ₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Opening net liability adjusted for effect of balance sheet limit	45.71	269.59	618.29	583.63
Amount recognised in Profit and Loss	106.98	113.70	153.90	155.85
Amount recognised in OCI	60.60	(67.99)	-	-
Contribution paid	(52.35)	(269.59)	(69.91)	(121.19)
Closing net liability	160.95	45.71	702.28	618.29

Amount for the Current Period ₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Present Value of obligation	1,262.79	1117.83	702.28	618.29
Plan Assets	1,101.85	1072.12	-	-
Surplus (Deficit)	(160.95)	(45.71)	(702.28)	(618.29)
Experience adjustments on plan liabilities -(loss)/gain	(39.57)	(71.14)	(28.11)	(74.49)
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	(16.94)	47.71	(9.00)	25.74
Experience adjustments on plan assets -(loss)/gain	(4.10)	91.42	-	-

Major Categories of Plan Assets (as Percentage of total Plan Assets)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Funds managed by Insurer (LIC)	100.00%	100.00%	0.00%	0.00%

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Enterprise's best Estimate of Contribution During Next Year

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Enterprise's Best Estimate Of Contribution During Next Year	NA	NA	-	-

Sensitivity Analyses

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
A. Discount Rate + 50 BP	7.87%	8.10%	7.87%	8.10%
Defined Benefit Obligation [PVO]	1,226.51	1085.94	683.00	601.08
Current Service Cost	120.01	101.79	60.49	70.17
B. Discount Rate - 50 BP	6.87%	7.10%	6.87%	7.10%
Defined Benefit Obligation [PVO]	1,301.13	1151.52	722.65	636.47
Current Service Cost	129.17	109.45	64.58	74.88
C. Salary Escalation Rate +50 BP	6.50%	6.50%	6.50%	6.50%
Defined Benefit Obligation [PVO]	1,303.26	1153.51	722.82	636.66
Current Service Cost	129.41	109.67	64.60	74.91
D. Salary Escalation Rate -50 BP	5.50%	5.50%	5.50%	5.50%
Defined Benefit Obligation [PVO]	1,224.17	1083.77	682.67	600.75
Current Service Cost	119.74	101.56	60.46	70.13

Expected Contributions in Following Years

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Year 1	NA	NA	67.43	63.72
Year 2	NA	NA	86.07	77.03
Year 3	NA	NA	100.91	57.54
Year 4	NA	NA	59.83	83.34
Year 5	NA	NA	60.89	52.05
Next 5 Years	NA	NA	276.72	253.72

Expected Benefit Payments in Following Years

₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Year 1	138.97	138.23	67.43	63.72
Year 2	180.58	163.72	86.07	77.03
Year 3	185.95	132.95	100.91	57.54
Year 4	136.71	148.94	59.83	83.34
Year 5	138.98	119.55	60.89	52.05
Next 5 Years	628.50	558.31	276.72	253.72

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

40. Earnings per Share

₹ In Lakhs

Particulars	31-3-2019	31-3-2018
Net profit after tax (A)	7,319.11	7,205.15
Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Lakhs]	866.63	866.63
Nominal value per equity share (in ₹)	1	1
Basic & Diluted Earnings per share (A)/(B) in ₹	8.45	8.31

41. Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March 2019:

(a) Subsidiary

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2019	31-03-2018
Sudharsanam Investments Limited	India	100.00	100.00
Sri Ramco Lanka (Private) Ltd	Srilanka	99.99	99.99
Sri Ramco Roofings Lanka (Private) Ltd*	Srilanka	1.27	1.27
*Step down subsidiary			
Sri Ramco Lanka (Private) Ltd holding in Sri Ramco Roofings Lanka (Private) Ltd	Srilanka	98.73	98.73

(b) Associates

Name of the Company	Country of Incorporation	% of Shareholding as at	
		31-03-2019	31-03-2018
The Ramco Cements Limited	India	21.00	20.93
Ramco Systems Limited	India	17.87	17.90
Rajapalayam Mills Limited	India	1.73	1.73
Ramco Industrial and Technology Services Limited *	India	1.05	17.77
Madurai Trans Carrier Limited	India	17.17	17.17
Lynks Logistics Limited	India	0.37	0.46

* Previously known as **Ontime Industrial Services Limited**.

(c) Key Management Personnel and Directors

Name of the Key Management Personnel	Designation
P.R. Venketrana Raja	Chairman
P.V. Abinav Ramasubramaniam Raja	Managing Director
Prem G Shanker	Chief Executive Officer
K. Sankaranarayanan	Chief Financial Officer
S. Balamurugasundaram	Company Secretary & Legal Head
S.S. Ramachandra Raja	Non-Executive & Non Independent Director
N.K. Shrikantan Raja	Non-Executive & Non Independent Director
K.T. Ramachandran	Independent Director
R.S. Agarwal	Independent Director
V. Santhanaraman	Independent Director
Smt. Justice Chitra Venkataraman (Retd.)	Independent Director

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(d) Relative of Key Management Personnel

Name of the Relative of KMP	Relationship
P.V. Abinav Ramasubramaniam Raja	Son of P.R. Venketrama Raja
P.V. Nirmala	Wife of P.R. Venketrama Raja
R. Sudarsanam	Mother of P.R. Venketrama Raja
P.V. Srisandhya	Daughter of P.R. Venketrama Raja
Ramaraju	Son in Law P.R. Venketrama Raja
Saradha Deepa	Sister of P.R. Venketrama Raja
Nalina Ramalakshmi	Sister of P.R. Venketrama Raja

(e) Companies over which KMP/Relatives of KMP exercise significant influence

Ramco Company	R. Sudarsanam & Co
Gowrihouse Metal Works	Gowri Shankar Screws
Timeous, USA	Lotus Knitting Mills
Sudarasana Farms Private Limited	Rajapalayam Farms Private Limited
Ramco Private Limited	Sri Sandhya Farms (India) Private Limited
Ramamandiram Agricultural Estate Private Limited	Nalina Agricultural Farms Private Limited
Sri Saradha Deepa Farms Private Limited	Sri Nithyalakshmi Farms Private Limited
Nirmala Shankar Farms & Estates Private Limited	Ram Sandhya Farms Private Limited
RCDC Securities and Investments Private Limited	Ramco Management Private Limited
Ramco Agencies Private Limited	Barafoot Dance Company Private Limited
Sound Investment & Leasing Private Limited	Satmala Agro-Farms Private Limited
Bharani Bio-Tech Private Limited	Parimala Chemicals Private Limited
Pranahita Power Generation Private Limited	Barefoot Media & Entertainment Private Limited
The Ramco Cements Limited	Rajapalayam Mills Ltd
Ramaraju Surgical Cotton Mills Ltd	Sri Vishnu Shankar Mills Ltd
Sandhya Spinning Mill Ltd	Rajapalayam Textile Ltd
Ramco Systems Limited	Lynks Logistics Limited
Vinvent Chemilab Private Limited	JKR Enterprises Limited
Shri Harini Media Limited	

(f) Employee Benefit Funds where control exists

Ramco Industries Limited Officers' Superannuation Fund
Ramco Industries Limited Employees' Gratuity Fund

(g) Other entities over which there is a significant influence

Smt. Lingammal Ramaraju Shastra Prathishta Trust	The Ramco Cements Limited Educational and Charitable Trust
PACR Sethurammam Charity Trust	PACR Sethurammam Charities
Ramco Welfare Trust	PAC Ramasamy Raja Education Charity Trust
Raja Charity Trust	Rajapalayam Rotary Trust
Sri Abhinava Vidyatheertha Seva Trust	Ramco Debate And Research Educational And Charitable Trust
Sastra Prakasika Trust	PAC Ramasamy Raja Centenary Trust
Thangavilas Estate	

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

43. Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. Transactions during the year

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
1	Sale of Goods		
	Associates		
	The Ramco Cements Limited	30.47	7.36
	Rajapalayam Mills Limited	458.96	175.80
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	589.57	698.88
	Ramaraju Surgical Cotton Mills Limited	43.17	56.82
	Sri Vishnu Shankar Mills Limited	753.63	596.17
	Sandhya Spinning Mill Limited	501.99	375.04
	Sri Harini Textiles Limited	179.70	64.77
	Thanjavur Spinning Mill Limited	0.09	37.47
	JKR Enterprise Limited	-	3.76
	Subsidiary		
	Sri Ramco Lanka (Private) Ltd	29.60	13.08
	Sri Ramco Roofings Lanka (Private) Ltd	1.63	5.38
	Other entities over which there is a significant influence		
	P A C Ramasamy Raja Education Charity Trust	-	0.92
PACR Sethurammam Charity Trust	-	0.31	
Total	2,588.81	2,035.76	
2	Sale of Goods - Cement		
	Associates		
	The Ramco Cements Limited	-	3,672.05
	Total	-	3,672.05
3	Sale of Assets of Cement Grinding Plant in Kharagpur		
	Associates		
	The Ramco Cements Limited	-	2,113.05
	Total	-	2,113.05
4	Purchase of Goods - Clinker		
	Associates		
	The Ramco Cements Limited	-	1,607.67
	Total	-	1,607.67
5	Purchase of Goods - Flyash		
	Associates		
	The Ramco Cements Limited	-	37.12
	Total	-	37.12

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
6	Purchase of Goods		
	Associates		
	The Ramco Cements Limited	1,507.81	1,000.63
	Rajapalayam Mills Limited	721.41	649.44
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Ramaraju Surgical Cotton Mills Limited	201.00	59.36
	Sri Vishnu Shankar Mills Limited	1,641.36	903.70
	Sandhya Spinning Mill Limited	953.32	603.31
	Rajapalayam Textile limited	0.02	63.32
	Thanjavur Spinning Mill Limited	2.30	11.60
	Vinvent Chemilab Private Limited	74.21	49.01
	Other entities over which there is a significant influence		
	PACR Sethurammam Charity Trust	25.02	20.88
	Total	5,126.45	3,361.25
7	Receiving of Services		
	Associates		
	Rajapalayam Mills Limited	24.46	4.42
	Ramco Windfarms Limited	-	176.40
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mills Limited	5.24	-
	Sandhya Spinning Mill Limited	-	0.95
	Ramaraju Surgical Cotton Mills Limited	2.47	-
	Other entities over which there is a significant influence		
	Raja Charity Trust	720.65	615.91
Total	752.82	797.68	
8	Services Rendered		
	Associates		
	Rajapalayam Mills Limited	36.84	104.56
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	4.78	-
	Ramaraju Surgical Cotton Mills Limited	1.00	3.55
	Sandhya Spinning Mill Limited	1.68	2.16
	Sri Vishnu Shankar Mills Limited	16.85	0.38
Total	61.15	110.65	
9	Services Rendered - Royalty		
	Subsidiaries		
	Sri Ramco Lanka (Private) Ltd	790.76	804.22
	Sri Ramco Roofings Lanka (Private) Ltd	749.47	678.41
Total	1,540.23	1,482.63	
10	Receiving of Services - Software Related Services		
	Associates		
	Ramco Systems Limited	473.86	292.47
Total	473.86	292.47	
11	Receiving of Services - Advertisement		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	4.87	4.73
Total	4.87	4.73	

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
12	Rendering of Services - Manpower Supply		
	Other entities over which there is a significant influence		
	Raja Charity Trust	211.44	180.90
	Total	211.44	180.90
13	Leasing Arrangements - Rent Received		
	Associates		
	The Ramco Cements Limited	7.79	0.69
	Other entities over which there is a significant influence		
	Sri Abhinava Vidhyatheertha Seva Trust	0.03	0.03
	Total	7.82	0.72
14	Leasing Arrangement - Rent Received on Spares		
	Associates		
	Rajapalayam Mills Limited.	0.27	-
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mills Limited	0.02	-
	Sandhya Spinning Mill Limited	0.54	-
	Total	0.83	-
15	Leasing Arrangements - Rent & Amenties Paid		
	Associates		
	The Ramco Cements Limited	12.22	-
	Subsidiary		
	Sri Ramco Lanka Private Ltd.	0.35	-
	Total	12.57	-
16	Leasing Arrangement - Rent Advance Paid		
	Associates		
	The Ramco Cements Limited	8.40	-
	Total	8.40	-
17	Share of Expenses - Receipts		
	The Ramco Cements Limited	9.26	-
	Total	9.26	-
18	Dividend received		
	Subsidiary		
	Sri Ramco Lanka (Private) Ltd	1,459.11	1,533.26
	Sri Ramco Roofings Lanka (Private) Ltd	14.85	5.33
	Associates		
	The Ramco Cements Limited	1,479.37	1,479.37
	Rajapalayam Mills Limited	5.09	5.09
	Total	2,958.42	3,023.05
19	Dividend Paid		
	Associates		
	The Ramco Cements Limited	66.86	66.86
	Rajapalayam Mills Limited	39.60	39.60
	Other entities over which there is a significant influence		
	Ramaraju Surgical Cotton Mills Limited	0.68	0.68
	Key Management Personnel		
	P.R. Venketrana Raja, Chairman	31.10	31.10
	P.V. Abinav Ramasubramaniam Raja, Managing Director	0.20	0.20
	Prem G shanker	0.05	0.05
	Total	138.49	138.49

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
20	Remuneration to Key Management Personnel (Other than Sitting Fees)		
	P.R. Venketrama Raja, Chairman	-	72.68
	P.V. Abinav Ramasubramaniam Raja, Managing Director	290.49	206.57
	Prem G Shanker, Chief Executive Officer	211.93	172.35
	K. Sankaranarayanan, Chief Financial Officer	63.90	58.48
	S. Balamurugasundaram, Company Secretary & Legal Head	28.11	25.04
	Total	594.43	535.12
21	Directors' Sitting Fees		
	Key Management Personnel		
	P.R. Venketrama Raja, Chairman	4.35	2.25
	P.V. Abinav Ramasubramaniam Raja	2.25	1.00
	S.S. Ramachandra Raja	2.00	1.25
	N.K. Shrikantan Raja	3.30	2.00
	K.T. Ramachandran	3.60	2.00
	R.S. Agarwal	4.75	3.50
	V. Santhanarman	2.40	1.50
	Smt. Justice Chitra Venkataraman (Retd.)	4.25	2.75
Total	26.90	16.25	
22	Interest Received / (Paid)		
	Subsidiary		
	Sudharsanam Investments Limited	38.24	40.78
Total	38.24	40.78	
23	Investment in Equity shares during the year		
	Associates		
	Ramco Windfarms Limited	-	0.75
Total	-	0.75	
24	Sale of Share during the year		
	Other entities over which there is a significant influence		
	Sri Vishnu Shankar Mills Limited	-	3.40
Total	-	3.40	
25	Maximum amount of loans and advances outstanding during the year		
	Subsidiary		
	Sudharsanam Investments Limited	471.15	461.93
Total	471.15	461.93	
26	Contribution to Superannuation Fund / Gratuity Fund		
	Employee Benefit Funds where Control Exists		
	Ramco Industries Limited Officers' Superannuation Fund	31.18	29.57
	Ramco Industries Limited Employees' Gratuity Fund	160.95	45.71
Total	192.13	75.28	

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

b. Outstanding balances including commitment

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2019	31-03-2018
1	Trade Receivables		
	Subsidiaries		
	Sri Ramco Lanka (Private) Ltd	209.75	186.02
	Sri Ramco Roofings Lanka (Private) Ltd	194.19	170.82
	Associates		
	The Ramco Cements Ltd	0.37	-
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Vinvent Chemilab Private Limited	-	4.76
	Total	404.31	361.60
2	Payables		
	Other entities over which there is a significant influence		
	Raja Charity Trust	4.87	39.25
	Total	4.87	39.25
3	Corporate Guarantees given to lenders of Related parties		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Thanjavur Spinning Mill Limited	-	3,500.00
	Sri Harini Textiles Limited	4,629.00	4,629.00
	Total	4,629.00	8,129.00

Note: The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.

Disclosure of Key Management Personnel compensation in total and for each of the following categories: ₹ in Lakhs

Particulars	31-03-2019	31-03-2018
Short - Term Benefits (1)		
Defined Contribution Plan (2)	596.68	538.37
Defined Benefit Plan / Other Long-term benefits(3)		
Total	596.68	538.37

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

44. Disclosure of Fair value measurements

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Financial Instruments by category

₹ in Lakhs

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-3-2019					
Financial Assets					
Other Investments	3,415.92	-4.61	279.15	3,690.46	3,690.46
Loans and Advances	411.57	-	-	411.57	411.57
Trade Receivables	9,324.64	-	-	9,324.64	9,324.64
Cash and Bank Balances	989.48	-	-	989.48	989.48
Other Financial Assets	899.59	-	-	899.59	899.59
Financial Liabilities					
Borrowings	18,742.31	-	-	18,742.31	18,742.31
Trade Payables	3,907.45	-	-	3,907.45	3,907.45
Other Financial Liabilities	9,602.24	-	-	9,602.24	9,602.24
As at 31-3-2018					
Financial Assets					
Other Investments	2,807.83	4.20	604.41	3416.44	3416.44
Loans and Advances	461.93	-	-	461.93	461.93
Trade Receivables	8704.44	-	-	8704.44	8704.44
Cash and Bank Balances	632.20	-	-	632.20	632.20
Other Financial Assets	779.39	-	-	779.39	779.39
Financial Liabilities					
Borrowings	21,253.70	-	-	21,253.70	21,253.70
Trade Payables	3,505.38	-	-	3,505.38	3,505.38
Other Financial Liabilities	8,547.51	-	-	8,547.51	8,547.51

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

₹ in Lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investments in listed equity securities				
As at 31-3-2019	279.15	-	-	279.15
As at 31-3-2018	604.41	-	-	604.41
Actuarial Values				
As at 31-3-2019	-	-	(60.60)	(60.60)
As at 31-3-2018	-	-	67.99	67.99

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTPL				
Investment in mutual funds				
As at 31-3-2019	(4.71)	-	-	(4.71)
As at 31-3-2018	4.19	-	-	4.19
Foreign exchange forward contracts				
As at 31-3-2019		17.97		17.97
As at 31-3-2018	-	16.14	-	16.14

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at 31 st March in Stock Exchange
Investment in Unlisted securities	Adjusted Net Assets	Net Assets plus Cost Savings in operations of business based on Discounted cash flow method
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker

45. Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail segment. The exposures with the Government are generally unsecured but they are considered as good. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

₹ In Lakhs

As at 31-03-2019	Building Products	Textile Division	Windmill	Total
Gross carrying amount	5,965.52	3,662.72	142.50	9,770.74
Expected Loss Rate	6.07%	-	59.08%	4.57%
Expected Credit Losses	361.91	-	84.19	446.10
Carrying amount of trade receivables net of impairment	5,603.61	3,662.72	58.31	9,324.64

₹ In Lakhs

As at 31-03-2018	Building Products	Textile Division	Windmill	Total
Gross carrying amount	5,550.84	3,439.00	142.03	9,131.87
Expected Loss Rate	6.23%	-	57.46%	4.68%
Expected Credit Losses	345.82	-	81.61	427.43
Carrying amount of trade receivables net of impairment	5,205.02	3,439.00	60.42	8,704.44

Financial instruments and cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with banks, and also investments made in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

₹ In Lakhs

Particulars	31-03-2019	31-03-2018
Expiring within one year		
Bank Overdraft and other facilities	46,223.00	36,550.00
Term Loans	-	2,063.00
Expiring beyond year		
Term Loans	-	-

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Maturities of Financial Liabilities

₹ in Lakhs

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-3-2019				
Borrowings from Banks	16,181.39	2,560.92	-	18,742.31
Trade payables	3,907.45	-	-	3,907.45
Security Deposits payable	3,088.12	-	-	3,088.12
Other Financial Liabilities (Incl. Interest)	3,460.52	-	-	3,460.52
As at 31-3-2018				
Borrowings from Banks	15,683.27	5,576.45	-	21,259.72
Trade payables	3,505.38			3,505.38
Security Deposits payable	2,808.97			2,808.97
Other Financial Liabilities (Incl. Interest)	3,058.55			3,058.55

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of raw material, capital goods and spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/ outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks	Foreign Currency Loan
USD in Millions				
As at 31-3-2019	1.58	2.73	0.03	0.92
As at 31-3-2018	2.18	0.63	0.05	1.99

Risk sensitivity on foreign currency fluctuation

₹ in Lakhs

Foreign Currency	31-3-2019		31-3-2018	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	36.40	(36.40)	27.19	(27.19)
LKR	-	-	3.93	(3.93)

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/ floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position. **Sensitivity on interest rate fluctuation**

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Interest rate risk exposure

₹ in Lakhs

Particulars	31-03-2019	31-03-2018
Variable rate borrowings	13,171.87	13,003.27
Fixed rate borrowings	5,570.44	8,250.44

The Company does not have any interest rate swap contracts.

Sensitivity on interest rate fluctuation

Total Interest Cost works out to	31-3-2019	31-3-2018
1% Increase in Interest Rate	1,330.30	2,317.83
1% Decrease in Interest Rate	1,049.17	1,921.56

46. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

Particulars	31-03-2019	31-03-2018
Long Term Borrowings	2,560.92	5,570.44
Current maturities of Long term borrowings	3,009.52	2,679.99
Short Term Borrowings	13,171.87	13,003.27
Less: Cash and Cash Equivalents	(989.48)	(632.20)
Net Debt (A)	17,752.83	20,621.50
Equity Share Capital	866.63	866.63
Other Equity	72,650.67	65,550.69
Total Equity (B)	73,517.30	66,417.32
Total Capital Employed (C) = (A) + (B)	91,270.13	87,038.82
Capital Gearing Ratio (A) / (C)	19.45%	23.69%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2019 and 31-03-2018.

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

47. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

As required under Ind AS 108, the Segmentwise Revenue, Results and Capital employed are furnished below:-

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018
1. Revenue/Income from operations										
External Customers	73,153.33	69,000.07	14,921.77	11,853.55	1,630.07	1,852.54	1,540.23	1,482.64	91,245.40	84,188.80
Inter-segment	-	-	-	-	(1,470.05)	(1,646.53)	-	-	(1,470.05)	(1,646.53)
Total Revenue	73,153.33	69,000.07	14,921.77	11,853.55	160.02	206.01	1,540.23	1,482.64	89,775.35	82,542.27
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	5,877.40	4,528.98	544.21	799.16	1,082.71	1,331.58	1,018.75	1,752.08	8,523.07	8,411.80
Interest expenses									1,506.29	2,163.19
Interest Income/ Dividend income									3,000.16	3,061.95
Income Tax - Current (MAT)									1,934.19	2,337.76
- Deferred									2,059.39	1,913.72
- MAT credit entitlement									(1,509.93)	(1,553.50)
Profit from Ordinary activities									7,533.29	6,612.58
Exceptional items									-	1,264.97
Net Profit									7,533.29	7,877.55
3. Other Information:										
Segment Assets	57,454.40	53,453.92	13,708.13	14,003.32	1,653.28	1,774.35	44,013.43	38,114.29	1,16,829.24	1,07,345.89
Unallocated corporate assets										
Total Assets	57,454.40	53,453.92	13,708.13	14,003.32	1,653.28	1,774.35	44,013.43	38,114.29	1,16,829.24	1,07,345.89
Segment Liabilities	10,637.81	12,556.76	1,458.53	2,557.88	132.66	126.27	31,082.95	25,687.65	43,311.95	40,928.56
Unallocated corporate liabilities										
Total Liabilities	10,637.81	12,556.76	1,458.53	2,557.88	132.66	126.27	31,082.95	25,687.65	43,311.95	40,928.56
Capital Expenditure	2,683.33	2,016.79	182.67	469.47	-	-	1,706.54	181.37	4,572.54	2,667.63
Depreciation	1,978.80	1,809.08	365.51	383.61	115.84	114.23	0.54	2.87	2,460.69	2,309.79
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

Segmental Assets includes Tax Assets

NOTES ACCOMPANYING SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

48 The previous period figures have been re-grouped / restated wherever considered necessary.

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITOR'S REPORT

To the Members of Ramco Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Ramco Industries Limited ("the Holding Company"), its subsidiaries and its jointly controlled entities (collectively referred to as "the Company" or "the Group"), comprising of the Consolidated balance sheet as at 31st March 2019, the Consolidated statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their Consolidated state of affairs of the Company as at March 31, 2019, and Consolidated Profit/Loss, and its Consolidated Cash Flows for the year ended and Consolidated changes in the equity on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1	<p>Existence and impairment of Trade Receivables</p> <p>Trade Receivables are significant to the group Financial Statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not be reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.</p> <p>(Refer to Note No.12 to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures:</p> <p>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.</p> <p>We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures the Consolidated Financial Statements.</p>
2	<p>Evaluation of uncertain Tax Position:</p> <p>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.</p> <p>(Refer to Note No.38 to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures:</p> <p>The Audit addressed this Key Audit Matter by assessing the adequacy of tax Provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.</p> <p>We reviewed the significant litigations and claims and discussed with the management's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures the Financial Statements.</p>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

<p>3</p>	<p>Recognition and measurement of Deferred Taxes</p> <p>The recognition and measurement of Deferred Tax items requires determination of differences between the recognition and the measurement of assets, liabilities, income and expenses in accordance with the Income Tax Act and other applicable tax laws including application of ICDS and financial reporting in accordance with IND AS.</p> <p>Assessment of Deferred Tax Assets is done by the management at the close of each financial year taking into account forecasts of future taxable results.</p> <p>We have considered the assessment of Deferred Tax liabilities and assets as a key matter due to the importance of management's estimation and judgment and the materiality of amounts.</p> <p>(Refer to Note No.19 to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>The key matter was addressed by performing audit procedures which involved assessment of underlying process and evaluation of internal financial controls with respect to measurement of Deferred Tax and re-performance of calculations and assessment of the items leading to recognition of Deferred Tax in light of prevailing tax laws and applicable financial reporting standards on sample basis.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in Consolidated the Financial Statements.</p>
<p>4</p>	<p>Revenue Recognition in view of adoption new Ind AS 115 (Revenue from Contracts with Customers) accounting standard:</p> <p>The application of the new standard on recognition of revenue involves significant judgment and estimates made by the management which includes identification of performance obligations contained in contracts, determination of the most appropriate method for recognition of revenue relating to the identified performance obligations, assessment of transaction price and allocation of the assessed price to the individual performance obligations.</p> <p>(Refer to Note No.26 to the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures</p> <p>Audit procedure involved review of the Ind AS 115 implementation process, and key judgments made by management, evaluation of customer contracts in light of IND AS 115 on sample basis and comparison of the same with management's evaluation and assessment of design and operating effectiveness of internal controls relating to revenue recognition.</p> <p>Our tests in detail focused on transactions occurring within proximity of the year end, obtaining evidence to support the appropriate timing of revenue recognition, based on terms and conditions set out in sales contracts and delivery documents or system generated reports.</p> <p>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements.</p>

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs, Consolidated Profit/Loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated Cash Flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the entities included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of each entity and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its Associates and Jointly Controlled Entities are responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of these assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and Subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the Consolidated Financial Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of company and such other entities included in the Consolidated Financial Statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) The Consolidated Financial Statements includes financial performance of a foreign branch which reflects total assets of ₹ 143.06 Lakhs, total revenue of ₹ 116.96 Lakhs and net cash inflow amounting to ₹ 135.32 Lakhs for the year ended on 31st March 2019, which was audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the Consolidated Financial Statements solely based on such audited Financial Statements. Our opinion is not modified in respect of this matter.
- (b) The Consolidated Financial Statements reflects the Group's share of total assets of ₹ 12,841.51 Lakhs as at 31st March 2019, the Total revenue of ₹ 15,822.66 Lakhs and Net cash inflow of ₹ 5,361.22 Lakhs for the year ended 31st March 2019 of Two foreign subsidiaries, which were audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the Consolidated Financial Statements solely based on such audited Financial Statements. Our opinion is not modified in respect of this matter.

The audited statements as per Ind AS of One Subsidiary Company, included in the Consolidated financial results year to date reflect total assets of ₹ 1,287.06 Lakhs as at 31st March 2019, the total revenue of ₹ 89.48 Lakhs and Net Cash Flow of ₹ -0.54 Lakhs for the year ended 31st March 2019, which was audited by one of us.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

- (c) The audited Financial Statements as per Ind AS of Three associate companies included in the Consolidated Annual Financial results year to date, whose Consolidated Financial Statements reflect the total comprehensive income of ₹ 96.81 Lakhs for the year ended 31st March 2019 audited by us and some other independent auditors. These audited Financial Statements as per Ind AS and other financial information.
- (d) We did not audit the Financial Statements of Three associate companies included in the Consolidated Annual Financial results year to date, whose Consolidated annual Financial Statements reflect the total comprehensive income of ₹ -2.69 Lakhs for the year ended 31st March 2019. These Financial Statements as per Ind AS and other financial information are un-audited and have been furnished to us by the management, and our opinion is based solely on the financial results year to date, to the extent they have been derived from such un-audited Financial Statements.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is based on the Financial Statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2019 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and best of our information and according to the explanations given to us, the remuneration paid to the directors during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provision of section 197 (16) of the Act. The remuneration paid to any Director by the Holding company and its subsidiaries which are incorporated in India, is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended;

In our opinion and to the best of our information and according to the explanations given to us:

- i. The Consolidated Financial Statements disclose the impact of pending litigations on the Consolidated Financial Position of the Group, its associates and jointly controlled entities.
- ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year ended 31st March 2019.
- iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealing in specified banks notes during the period from 8th November 2016 to 30th November 2016 have not been made in the Financial Statements since they do not pertain to the financial year ended 31st March 2019.

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 0150415

G. CHELLA KRISHNA
Partner
Membership No.: 210474

Place: Chennai
Date : 23rd May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 0053335

C. KESAVAN
Partner
Membership No.: 227833

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph (f) of Report on Other Legal and Regulatory Requirements of our Report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Ramco Industries Limited (The Holding Company) as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to Financial Statements of the Holding Company and its subsidiaries which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note, issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, based on the test checks conducted by us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 0150415
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date : 23rd May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 0053335
C. KESAVAN
Partner
Membership No.: 227833

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

BALANCE SHEET AS AT 31ST MARCH 2019

	Note No.	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
I ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipments	6	43,483.52	41,759.65
(b) Capital Work-in-progress	6	490.58	990.48
(c) Intangible Assets	6	750.61	602.16
(d) Investment Property	7	66.35	69.77
(e) Investment in Subsidiary & Associates	8 (A)	2,44,027.90	2,33,149.43
(f) Financial Assets			
Other Investment	8 (B)	3,690.46	3,416.44
Other Financial Assets	9	660.83	555.59
(g) Other Non-Current Assets	10	218.62	251.00
		<u>2,93,388.87</u>	<u>2,80,794.52</u>
(2) Current Assets			
(a) Inventories	11	28,678.58	28,450.91
(b) Financial Assets			
Trade Receivables	12	9,460.27	8,950.98
Cash and Cash Equivalents	13	6,351.51	4,366.47
Other Financial Assets	14	244.92	224.71
(c) Current Tax Asset		10,446.62	7,080.22
(d) Other Current Assets	15	2,040.91	1,666.25
		<u>57,222.81</u>	<u>50,739.54</u>
TOTAL ASSETS		<u>3,50,611.68</u>	<u>3,31,534.06</u>
II EQUITY & LIABILITIES			
(1) Share Holders Fund			
(a) Equity Share Capital	16	866.63	866.63
(b) Other Equity	17	3,04,350.51	2,87,682.36
Total Equity		<u>3,05,217.14</u>	<u>2,88,548.99</u>
(2) Non Current Liabilities			
(a) Financial Liabilities			
Borrowings	18	2,560.92	5,570.44
(b) Deferred Tax Liabilities (Net)	19	5,581.73	3,364.10
(c) Deffered Government Grants	20	139.13	150.83
		<u>8,281.78</u>	<u>9,085.37</u>
(3) Current Liabilities			
(a) Financial Liabilities			
Borrowings	21	13,171.87	13,003.27
Trade Payables			
Dues of Micro and Small Enterprises	22	71.59	-
Dues of creditors other than Micro and Small Enterprises	22	4,751.09	4,932.69
Other Financial Liabilities	23	9,741.85	8,524.52
Deferred Government Grants		11.69	11.70
(b) Other Current Liabilities	24	2,093.67	2,415.93
(c) Provisions	25	7,271.00	5,011.59
		<u>37,112.76</u>	<u>33,899.70</u>
TOTAL EQUITY & LIABILITIES		<u>3,50,611.68</u>	<u>3,31,534.06</u>
Significant Accounting Policies, Judgements & Estimates	1-5		
See accompanying notes to the financial statements.	6-48		

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 0150415
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 0053335
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
P.V. ABINAV RAMASUBRAMANIAM RAJA
Managing Director
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

INCOME	Note No.	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
1 Revenue from Operations	26	1,03,649.55	95,882.91
2 Other Income	27	1,907.55	2,252.68
3 Other Finance Income	28	499.97	866.31
4 Total Revenue		1,06,057.07	99,001.90
5 Expenses			
Cost of Materials Consumed	29	52,982.67	48,880.69
Cost of Resale materials		176.98	76.56
Changes in Inventories of Finished Goods and Work-in-progress	30	863.35	1,286.87
Excise Duty on Sale of Goods		-	2,677.88
Employee Benefit Expense	31	9,147.13	8,061.48
Finance Costs	32	1,510.57	2,165.54
Depreciation and Amortization Expenses	6	2,949.15	2,790.20
Other Expenses	33	27,708.40	23,129.55
Total Expenses		95,338.25	89,068.77
6 Profit/ (Loss) Before Exceptional items and Tax		10,718.82	9,933.13
7 Exceptional items	34	-	1,264.97
8 Profit / (Loss) Before Tax		10,718.82	11,198.10
9 Income Tax Expenses			
Current Tax	36	2,534.28	2,914.20
Deferred Tax	36	2,243.29	1958.82
Mat Credit	36	(1509.93)	(1553.50)
Total Tax Expenses		3,267.64	3,319.52
10 Profit / (Loss) for the year		7,451.18	7,878.58
11 Share of Profit/(Loss) of Associates		9,783.87	9,723.70
12 Total Profit for the Year		17,235.05	17,602.28
13 Other Comprehensive Income			
Item that will not be reclassified to profit / (loss) in subsequent periods			
Actuarial Gain /(Loss) on defined benefit obligation (net)		(60.60)	67.99
Fair value gain/(loss) on Equity Instruments through OCI (Net)		274.78	604.41
14 Total Comprehensive Income for the year before share of OCI of Associates net of tax		214.18	672.40
15 Share of OCI of Associates		94.12	(62.00)
Total Comprehensive Income for the year net of tax		308.30	610.40
16 Total Comprehensive Income for the year Net of Tax		17,543.35	18,212.68
Earnings per equity share of face value of ₹ 1 each		20.63	21.07
Basic & Diluted (in ₹)		₹ 1	₹ 1
Significant Accounting Policies, Judgements & Estimates	1-5		
See accompanying notes to the financial statements.	6-48		

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
P.V. ABINAV RAMASUBRAMANIAM RAJA
Managing Director
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
A Cash flow from operating activities		
Profit before Tax	10,718.82	11,198.10
Adjusted for		
Loss on sale of assets	(30.67)	-
Depreciation	2,949.14	2,790.20
Fair value loss/(gain) on investments	4.61	(4.20)
Cash flow arising out of Actuarial loss on defined benefit obligation	(60.60)	67.99
Dividend Income	(1,615.68)	(1,612.84)
Profit on sale of assets	15.66	(1,425.22)
Interest income	(499.97)	(866.31)
Effects on Exchange rate	(441.90)	(134.10)
Interest paid	1,578.17	2,182.65
	<u>1,898.76</u>	<u>998.17</u>
Operating profit before working capital changes	12,617.58	12,196.27
Adjusted for		
Trade Payables	(110.01)	(1,267.51)
Other Current Assets	(5,727.72)	(2,899.89)
Other Current Liabilities	1,937.14	(73.00)
Trade & Other Receivables	(509.29)	(1,784.74)
Increase / (Decrease) in Inventories	(227.67)	5,734.80
	<u>(4,637.55)</u>	<u>(290.34)</u>
Cash (used in) / generated from operations	7,980.03	11,903.93
Taxes paid	942.10	674.46
Net cash (used in) / generated from operating activities	8,922.13	12,580.39
B Cash Flow From Investing Activities		
Purchase of Plant, Property and Equipment	(4,924.25)	(3,341.34)
Proceeds from Sale of Plant, Property and Equipment	74.66	1,917.17
Adjustment in Assets	13.11	75.96
Proceeds from Sale of Shares	-	3.40
Interest income	499.97	866.31
Dividend income	1,615.68	1,612.84
Changes in Capital CWIP	499.90	111.40
Advances for long term purpose	(69.44)	11.70
Purchase of Investment	(999.96)	(0.75)
Net cash (used in) / from Investing activities	(3,290.33)	1,256.69

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019 Contd...

	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
C Cash Flow From Financing Activities		
Proceeds from long term borrowing	(1,792.19)	(1,952.06)
Proceeds from other Long term Liabilities	(11.70)	(11.70)
Proceeds from short term borrowings	168.60	(10,407.55)
Dividend paid	(433.30)	(433.30)
Finance cost	(1,578.17)	(2,182.65)
Net cash from / (used in) Financing activities	(3,646.76)	(14,987.26)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,985.04	(1,150.18)
Cash and cash equivalents as at the beginning of the year	4,366.47	5,516.65
Cash and Cash equivalents as at the end of the year	6,351.51	4,366.47
Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:		
Balance at the beginning of the year		
Long Term Borrowings	5,570.44	6,452.49
Short Term Borrowings (excluding cash credit)	13,003.27	23,410.82
Current maturities of Long Term Debt	2,679.99	3,750.00
Interest accrued	105.30	156.75
Sub-total Balance at the beginning of the year	<u>21,359.00</u>	<u>33,770.06</u>
Cash flows during the year		
Proceeds from Long Term Borrowings	-	5,000.00
Repayment of Long Term Borrowings	(2,679.99)	(6,952.06)
Proceeds from / (Repayment of) Short Term Borrowings (net)	168.60	(10,407.55)
Interest paid	(1,657.05)	(2,234.10)
Sub-total Cash flows during the year	<u>(4,168.44)</u>	<u>(14,593.71)</u>
Non-cash changes		
Interest accrual for the year	1,578.17	2,182.65
Sub-total Non-cash changes during the year	1,578.17	2,182.65
Balance as the end of the year		
Long Term Borrowings	2,560.92	5,570.44
Short Term Borrowings	13,171.87	13,003.27
Current maturities of Long Term Debt	3,009.52	2,679.99
Interest accrued but not due	26.42	105.30
Balance as the end of the year	<u>18,768.73</u>	<u>21,359.00</u>

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
P.V. ABINAV RAMASUBRAMANIAM RAJA
Managing Director
PREM.G.SHANKER
Chief Executive Officer
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Chief Financial Officer
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Company Secretary & Legal Head

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Statement of Changes in Equity for the year ended 31st March 2019

A. EQUITY SHARE CAPITAL

₹ In Lakhs

Balance as at 01-04-2017	866.63
Changes in Equity Share Capital during the year 2017-18	0
Balance as at 31-03-2018	866.63
Changes in Equity Share Capital during the year 2018-19	0
Balance as at 31-03-2019	866.63

B. OTHER EQUITY

For the year ended 31st Mar 2019

Particulars	Surplus				Items of OCI		Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 1 st April 2018	1,75,990.19	209.53	65,051.48	43,161.05	3,270.11	-	2,87,682.36
Profit for the period	-	-	17,329.17	-	-	-	17,329.17
Other comprehensive income	-	-	-	-	274.78	(60.60)	214.18
Total Comprehensive Income	1,75,990.19	209.53	82,380.65	43,161.05	3,544.89	(60.60)	3,05,225.71
Issue of share capital	-	-	-	-	-	-	-
Transfer to general reserve	-	-	(1,100.00)	1,100.00	-	-	-
Transfer to Retained Earnings	-	-	(60.60)	-	-	60.60	-
Transaction costs	-	-	-	(441.90)	-	-	(441.90)
Cash dividends	-	-	(433.30)	-	-	-	(433.30)
As at 31st Mar 2019	1,75,990.19	209.53	80,786.75	43,819.15	3,544.89	-	3,04,350.51

For the year ended 31st March, 2018

	Surplus				Items of OCI		Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI-Equity	Actuarial (Loss)/gain	
As at 1 st April 2017	1,76,675.97	209.53	49,091.82	42,195.15	2,727.70	(165.77)	2,70,734.40
Profit for the period	-	-	17,602.28	-	-	-	17,602.28
Adjustments	(685.78)	-	(11.54)	-	-	-	(697.32)
Other comprehensive income	-	-	-	-	542.41	67.99	610.40
Total Comprehensive Income	1,75,990.19	209.53	66,682.56	42,195.15	3,270.11	(97.78)	2,88,249.76
Issue of share capital	-	-	-	-	-	-	-
Transfer to general reserve	-	-	(1,100.00)	1,100.00	-	-	-
Transfer to Retained Earnings	-	-	(97.78)	-	-	97.78	-
Transaction costs	-	-	-	(134.10)	-	-	(134.10)
Cash dividends	-	-	(433.30)	-	-	-	(433.30)
As at 31st March 2018	1,75,990.19	209.53	65,051.48	43,161.05	3,270.11	-	2,87,682.36

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place: Chennai
Date: 23th May, 2019

For M/s. Ramakrishna Raja and
Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
P.V. ABINAV RAMASUBRAMANIAM RAJA
Managing Director
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. Corporate Information

Ramco Industries Limited is a Public Limited Company domiciled and headquartered in India and incorporated under the provisions of Companies Act 1956. The Registered office of the Company is located at No. 47 P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu and Corporate office of the company is located at "Auras corporate centre", VI Floor, 98A - Dr. Radha Krishnan Road, Mylapore, Chennai - 600 004, Tamil Nadu. The Company's shares are listed in BSE Limited and NSE Limited.

The Company is engaged in manufacture of Fiber Cement (FC) sheets and Calcium Silicate Boards (CSB). The Company's segments are Building products, Textiles and Power generation from wind mills. The Company caters mainly to the domestic markets. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The Consolidated Financial Statements of the Company for the year were approved and adopted by Board of Directors of the Company in their meeting dated 23-05-2019.

2. Basis of Preparation of Consolidated Financial Statements

- 2.1 The Company has prepared its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The Srilankan subsidiary accounts have been prepared in conformance with Sri Lanka Accounting Standard for Small and Medium - sized Entities (SLFRS for SMEs).
- 2.2 Pursuant to General Circular No.39/2014 dated 14.10.2014 issued by the Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not merely repeated and thus the disclosures that are relevant arising out of consolidation have only been presented
- 2.3 The CFS comprises the financial statements of the Ramco Industries Limited, its Subsidiary Company and Associate Companies, The list of Companies which are included in consolidation and the parent Company's holding and voting rights therein are as under:

Name of the Subsidiary	% of ownership interest	
	31.03.2019	31.03.2018
Sudharsanam Investments Ltd	100.00	100.00
Sri Ramco Lanka Private Ltd	99.99	99.99
Sri Ramco Roofings Lanka Private Ltd *	1.27	1.27
*Step down subsidiary		
Sri Ramco Lanka Private Limited holding in Sri Ramco Roofing Private Ltd	98.73	98.73

The following Companies are recognised as Associates based on existence of significant influence over such Companies:

Name of the Associates	Country of Incorporation	% of Ownership interest *	
		31.03.2019	31.03.2018
The Ramco Cements Limited	India	22.27	22.20
Ramco Systems Limited	India	17.87	17.90
Rajapalayam Mills Limited	India	1.73	1.73
Ramco Industrial and Technology Services Limited **	India	1.05	17.77
Madurai Trans Carrier Limited	India	17.17	17.17
Lynks Logistics Limited	India	0.37	0.46

* % of ownership represents only direct holding

** Previously known as M/s Ontime Industrial Services Limited.

The above companies are incorporated in India and Financial statements of the respective companies are drawn up to the same reporting date as that of the parent company

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- 2.4 The significant accounting policies used in preparing the financial statements are set out in Note No.4
- 2.5 The Company has considered its operating cycle to be 12 months for the purpose of Current or Non-current classification of assets and liabilities.
- 2.6 An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle or held primarily for the purpose of trading or expected to be realised within 12 months after the reporting period or cash or cash equivalents unless restricted from being exchanged or used to settle a liability 12 months after the reporting period. All other assets are classified as non-current.
- 2.7 A liability is classified as current when it is expected to be settled in normal operating cycle or held primarily for the purpose of trading or due for settlement within 12 months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.
- 2.8 The financial statements are presented in Indian Rupees rounded to the nearest Lakhs with two decimals. The amount below the round off norm adopted by the Company is denoted as ₹ 0.00 Lakhs.

Principles of Consolidation

- 2.9 The CFS of the Parent Company and its Subsidiary Company have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after elimination of intra-group balances and intra-group transactions resulting in unrealized Profits / Losses
- 2.10 The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the parent Company's separate financial statements.
- 2.11 Non-controlling interest in the net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the parent Company's shareholders. Non-controlling interest in the net assets of consolidated subsidiary consists of:
- A. The amount of subscribed equity share capital attributable to minority shareholders during the year
- B. The minority share of movement in equity since the date the parent subsidiary relationship came in to existence
- 2.12 The CFS includes the share of profit / loss of the associate companies that are accounted for using equity method in accordance with Ind AS 28. Accordingly, the share of profit / loss of the associate company (the loss being restricted to the cost of investment) has been added / deducted from the cost of investment. The most recent available financial statements of the associate are used by the company in applying the equity method.
- 2.13 Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associate Company from the date on which it becomes as associate and any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:
- A. Goodwill relating to an associate is included in the carrying amount of the investment and the same is not amortised.
- B. Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is recognised directly in equity as capital reserve in the period in which the investment is acquired.
- Subsequently, the carrying amount of investment is adjusted to recognize the Company's share of post-acquisition profits or losses of the Associates in the profit & loss and also its share of Other Comprehensive Income (OCI) of the Associate Company separately under Other Comprehensives Income.
- 2.14 Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment
- 2.15 Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.
- 2.16 At each reporting date, the Company determines whether there is any objective evidence that the investment in the associate is impaired, If there is such evidence, the company provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognized the loss as "Share of profit of an associate" in the statement of profit or loss.
- 2.17 The statement of profit and loss reflects the company's share of results of operations of its associates. Any change in OCI of those investees is presented as part of the Group's OCI.

3 Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 4.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4. Significant Accounting Policies

4.1 Inventories

- 4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc. , are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.
- 4.1.2 Process stock is valued at moving weighted average cost including the cost of conversion with systematic allocation of production overheads, or net realisable value whichever is lower. Factory administration overheads to the extent attributable to bring the inventories to their present location and condition are also included in the valuation of Process stock.
- 4.1.3 Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion and other costs incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

4.2 Cash Flow Statement

- 4.2.1 Cash flows are presented using indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.
- 4.2.2 Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances with original maturity of less than 3 months, highly liquid investments that are readily convertible into cash.
- 4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents for the purpose of Cash flow statement.

4.3 Dividend distribution to Equity shareholders

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable taxes (if any) is recognised directly in Equity.

4.4 Income Taxes

- 4.4.1 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates, the provisions of the Income tax Act, 1961 and other applicable tax laws.
- 4.4.2 Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is recognised as an asset viz. MAT Credit Entitlement, to the extent there is convincing evidence that the Company will pay normal Income tax and it is highly probable that future economic benefits associated with it will flow to the Company during the specified period. The Company reviews the "MAT Credit Entitlement" at each Balance Sheet date and writes down the carrying amount of the same to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income tax during the specified period.
- 4.4.3 Current tax assets and liabilities are offset, when the Company has legally enforceable right to set off the recognised amounts and intends to settle the asset and the liability on a net basis.
- 4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date.
- 4.4.5 Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year where the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
- 4.4.6 Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by same governing tax laws and the Company has legally enforceable right to set off current tax assets against current tax liabilities.
- 4.4.7 Both current tax and deferred tax relating to items recognised outside the Profit or Loss is recognised either in "Other Comprehensive Income" or directly in "Equity" as the case may be.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.5 Property, plant and equipments (PPE)

- 4.5.1. PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT / GST wherever applicable) less accumulated depreciation / amortisation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

The company identifies the significant parts of plant and equipment separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. When each major inspection/overhauling is performed, its cost is recognised in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any remaining carrying amount of the cost of the previous inspection/overhauling (as distinct from physical parts) is de-recognised.

Other expenses on fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria in accordance with Ind AS 16 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Capital Expenditure on tangible assets for research and development is classified as PPE and is depreciated based on the estimated useful life. Other expenditure incurred for research and development are expensed under the respective heads of accounts in the year in which it is incurred.

- 4.5.2 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balancing cash transaction. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.
- 4.5.3 PPEs are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such assets, are recognised in the Statement of Profit and Loss. Amount received towards PPE that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.5.4 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value or any value whichever is less, except for process control systems whose residual value is considered as Nil.
- 4.5.5 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/ disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.
- 4.5.6 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Capital Work in progress

- 4.5.7 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date

4.6 Leases

- 4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.
- 4.6.2 The lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the Lessor are recognised as operating lease. Operating lease receipts and payments are recognised in the Statement of Profit and Loss on accrual basis as per the lease terms. The Company do not have any finance leases.
- 4.6.3 The amount paid for securing right to use of lands qualify as Operating lease and the amount paid for leasehold land is classified as "Lease prepayments" under prepaid expenses, which are amortised over the tenure of lease.

4.7 Revenue Recognition

- 4.7.1 Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

4.7.2 Revenue from Operations

The Company has adopted Ind AS 115 with effect from 01.04.2018 (i.e) from the date on which it become effective.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Sale of products

Revenue is recognised at the fair value of consideration received or receivable upon transfer of significant risks and rewards of ownership of goods which coincides with the delivery of goods. It comprises of invoice value of goods including excise duty up to 30.06.2017 and after deducting discounts, volume rebates and applicable taxes on sale including GST. The company provides discounts to customers on to achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the company as per Ind AS 115. The company do not have any non-cash consideration.

Project Revenue recognition policy

Contract revenue from Project activity on fixed price contracts is recognized when the outcome of the contract is ascertained reliably, contract revenue is recognized at cost of work performed on the contract plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on work certified by the customer.

Power generated from Windmills

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO/BESCOM/PGVCL are consumed at factories and unutilized units are sold to concerned distribution companies. The monetary values of such power generated that are captively consumed are not recognised as revenue for the company.

Power generated from windmills that are covered under power purchase agreement with TANGEDCO /BESCOM/PGVCL are sold to State Electricity Boards at the rate fixed by respective State Electricity Regulatory Commissions and the income is recognised as Sale of surplus power generated from windmills

Scrap sale

Scrap sale is recognised at the fair value of consideration received or receivable upon transfer of significant risk and rewards. It comprises of invoice value of goods including excise duty up to 30.06.2017 excluding applicable taxes on sale.

Industrial Promotion Assistance

This being in the nature of Government grants, which are recognised at fair value when the Company's right to receive the same is established with reasonable assurance.

4.7.3 Other Income

- a. Dividend income is recognised when the Company's right to receive dividend is established.
- b. Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease
- c. Value of Carbon credits are recognised when the Company's right to receive the same is established.

4.8 Employee Benefits

- 4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.
- 4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.
- 4.8.3 The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.
- 4.8.4 The Company also contributes for superannuation a sum equivalent to 15% of the eligible officer's annual basic salary. Out of the said 15% contribution, a sum upto ₹ 1.50 Lacs per annum is remitted to Ramco Industries Limited Officer's Superannuation Fund administered by trustees and managed by LIC of India. There are no further obligations in respect of the above contribution plan.
- 4.8.5 The Company has its own Defined Benefit Plan viz., an approved Gratuity Fund. It is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment, for an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of continuous service. The Company makes annual contributions to "Ramco Industries Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, for its employees based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- 4.8.6 The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method.
- 4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.
- 4.9 Government Grants**
- 4.9.1 In case of revenue related grant, the income is recognised on a systematic basis over the period for which it is intended to compensate an expense and is disclosed under "Other operating revenue" or netted off against corresponding expenses wherever appropriate. Receivables of such grants are shown under "Other Financial Assets".
- 4.9.2 Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Receivables of such benefits are shown under "Other Financial Assets".
- 4.10 Foreign currency transactions**
- 4.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.
- 4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.
- 4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.
- 4.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.
- 4.10.5 In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the moving average rate during the year . All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the General Reserve.
- 4.11 Borrowing Costs**
- 4.11.1 Borrowing cost include interest computed using Effective Interest Rate method, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- 4.11.2 Borrowing costs that are directly attributable to the acquisition, construction, production of a qualifying asset are capitalised as part of the cost of that asset which takes substantial period of time to get ready for its intended use. The Company determines the amount of borrowing cost eligible for capitalisation by applying capitalisation rate to the expenditure incurred on such cost. The capitalisation rate is determined based on the weighted average rate of borrowing cost applicable to the general borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. The amount of borrowing cost that the Company capitalises does not exceed the amount of borrowing cost incurred during that period. All other borrowings cost are expensed in the period in which they occur.
- 4.12 Earnings per Share**
- 4.12.1 Net profit after tax is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding if any, during the year, after deducting treasury shares which represents holding of its own shares indirectly through associates by way of reciprocal interests.
- 4.12.2 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.
- 4.12.3 The Company do not have any potential equity shares.
- 4.13 Impairment of Non-Financial Assets**
- 4.13.1 The carrying values of assets include property, plant and equipment, investment properties, cash generating units and intangible assets are reviewed for impairment at each Balance Sheet date, if there is any indication of impairment based on internal and external factors.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

- 4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.
- 4.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- 4.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.
- 4.14 Provisions, Contingent Liabilities and Contingent Assets**
- 4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.
- 4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.
- 4.14.3 Insurance claims are accounted on the basis of claims admitted or expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection. Any subsequent change in the recoverability is provided for. Contingent Assets are not recognised.
- 4.14.4 Contingent liability is a possible obligation that may arise from past events and its existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.
- 4.15 Intangible Assets**
- 4.15.1 The costs of computer software acquired and its subsequent improvements are capitalised. Internally generated software is not capitalized and the expenditure is recognized in the Statement of Profit and Loss in the year in which the expenditure is incurred.
- 4.15.2 The intangible assets that are under development phase are carried at cost including related expenses and attributable interest, and are recognised as Intangible assets under development.
- 4.15.3 The residual values, useful lives and methods of depreciation of intangible asset are reviewed at each reporting date and adjusted prospectively, if appropriate.
- 4.16 Investment Properties**
- 4.16.1 An investment in land or buildings both furnished and unfurnished, which are held for earning rentals or capital appreciation or both rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business, are classified as investment properties.
- 4.16.2 Investment properties are stated at cost, net of accumulated depreciation and impairment loss, if any except freehold land which is carried at cost.
- 4.16.3 The company identifies the significant parts of investment properties separately which are required to be replaced at intervals. Such parts are depreciated separately based on their specific useful lives determined on best estimate basis upon technical advice. The cost of replacement of significant parts are capitalised and the carrying amount of replaced parts are de-recognised. Other expenses including day-to-day repair and maintenance expenditure and cost of replacing parts that does not meet the capitalisation criteria, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.
- 4.16.4 Investment properties are eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains or losses arising from disposal, measured as the difference between the net disposal proceeds and the carrying amount of such investment properties, are recognised in the Statement of Profit and Loss. Amount received towards investment properties that are impaired and derecognized in the financial statements, are recognized in Statement of Profit and Loss, when the recognition criteria are met.
- 4.16.5 The residual values, useful lives and methods of depreciation of investment properties are reviewed at each reporting date and adjusted prospectively, if appropriate.
- 4.17 Operating Segments**
- Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The Company has three operating/reportable segments viz. Building products, Textile and Wind power generation.

The inter-segment transfers of units of power from windmills are recognized at the applicable tariff rates of the electricity boards for the purpose of segment reporting as per the relevant accounting standard.

Costs are allocated to the respective segment based upon the actual incidence of respective cost. Unallocated items include general other income and expenses which are not allocated to any business segment.

4.18 Financial Instruments

4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.18.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

Financial Assets

4.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

4.18.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

- a) Amortised cost; or
- b) Fair value through other comprehensive income (FVTOCI); or
- c) Fair value through profit or loss (FVTPL)

Amortised cost represents carrying amount on initial recognition at fair value plus or minus transaction cost.

4.18.6 The Company has evaluated the facts and circumstances on date of transition to Ind AS for the purpose of classification and measurement of financial assets. Accordingly, financial assets are measured at FVTPL except for those financial assets whose contractual terms give rise to cash flows on specified dates that represents solely payments of principal and interest thereon, are measured as detailed below depending on the business model:

Classification	Business Model
Amortised cost	The objective of the Company is to hold and collect the contractual cash flows till maturity. In other words, the Company do not intend to sell the instrument before its contractual maturity to realise its fair value changes.
FVTOCI	The objective of the Company is to collect its contractual cash flows and selling financial assets.

Investment in equity of subsidiary and associates are carried at cost (i.e) previous GAAP carrying amount as the date of transition to Ind AS. The Company has exercised an irrevocable option at time of initial recognition to measure the changes in fair value of other equity investments at FVTOCI. Accordingly, the Company classifies its financial assets for measurement as below:

Classification	Name of Financial Assets
Amortised cost	Trade receivables, Loans and advances to subsidiary company, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind.
FVTOCI	Equity investments in companies other than Subsidiary & Associate as an option exercised at the time of initial recognition.
FVTPL	Investments in mutual funds, forward exchange contracts.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.18.7 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Company also derecognises when it has an obligation to adjust the cash flows arising from the financial asset with third party and either upon transfer of:

- a. significant risk and rewards of the financial asset, or
- b. control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retention of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

4.18.8 Upon derecognition of its financial asset or part thereof, the difference between the carrying amount measured at the date of recognition and the consideration received including any new asset obtained less any new liability assumed shall be recognised in the Statement of Profit and Loss.

4.18.9 For impairment purposes, significant financial assets are tested on individual basis at each reporting date. Other financial assets are assessed collectively in groups that share similar credit risk characteristics. Accordingly, the impairment testing is done retrospectively on the following basis:

Name of Financial asset	Impairment testing methodology
Trade receivables	Expected Credit Loss model (ECL) is applied. The ECL over lifetime of the assets are estimated by using a provision matrix which is based on historical loss rates reflecting current conditions and forecasts of future economic conditions which are grouped on the basis of similar credit characteristics such as nature of industry, customer segment, past due status and other factors that are relevant to estimate the expected cash loss from these assets.
Other Financial assets	When the credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. When there is significant change in credit risk since initial recognition, the impairment is measured based on probability of default over the life time. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Financial Liabilities

4.18.10 Financial liabilities comprises of Borrowings from Banks, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.18.11 The Company measures its financial liabilities as below:

Measurement basis	Name of Financial liabilities
Amortised cost	Borrowings, Debentures, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits and other financial liabilities not for trading,
FVTPL	Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading.

4.18.12 Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Transaction cost of financial guarantee contracts that are directly attributable to the issuance of the guarantee are recognised initially as a liability at fair value. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

4.18.13 Financial liabilities are derecognised when and only when it is extinguished (i.e) when the obligation specified in the contract is discharged or cancelled or expired.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

4.18.14 Upon derecognition of its financial liabilities or part thereof, the difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liabilities assumed is recognised in the Statement of Profit and Loss.

4.19 Fair value measurement

4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

4.19.3 All assets and liabilities for which fair value is measured are disclosed in the financial statements are categorised within fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement are unobservable.

4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

4.19.5 For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

Investments in Equity / Mutual Funds

The fair value is determined by reference to their quoted prices at the reporting date. In the absence of the quoted price, the fair value of the equity is measured using valuation techniques.

Trade and other receivables

The fair value is estimated as the present value of the future cash flows, discounted at the market rate of interest at the reporting date. However, the fair value generally approximates the carrying amount due to the short term nature of such assets.

Forward exchange contracts

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual forward price and current forward price for the residual maturity of the contract using government bond rates.

Non-derivative financial liabilities

The fair value of non-derivative financial liabilities viz, soft loan from government, deferred sales tax liability, borrowings are determined for disclosure purposes calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Financial guarantee obligation

The fair value of financial guarantee obligation with reference to loan availed by subsidiary/associates is determined on the basis of estimated cost involved in securing equivalent size of the guarantees from bank.

Investment Properties

The fair value is determined for disclosure purposes based on an annual evaluation performed by an internal technical team measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

5. Significant Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision or future periods, if the revision affects both current and future years.

Accordingly, the management has applied the following estimates / assumptions / judgements in preparation and presentation of financial statements:

Property, Plant and Equipment, Intangible Assets and Investment Properties

The residual values and estimated useful life of PPEs, Intangible Assets and Investment Properties are assessed by technical team duly reviewed by the management at each reporting date. Wherever the management believes that the assigned useful life and residual value are appropriate, such recommendations are accepted and adopted for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

Current Taxes

Calculations of income taxes for the current period are done based on applicable tax laws and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law.

Deferred Tax Asset (Including MAT Credit Entitlement)

Significant management judgement is exercised by reviewing the deferred tax assets at each reporting date to determine the amount of deferred tax assets that can be retained / recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Contingent Liabilities

Management judgement is exercised for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Impairment of Trade receivables

The impairment for financial assets are done based on assumptions about risk of default and expected loss rates. The assumptions, selection of inputs for calculation of impairment are based on management judgement considering the past history, market conditions and forward looking estimates at the end of each reporting date.

Impairment of Non-financial assets (PPE/Intangible Assets/Investment Properties)

The impairment of non-financial assets is determined based on estimation of recoverable amount of such assets. The assumptions used in computing the recoverable amount are based on management judgement considering the timing of future cash flows, discount rates and the risks specific to the asset.

Defined Benefit Plans and Other long term benefits

The cost of the defined benefit plan and other long term benefits, and the present value of such obligation are determined by the independent actuarial valuer. Management believes that the assumptions used by the actuary in determination of the discount rate, future salary increases, mortality rates and attrition rates are reasonable. Due to the complexities involved in the valuation and its long term nature, this obligation is highly sensitive to changes in these assumptions.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities could not be measured based on quoted prices in active markets, management uses valuation techniques including the Discounted Cash Flow (DCF) model, to determine its fair value. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Interests in other entities

The management believes that wherever there is significant influence over certain companies belong to its group, such companies are treated as Associate companies even though it holds less than 20% of the voting rights. Significant management judgement is exercised in determining the interests in other entities to determine whether such associates are individually immaterial or not for the purpose of disclosure requirements

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

6 PROPERTY PLANT & EQUIPMENT

₹ in Lakhs

Particulars	YEAR	GROSS BLOCK			DEPRECIATION AND AMORTISATION				NET BLOCK	
		As At 01-APR-2018	Additions	Withdrawals/ Adjustments	As At 31-MAR-2019	As At 01-APR-2018	For the year 2018-19	Withdrawals/ Adjustments	As At 31-MAR-2019	As At 31-MAR-2018
Tangible Assets										
LAND - FREE HOLD	2018-19	1,672.61	582.98	-	2,255.59	-	-	-	2,255.59	1,672.61
	2017-18	1,679.00	-	6.39	1,672.61	-	-	-	1,672.61	1,679.00
LAND - LEASE HOLD	2018-19	1,405.80	-	-	1,405.80	95.54	15.73	-	1,294.53	1,310.26
	2017-18	1,405.80	-	-	1,405.80	79.82	15.72	-	1,310.26	1,325.98
BUILDINGS	2018-19	17,859.85	1,008.04	12.33	18,855.56	5,698.68	496.82	11.21	6,184.29	12,671.27
	2017-18	18,141.04	393.82	675.01	17,859.85	5,553.95	499.71	354.98	5,698.68	12,161.17
RAILWAY SIDINGS	2018-19	20.68	-	-	20.68	19.65	-	-	19.65	1.03
	2017-18	20.68	-	-	20.68	19.65	-	-	19.65	1.03
PLANT AND MACHINERY	2018-19	53,879.89	2,472.62	618.72	55,733.79	31,366.16	1,562.89	532.93	32,396.12	23,337.67
	2017-18	52,816.24	2,341.13	1,277.48	53,879.89	30,927.73	1,477.51	1,039.09	31,366.15	22,513.74
ELECTRICAL MACHINERY	2018-19	8,297.96	455.55	130.40	8,623.11	4,618.53	585.80	122.37	5,081.96	3,541.15
	2017-18	7,913.91	384.70	0.65	8,297.96	4,021.72	597.38	0.57	4,618.53	3,892.19
FURNITURE & OFFICE EQUIPMENTS	2018-19	726.51	27.18	149.80	603.89	488.85	46.68	141.95	393.58	210.31
	2017-18	704.93	22.05	0.47	726.51	441.75	47.53	0.43	488.85	237.66
VEHICLES	2018-19	714.58	38.13	40.58	712.13	530.82	49.93	40.59	540.16	171.97
	2017-18	708.38	49.76	43.56	714.58	513.69	46.75	29.61	530.83	183.76
TOTAL - TANGIBLE ASSETS	2018-19	84,577.88	4,584.50	951.83	88,210.55	42,818.23	2,757.85	849.05	44,727.03	43,483.52
	2017-18	83,389.98	3,191.46	2,003.56	84,577.88	41,558.31	2,684.60	1,424.68	42,818.23	41,759.65

Capital work-in-progress

CAPITAL WORK-IN-PROGRESS	2018-19	990.48	4,065.95	4,584.28	490.58	-	-	-	-	490.58
	2017-18	1,101.87	3,080.28	3,191.67	990.48	-	-	-	-	990.48

Intangible Assets

COMPUTER SOFTWARE	2018-19	1,300.21	339.75	452.70	1,187.26	698.05	191.30	452.70	436.65	750.61
	2017-18	1,138.61	161.60	-	1,300.21	592.45	105.60	-	698.05	602.16
TOTAL - INTANGIBLE ASSETS	2018-19	1,300.21	339.75	452.70	1,187.26	698.05	191.30	452.70	436.65	750.61
	2017-18	1,138.61	161.60	-	1,300.21	592.45	105.60	-	698.05	602.16
GRAND TOTAL	2018-19	85,878.09	4,924.25	1,404.53	89,397.81	43,516.28	2,949.15	1,301.75	45,163.68	44,234.13
PREVIOUS YEAR	2017-18	84,528.59	3,353.06	2,003.56	85,878.09	42,150.76	2,790.20	1,424.68	43,516.28	42,361.81

Note: The carrying amount of movable fixed assets of the company have been pledged by the way of pari passu first charge as security for Long Term Borrowings.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
7 INVESTMENT PROPERTY		
Gross Block		
As at the beginning of the year	283.33	268.31
Add: Additions during the year	-	66.80
Less: Sold During the year	-	(51.78)
As at the end of the year	<u>283.33</u>	<u>283.33</u>
Depreciation and impairment		
As at beginning of the year	213.56	224.37
Add: Additions during the year	-	13.41
Less: Sold During the year	-	(30.51)
Add: Depreciation for the year	3.42	6.29
As at the end of the year	<u>216.98</u>	<u>213.56</u>
Net Block		
As at the end of the year	<u>66.35</u>	<u>69.77</u>
Information regarding income and expenditure of Investment Property		
Rental Income from Investment Properties	27.20	27.20
Direct Operating Expenses	12.33	7.25
Profit arising from Investment Properties before Deprecation and indirect expenses	14.87	19.95
Less: Depreciation	3.42	6.29
Profit arising from Investment Properties	11.45	13.66
Fair Value of Investment property	283.33	283.33

- a. The company's investment property consists of a commercial property at Chennai,(Tamilnadu) and Pipe plant Building at Maksi, (Madhya Pradesh).
- b. The Company has no restrictions on the disposal of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- c. The fair valuation of these investment properties are determined by an internal technical team, measured using the technique of quoted prices for similar assets in the active markets and further moderated by market corroborated inputs. In the current financials, the fair value of the investment property approximates to the historical cost at which it is carried.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

8 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

	Name of the Company	Face Value per share ₹	As at 31-03-2019		As at 31-03-2018	
			Number	Amount	Number	Amount
A.	Quoted Investment - Fully paid Equity shares					
	The Ramco Cements Limited	1.00	5,24,43,020	2,06,530.98	5,22,95,020	1,95,919.85
	Rajapalayam Mills Limited	10.00	1,27,360	1,143.09	1,27,360	1,102.42
	Ramco Systems Limited	10.00	54,67,376	36,248.55	54,67,376	35,746.22
	Sub-Total (A)			2,43,922.62		2,32,768.49
	Unquoted Investment - Fully paid Equity shares					
	Associate Companies					
	Ramco Industrial and Technology Services Limited	10.00	50,000	134.65	50,000	158.12
	Madurai Trans carrier Ltd	1.00	3,09,00,000	209.99	3,09,00,000	215.80
	Lynks Logistics Limited	1.00	19,00,000	(239.36)	19,00,000	7.02
	Sub-Total (B)			105.28		380.94
	Total Investments in Associates C= (A+B)			2,44,027.90		2,33,149.43
	Aggregate Market Value of Quoted Investments			3,55,793.01		3,77,711.00
B.	Other Investment					
i.	Quoted Investment - Fully paid Equity shares (designated at FVTOCI)					
	Indian Bank	10.00	1,391	3.90	1,391	4.17
	HDFC Limited	2.00	1,79,200	3,527.10	1,79,200	3,271.48
	HDFC Bank Limited	2.00	5,500	127.54	5,500	103.74
	Sub-Total (A)			3,658.54		3,379.39
ii.	Investments in Mutual Funds (measured at FVTPL)					
	HDFC Mutual Fund	10.00	1,00,000.00	28.90	1,00,000	33.51
	Sub-Total (B)			28.90		33.51
iii.	Investments in Government or Trust Securities					
	National Savings Certificate			-		0.52
	Sub-Total (C)			-		0.52
iv.	Other Non-Current Investments, Non-Trade - Unquoted					
	Aadhar Housing Finance Limited (Refer Note Below)	10	30,000	3.00	30,000	3.00
	Ramco Industries Employees Co-op Stores Limited		2,500.00	0.02	2,500	0.02
	Sub-Total (D)			3.02		3.02
	Total Other Investments (A+B+C+D)			3,690.46		3,416.44

- The Company has accounted Investments in Subsidiaries and Associates at Cost.
- The carrying amount of Investment in Subsidiaries / Associates is tested for impairment in accordance with Ind AS 36. There is no impairment in the value of Investments at the reporting date.
- During the year, the Company purchased 1,48,000 shares in The Ramco Cements Limited
- Aadhar Housing Finance Limited previously known as DHFL Vysya Housing Finance Ltd.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
9. OTHER FINANCIAL ASSETS [Non Current]		
Security Deposit with Electricity Board	660.83	555.59
	<u>660.83</u>	<u>555.59</u>
10. OTHER NON CURRENT ASSETS		
Secured and Considered Good		
Advances Towards Capital Goods	188.83	209.87
Advance to others	21.60	32.49
Prepaid Expenses	8.19	8.64
	<u>218.62</u>	<u>251.00</u>
11. INVENTORIES		
Rawmaterials	16,235.41	15,710.51
Raw Materials in Transit	378.53	-
Work in process	2,289.74	2,611.55
Finished goods	8,527.07	9,068.61
Stock-In Trade	16.90	5.23
Stores and spares	1,229.98	1,047.90
Asset held for Sale	0.95	7.11
	<u>28,678.58</u>	<u>28,450.91</u>
a. Inventories are valued as per the Company Policy {Note No 4.1 of Accounting Policies}		
b. The total carrying cost of inventories as at the reporting date has been pledged as security for short term borrowings.		
12. TRADE RECEIVABLES (CURRENT)		
Trade receivables, considered good - Unsecured	9,459.90	8,950.98
Trade receivables, which have significant increase in Credit Risk	822.97	447.60
Trade receivables, provision for Credit Risk	(822.97)	(447.60)
Trade receivables, considered good -unsecured - Related Parties	0.37	-
	<u>9,460.27</u>	<u>8,950.98</u>
a. Trade receivables are non-interest bearing and are generally on terms of 30 to 45 days.		
b. No trade receivable are due from Directors or other officers of the company either severally or jointly with any other person.		
c. The total carrying amount of trade receivables has been pledged as security for Short Term Borrowings.		
13. CASH AND CASH EQUIVALENTS		
Cash on Hand	6.81	9.05
Balance with Bank Current Account	3,533.20	2,235.66
Margin Money	39.95	1,066.88
Fixed Deposit	2,754.76	1,038.89
Balance with Bank - Unpaid Dividend Warrant Account	16.79	15.99
	<u>6,351.51</u>	<u>4,366.47</u>

Refer Note 45 for information about risk profile of Cash and Cash equivalents under Financial Risk Management.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
14. OTHER FINANCIAL ASSETS (CURRENT)		
Security Deposit - Others	209.64	208.57
Asset - Foreign exchange forward contracts	35.28	16.14
	<u>244.92</u>	<u>224.71</u>
15. OTHER CURRENT ASSETS		
Tax Credit - Indirect Taxes	634.23	444.57
Advance to Suppliers	845.05	776.67
Advance to Employees	42.36	12.43
Prepaid Expenses	359.13	229.41
Other Current Assets	160.14	203.17
	<u>2,040.91</u>	<u>1,666.25</u>

16. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital	20,00,00,000	2,000.00	2000,00,000	2,000.00
Issued & Subscribed and Fully paid up shares of ₹ 1/- each	8,66,63,060	866.63	8,66,63,060	866.63

A. Reconciliation of the number of Shares

Number of Shares at the beginning	866,63,060	866.63	866,63,060	866.63
Changes in Equity Share capital during the year	-	-	-	-
Number of Shares at the end	8,66,63,060	866.63	8,66,63,060	866.63

B. Terms / Rights / Restrictions attached to Equity shares

The Company has one class of equity shares having a face value of ₹ 1/- each. Each shareholder is eligible for one vote per share held. The Company declares and pays dividend in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31-03-2019		As at 31-03-2018	
	No. of Shares	% held	No. of Shares	% held
The Ramco Cements Ltd	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	84,01,680	9.69	79,20,680	9.14
Shri.P.R.Venketrama Raja	62,20,655	7.18	62,20,655	7.18
Smt.Nalina Ramalakshmi	63,00,655	7.27	63,00,655	7.27
Smt.Saradha Deepa	55,13,655	6.36	62,20,655	7.18
Total	3,98,09,145	45.93	4,00,35,145	46.20

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
17. OTHER EQUITY		
A. Capital Reserve		
Balance as at beginning and end of the year	<u>1,75,990.19</u>	<u>1,75,990.19</u>
<p>₹ 1,260.71 Lakhs represents the incentives received under “Kutch Development Scheme 2001” in respect of Fibre Cement Plant at Anjar, Bhuj in the State of Gujarat. The Scheme, inter-alia, stipulates investment of the amount equivalent to 50% of the Incentives availed in the new project in the State of Gujarat within a period of 10 years from the date of commencement of commercial production.</p> <p>₹ 174,729.48 Lakhs represents excess of the Parent’s share of the net fair value of the investments in Associates over the cost of the investment is recognised directly in equity as capital reserve upon transition.</p>		
B. Share premium		
Balance as at beginning and end of the year	<u>209.53</u>	<u>209.53</u>
Represents excess of share subscription money received over par value of shares.		
C. General Reserve		
Balance as at beginning of the year	43,161.05	42,195.15
Add: Amount transferred from Retained Earnings	1,100.00	1,100.00
Transaction Cost	<u>(441.90)</u>	<u>(134.10)</u>
Balance as at end of the year	<u>43,819.15</u>	<u>43,161.05</u>
The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.		
D. Retained Earnings		
Balance as at beginning of the year	65,051.48	49,091.82
Add: Profit for the year	17,329.17	17602.28
Add: Transfer from FVTOCI Reserve	<u>(60.60)</u>	<u>(97.78)</u>
Balance available for Appropriations	82,320.05	66,596.32
Less: Appropriations		
Final Dividend (₹ 0.50 per share for FY 2018-19 (PY ₹ 0.50))	(433.30)	(433.30)
Amount transferred to General Reserve	(1,100.00)	(1,100.00)
Adjustment	-	(11.54)
Balance as at end of the year	<u>80,786.75</u>	<u>65,051.48</u>
Represents that portion of the net income of the Company that has been retained by the Company.		
E. Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)		
Balance as at beginning of the year	3270.11	2561.93
Other Comprehensive Income for the year	<u>214.18</u>	<u>610.40</u>
	3484.29	3172.33
Less: Transfer to Retained Earnings	<u>60.60</u>	<u>97.78</u>
	<u>3,544.89</u>	<u>3,270.11</u>

Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Company has opted to recognise the changes in the fair value of certain investments in equity instruments and remeasurement of defined benefit obligations in OCI. The Company transfers amounts from this reserve to Retained Earnings in case of actuarial loss / gain and in case of fair value recognition of equity instrument, the same will be transferred when the respective equity instruments are derecognised.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
18. BORROWINGS [NON CURRENT]		
Secured		
Term Loan from Banks	2,560.92	5,570.44
	<u>2,560.92</u>	<u>5,570.44</u>
a) Long Term Borrowings from Bank are secured by pari-pasu first charge on all movable Fixed Assets of the company		
b) The Long Term Borrowings from Banks are repayable in quarterly installments. The year wise repayment is as follows:		
2021-22	107.59	109.23
2020-21	2,457.68	2,457.68
2019-20	-	3,009.54
Processing charges to be absorbed over the period of loan	(4.35)	(6.01)
	<u>2,560.92</u>	<u>5,570.44</u>
19. DEFERRED TAX LIABAILTY NET		
Deferred Tax Liability		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	6,141.46	5,983.71
Tax effect on Fair Value measurement and other items allowable under the Income tax act, 1961	(11.63)	1.00
Deferred Tax Asset		
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	-	(2,066.77)
Tax effect on Provision for Bonus and Leave Encashment	(392.10)	(380.84)
Disallowances under the Income Tax Act, 1961.	(156.00)	(173.00)
Net Deffered Tax Liability	<u>5,581.73</u>	<u>3,364.10</u>
Reconciliation of Deferred Tax Liabilities (Net)		
Opening Balance as on 1 st April	3,364.10	1,411.44
Tax (Income)/Expense during the period recognised in statement of Profit and Loss	2,213.26	1,952.66
Deferred Tax charge/(credit) on OCI recognised during the year	4.37	
Closing Balance as on 31 st March	<u>5,581.73</u>	<u>3,364.10</u>
20. DEFERRED GOVERNMENT GRANTS		
Deferred Government Grants	139.13	150.83
	<u>139.13</u>	<u>150.83</u>
Industrial Promotion Assistance (IPA) of ₹ 134.31 Lakhs provided by Department of Industries of Government of Bihar and ₹ 150.00 Lakhs provided by Government of West Bengal towards creation of infrastructure facilities is recognised as 'Industrial Promotion Assistance' over the useful life of the underlying PPE.		
21. BORROWINGS [CURRENT]		
Secured		
Loan from banks	2,635.54	4,503.27
Unsecured		
Loan from banks	10,536.33	8,500.00
	<u>13,171.87</u>	<u>13,003.27</u>
Borrowings from Banks are secured by pari-pasu first charge on trade receivables and inventories of the Company, present and future.		

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	As at 31.03.2019 ₹ In Lakhs	As at 31.03.2018 ₹ In Lakhs
22. TRADE PAYABLES		
Dues of Micro and Small Enterprises	71.59	-
Dues of creditors other than Micro and Small Enterprises	4,751.09	4,932.69
	<u>4,822.68</u>	<u>4,932.69</u>

- a. Trade payables are non-interest bearing and are normally settled in 10 to 30 days, except where credit term as per contractual is more than 30 days.
- b. The dues to Micro and Small Enterprises as at 31-03-2019 is ₹ 71.59 Lakhs (PY: ₹ NIL). This has been determined to the extent such parties have been identified on the basis of information available with the Company.
- c. Refer Note 45 for information about risk profile of Cash and Cash equivalents under Financial Risk Management.

23. OTHER FINANCIAL LIABILITIES [CURRENT]

Current Maturities of Long Term Debt - Secured	3,009.52	2,679.99
Unpaid dividends	16.83	16.02
Financial Guarantee Obligation	23.34	40.95
Security Deposit from Customers	3,094.33	2,808.97
Liability - Foreign exchange forward contracts	3.95	-
Other Liabilities	3,593.88	2,978.59
	<u>9,741.85</u>	<u>8,524.52</u>

- a) Unpaid dividends represent amount not due for transfer to Investor Education and Protection Fund.
- b) Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables / receivables in foreign currencies.
- c) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other income over the tenure of the corporate guarantee.
- d) Provision for interest on delayed payment to MSME Suppliers - ₹ 0.72 Lakhs, included in Other Liabilities

24. OTHER CURRENT LIABILITIES

Statutory Duties & Taxes Recovery Repayable	1,074.93	1,325.38
Advance Received From Customers	1,018.74	1,090.55
	<u>2,093.67</u>	<u>2,415.93</u>

Advance from Customers are received in the normal course of business and adjusted against subsequent supplies.

25. PROVISIONS [CURRENT]

Provision for Leave encashment	702.28	618.29
Provision for Gratuity	272.60	149.34
Provision for Taxation	6,296.12	4,243.96
	<u>7,271.00</u>	<u>5,011.59</u>

- a) The Company provides for expense towards compensated absences provided to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the balance sheet date, using Projected Unit Credit Method
- b) The Company maintains Gratuity Fund with LIC of India. The Company provides for expenses towards gratuity to its employees. The expense is recognised at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit Method

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
26. REVENUE FROM OPERATIONS		
Sales Revenue	1,02,881.44	95,665.21
Other operating revenue		
Industrial Promotion Assistance	608.09	11.69
Income from Wind power generation {(Net of inter-divisional transfer of ₹ 1470.05 Lakhs (Previous Year 1646.53 Lakhs)}	160.02	206.01
	<u>1,03,649.55</u>	<u>95,882.91</u>
(a) As per the Guidance Note on Division II, Ind AS Schedule III to the Companies Act, 2013 issued by ICAI, Revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account. Amounts collected such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the entity and do not result in increases in equity. Therefore, they have to be excluded from revenue. On the other hand, the recovery of excise duty is an inflow that the entity receives on its own account since the Company acts as a principal in collecting the excise duty and therefore the revenue has to be grossed up to include excise duty.		
(b) Goods and Service Tax (GST) has been effective from 01-07-2017. Consequently, Excise Duty, Value Added Tax (VAT), Service Tax etc. have been replaced with GST. Until 30-06-2017, 'Sale of Products' and 'Scrap Sales' include the amount of Excise Duty recovered on Sales. With effect from 01-07-2017, 'Sale of Products' and 'Scrap Sales' excludes the amount of GST recovered. Accordingly, Revenue from 'Sale of Products', 'Scrap Sales' and 'Revenue from Operations' for the year ended 31-03-2019 are not comparable with those of the previous year. However, the revenue from operations net of duties and taxes is furnished as below:		
Revenue from Operations (net of GST and VAT)	1,02,881.44	95,665.21
Less: Excise Duty	-	2,677.88
Revenue from Operations, net of duties and taxes	1,02,881.44	92,987.33
(c) Industrial Promotion Assistance from:		
- Government of Bihar - ₹ 581.86 Lakhs [Previous year - NIL]		
- Government of Rajasthan - ₹ 14.53 Lakhs [Previous year - NIL]		
- Deferred Grant recognised as income - ₹ 11.69 Lakhs [Previous year- ₹ 11.70 Lakhs]		
(d) Out of 264.27 Lakhs units [Previous year - 299.98 Lakhs units] generated by our windmills, 50.42 Lakhs units [Previous year - 79.32 Lakhs units] were sold to concerned state Electricity Board, 218.65 Lakhs units [Previous year - 244.22 Lakhs units] were consumed at our plant and 5.23 Lakhs units [Previous year - 10.04 Lakhs units] remain unadjusted.		
(e) The Company's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point of time. Revenue from windmills is recognised upon transmission of energy to the grids of state electricity boards. The revenue from project contract is recognised on using percentage of completion method. There is no significant impact in the financials upon adoption of Ind AS 115 w.e.f. from 01.04.2018		
27. OTHER INCOME		
Dividend Income	1,615.68	1,612.84
Profit on Sale of Assets	15.85	161.53
Other Miscellaneous Income	276.02	478.31
	<u>1,907.55</u>	<u>2,252.68</u>
28. OTHER FINANCE INCOME		
Interest Income	499.97	866.31
	<u>499.97</u>	<u>866.31</u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
29. COST OF MATERIALS CONSUMED		
Material consumed for Building Products	43,636.34	41,285.64
Material consumed for Textile Products	9,346.33	7,595.05
	<u>52,982.67</u>	<u>48,880.69</u>
30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Closing Stock of Finished Goods	8,527.07	9,068.61
Closing Stock of Process Stock	2,289.74	2,611.55
	<u>10,816.81</u>	11,680.16
Opening Stock of Finished Goods	9,068.61	12,470.67
Opening Stock of Process Stock	2,611.55	1,934.06
	<u>11,680.16</u>	14,404.73
(Increase) / Decrease	863.35	2,724.57
ED on stock variance	-	(1,437.70)
(Increase) / Decrease	863.35	1,286.87
31. EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	7,813.10	6,871.84
Contribution to and provision for		
- Provident Fund	521.27	468.52
- Gratuity Fund	126.53	145.25
- Superannuation Fund	31.18	29.57
- Staff welfare	655.05	546.30
	<u>9,147.13</u>	<u>8,061.48</u>
32. FINANCE COSTS		
Interest on Bank borrowings	1,243.10	1,751.02
Others	267.47	260.76
Exchange difference regarded as an adjustment to borrowing cost	-	153.76
	<u>1,510.57</u>	<u>2,165.54</u>

Others includes Interest on Security deposit from Customers.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
33. OTHER EXPENSES		
Manufacturing Expenses		
Stores Consumed	2,347.81	2,026.64
Power & Fuel (net off power from Wind Mills)	5,514.74	5,151.28
Repairs & Maintenance - Building	306.17	275.94
Repairs & Maintenance - General	451.44	374.58
Repairs & Maintenance - Plant & Machinery	3,635.22	2,943.21
Establishment Expenses		
Repairs & Maintenance - Vehicle / Aircraft	502.89	439.28
Insurance	117.93	118.47
Travelling expenses	814.65	681.14
Rates & Taxes	368.54	850.87
Exchange fluctuation in foreign currency loss	67.60	17.11
Rent	242.71	216.14
Managing Director Remuneration	290.49	279.25
Printing & Stationery	54.55	51.66
Communication Expenses	106.87	91.23
Donation	79.81	-
Corporate Social Responsibility	95.69	119.06
Legal & Consultancy Expenses	340.07	343.61
Loss on Sale of Assets	7.80	1.28
Directors Sitting fees	26.90	17.19
Audit Fees & Expenses [see Note No.35]	30.98	31.02
Selling & Distribution Expenses		
Agency Commission	720.65	615.91
Advertisement Expenses	1,553.63	613.44
Bad and Doubtful Debts	44.46	131.71
Transportation and Handling Expenses	9,113.52	6,726.43
Miscellaneous Expenses	873.28	1,013.10
	<u>27,708.40</u>	<u>23,129.55</u>
Details of CSR expenditure are furnished in Annexure 6 of the Director's Report		
34. EXCEPTIONAL ITEMS	31-MAR-19	31-MAR-18
Profit on Sale of Assets	-	1,264.97
	<u>-</u>	<u>1,264.97</u>
During last year, land, buildings and plant & machinery at Kharagpur sold for ₹ 1,700 Lakhs.		
35. AUDIT FEES AND EXPENSES		
1. Statutory Auditors		
a. for statutory audit	14.33	13.67
b. for Taxation matters	4.45	2.82
c. for certification work and other related fee	1.15	2.50
d. for other fee and reimbursement of expenses	5.55	7.03
2. Cost Auditor:		
a. for Cost audit	2.50	2.50
3. Secretarial Auditor		
a. for Secretarial Audit	3.00	2.50
	<u>30.98</u>	<u>31.02</u>

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
36. INCOME TAX EXPENSES		
Reconciliation of Tax Expenses and Accounting Profit		
Accounting Profit before Income Tax	9,802.76	9,903.13
At India's statutory Income Tax Rate of 34.944% (2017-18: 34.608%)	3,425.48	3,427.28
Effects of		
Tax effects on differences between book depreciation and depreciations under the Income Tax act, 1961	(119.68)	(459.51)
Profit/ (Loss) on sale of Property, Plant & Equipment	0.54	(492.10)
Dividend from Foreign Company	(515.06)	(532.48)
Utilisation of previously unrecognised tax losses	(2,046.55)	(1,557.54)
Other non-deductible expenses (timing difference)	(513.87)	(385.65)
Other deductions claimed	(230.86)	-
Net Effective income tax under regular method (A)	-	-
B. 115BBD Tax working (Spl Rate of Tax)		
Dividend from Foreign Company -	1,473.96	1,538.59
Net effective income tax u/s 115BBD (B)	255.05	266.24
Income Tax Under MAT		
Accounting Profit before Income Tax	9,802.76	9,903.13
At India's statutory Income Tax Rate of 21.5488% (2018: 21.3416%) including interest	2,136.38	2,179.34
Adjustments as per Income Tax	(344.92)	(293.75)
Net effective income tax (C)	1,791.46	1,885.59
Tax applicable higher of (A and B) or C	1,791.46	1,885.59
Previous year tax adjustment	142.73	452.17
	1,934.19	2,337.76
Tax Amount for Srilankan Subsidiary	600.09	576.44
Total	2,534.28	2,914.20
Deferred Tax Recognised in the statement of Profit and Loss		
Tax effect on difference between book depreciation and depreciation under the Income Tax Act, 1961	18.83	879.98
Tax effect on Fair Value Measurement and other non deductible expenses	(6.44)	66.23
Tax effect on unabsorbed depreciation under Income Tax Act, 1961	2,047.00	967.51
Other non-deductible expenses	-	-
	2,059.39	1,913.72
Tax Amount for Srilankan Subsidiary	183.90	45.10
Total	2,243.29	1,958.82
MAT Credit		
Net effective income tax excluding interest	1,767.46	1,819.74
Income tax expenses under Regular Method	257.53	266.24
MAT Credit	(1,509.93)	(1,553.50)

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ In Lakhs

37.	Commitments	As at 31-3-2019	As at 31-3-2018
	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Capital Advances)	791.04	606.07

38.	Financial guarantees	As at 31-3-2019	As at 31-3-2018
	Guarantees given to banks to avail loan facilities by Related parties:		
	- Thanjavur Spinning Mill Limited	-	3,500.00
	- Sri Harini Textiles Limited	4,629.00	4,629.00

39. Disclosure of Interests in Subsidiary

Name of the entity	Place of Business / Country of Incorporation	Principal activities of Business
Sudharsanam Investments Limited	India	Investments in Securities
Sri Ramco Lanka (Private) Ltd (SRL)	Srilanka	Manufacturer of Building materials
Sri Ramco Roofing Lanka (Private) Ltd (SRRL)	Srilanka	Manufacturer of Building materials

Particular	Sudharsanam	SRL	SRRL
As at 31-03-2019			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-
As at 31-03-2018			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-

The Summarised separate financial information of subsidiary is as below

A. Sudharsanam Investments Limited

Balance Sheet	As at 31-03-2019	As at 31-03-2018
Non -Current Assets	1,286.25	1,286.25
Current assets	0.81	1.35
Total Assets	1,287.06	1,287.60
Non-current liabilities	411.57	461.93
Current liabilities	1.14	0.23
Total Liabilities	412.71	462.16
Total Equity	874.35	825.44
Profit and Loss		
Revenue	89.48	89.48
Profit for the year	48.91	48.10
Other comprehensive income	-	-
Total comprehensive income	48.91	48.10
Summarised Cash flow		
Cash flows from operating activities	(39.66)	(40.90)
Cash flows from investing activities	89.48	89.48
Cash flows from financing activities	(50.36)	(49.12)
Net Increase / (Decrease) in cash and cash equivalents	(0.54)	(0.54)

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

B. Sri Ramco Lanka (Private) Ltd

Balance Sheet	As at 31-03-2019	As at 31-03-2018
Non -Current Assets	5,690.16	5,808.00
Current assets	4,068.88	4,000.59
Total Assets	9,759.04	9,808.59
Non-current liabilities	196.11	191.13
Current liabilities	1,136.77	1,265.22
Total Liabilities	1,332.88	1,456.35
Total Equity	8,426.16	8,352.24
Profit and Loss	2018-19	2017-18
Revenue	9,041.36	8,602.36
Profit for the year	1,791.63	1,470.26
Other comprehensive income	-	-
Total comprehensive income	1,791.63	1,470.26
Summarised Cash flow		
Cash flows from operating activities	1,260.49	(293.41)
Cash flows from investing activities	915.33	322.48
Cash flows from financing activities	(1,404.97)	(1,541.93)
Net Increase / (Decrease) in cash and cash equivalents	770.85	(1,512.86)

C. Sri Ramco Roofing Lanka (Private) Ltd

Balance Sheet	As at 31-03-2019	As at 31-03-2018
Non -Current Assets	2,236.27	2,605.10
Current assets	5,530.31	5,614.47
Total Assets	7,766.58	8,219.57
Non-current liabilities	303.92	155.03
Current liabilities	848.99	799.27
Total Liabilities	1,152.91	954.30
Total Equity	6,613.67	7,265.27
Profit and Loss	2018-19	2017-18
Revenue	7,791.02	7,060.37
Profit for the year	931.69	1,115.11
Other comprehensive income	-	-
Total comprehensive income	931.69	1,115.11
Summarised Cash flow		
Cash flows from operating activities	2,042.66	690.80
Cash flows from investing activities	166.76	94.05
Cash flows from financing activities	(1,120.08)	(425.30)
Net Increase / (Decrease) in cash and cash equivalents	1,089.34	359.55

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

40 Disclosure of Interests in Associates under equity methods

Name of the Associates	Location	Principal activities of Business
Material Associates		
The Ramco Cements Limited (TRCL)	India	Manufacturer of Cements
Ramco Systems Limited (RSL)	India	Software development
Rajapalayam Mills Limited (RML)	India	Manufacturer of Cotton yarn
Immaterial Associates		
Madurai Trans Carrier limited (MTCL)	India	Aircraft charter service
Lynks Logistics Limited (LLL)	India	Goods transport service
Ramco Industrial and Technology Services Limited **	India	Manpower supply, Transportation of Goods by Road and Information Technology Services

Name of the Associates	% of ownership interest *	
	31-03-2019	31-03-2018
The Ramco Cements Limited	22.27	22.20
Ramco Systems Limited	17.87	17.90
Rajapalayam Mills Limited	1.73	1.73
Ramco Industrial and Technology Services Limited **	1.05	17.77
Madurai Trans Carrier Limited	17.17	17.17
Lynks Logistics Limited	0.37	0.46

* % of ownership represents only direct holding

** Previously known as Ontime Industrial Services Limited

Summarised financial information for Associates

The summarised consolidated financial statements of the material associates are as below:

₹ In Lakhs

Balance sheet	Non-current Assets	Investment in Associates	Current Assets	Non-current Liabilities	Current Liabilities	Total Equity
As at 31-03-2019						
The Ramco Cements Limited	6,59,129	23,199	1,38,051	1,59,454	2,06,755	4,54,170
Ramco Systems Limited	47,721	129	36,425	1,840	24,545	57,890
Rajapalayam Mills Limited	51,629	1,47,810	23,882	22,240	30,959	1,70,123
As at 31-03-2018						
The Ramco Cements Limited	5,65,696	20,064	1,30,042	1,19,331	1,85,643	4,10,828
Ramco Systems Limited	44,290	125	32,420	1,846	19,531	55,457
Rajapalayam Mills Limited	32,662	1,38,030	18,729	7,644	21,764	1,60,013

Note: The above financial information is appended to determine the share of interest in associates.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Profit and Loss	TRCL		RSL		RML	
	31-3-2019	31-3-2018	31-3-2019	31-3-2018	31-3-2019	31-3-2018
Total Revenue	5,18,730	4,61,643	55,180	47,894	42,841	43,589
Profit before tax	71,807	79,128	4,233	3,413	1,393	1,409
Tax expenses	21,061	23,106	2,546	2,270	164	(381)
Profit after tax	50,746	56,022	1,687	1,143	1,557	1,790
Share of Profit in Associate	326	354	4	14	8,891	9,649
OCI	(108)	(90)	610	(108)	(78)	26
TCI	50964	56,286	2,301	1,049	10,370	11,466

OCI: Other Comprehensive Income; TCI: Total Comprehensive Income.

Share of contingent liabilities in respect of associates

Name of the Associates	31-03-2019	31-03-2018
The Ramco Cements Limited	20,403.29	1,104.63
Ramco Systems Limited	278.16	746.37
Rajapalayam Mills Limited	14.69	835.50

Reconciliation to the carrying amount of investment in associates as on 31.03.2019

Profit & Loss	TRCL		RSL		RML	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Entity TCI	50,964	56,286	1,638	1,129	10,370	11,466
Entity Adjusted TCI	49,725	55,066	2,301	1,020	2,531	2,847
Effective Shareholding % *	22.51%	22.44%	21.83%	17.90%	1.81%	1.80%
Associates Share of Profit / OCI **	11,180	12,357	502	183	46	51
Less: Unrealised Profit on Inter company Transactions (net of tax)						
Amount recognised in P&L	11,180	12,357	502	183	46	51
Reconciliation						
Opening Carrying Cost	1,95,920	1,86,397	35,746	35,564	1,102	1,056
Less: Treasury Share Adjustment						
Add: Fair value of Corporate Guarantee Obligation given						
Add: Associates share of Profit / OCI	11,180	12,357	502	183	46	51
Acquisition during the year	1,000	-	-	-	-	-
Less: Sale / Reversal of OCI Share	-	1,265	-	-	-	-
Less: Dividend Received	1,569	1,569	-	-	5	5
Net Carrying Amount	2,06,531	1,95,920	36,249	35,746	1,143	1,102

* % of effective shareholding represents direct and indirect holding

** Share of profit for current year acquisition arrived at Pro Rata basis

Note:

- Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealised profits
- Effective shareholdings represent the aggregate of direct holding and indirect holding through fellow associates

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associates are furnished below:

Aggregate amounts of Group's share of:	31-03-2019	31-03-2018
Profit after Tax	(2,297.10)	(1,817.87)
Other Comprehensive Income	(5.19)	4.10
Total Comprehensive Income	(2,302.29)	(1,813.77)

41 Earnings per Share

Particulars	31-3-2019	31-3-2018
Net profit after tax (A)	17,235.05	17,602.28
Weighted average number of Equity shares after adjusting treasury shares (B) [In Lakhs]	835.41	835.58
Nominal value per equity share (in Rs)	1	1
Basic & Diluted Earnings per share (A)/(B) in ₹	20.63	21.07

Treasury shares of 31.22 Lakhs shares (Previous year 31.05 Lakhs shares) compiled based on holdings through fellow associate

42. Information on names of Related parties and nature of Relationship as required by Ind AS 24 on Related party disclosures for the year ended 31st March 2019:

(a) Associates

Name of the Company	Country of Incorporation	% of Shareholding as at *	
		31-03-2019	31-03-2018
The Ramco Cements Limited	India	22.27	22.20
Ramco Systems Limited	India	17.87	17.90
Rajapalayam Mills Limited	India	1.73	1.73
Ramco Industrial and Technology Services Limited **	India	1.05	17.77
Madurai Trans Carrier Limited	India	17.17	17.17
Lynks Logistics Limited	India	0.37	0.46

* % of ownership represent only direct holding

** Previously known as Ontime Industrial Services Limited

(b) Key Management Personnel (including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
P.R. Venketrana Raja	Chairman
P.V. Abinav Ramasubramaniam Raja	Managing Director
Prem G Shanker	Chief Executive Officer
K. Sankaranarayanan	Chief Financial Officer
S. Balamurugasundaram	Company Secretary & Legal Head
S.S. Ramachandra Raja	Non Executive and Non independent Director
K.T. Ramachandran	Independent Director
N.K. Shrikantan Raja	Non Executive and Non independent Director
R.S. Agarwal	Independent Director
V. Santhanaraman	Independent Director
Smt. Justice Chitra Venkataraman (Retd.)	Independent Director

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(c) Relative of Key Management Personnel

Name of the Relative of KMP	Relationship
P.V. Abinav Ramasubramaniam Raja	Son of P.R. Venketrama Raja
P.V. Nirmala	Wife of P.R. Venketrama Raja
R. Sudarsanam	Mother of P.R. Venketrama Raja
P.V. Srisandhya	Daughter of P.R. Venketrama Raja
Ramaraju	Son in Law of P.R. Venketrama Raja
Saradha Deepa	Sister of P.R. Venketrama Raja
Nalina Ramalakshmi	Sister of P.R. Venketrama Raja

(d) Companies over which KMP/Relatives of KMP exercise significant influence

Ramco Company	R. Sudarsanam & Co
Gowrihouse Metal Works	Gowri Shankar Screws
Timeous, USA	Lotus Knitting Mills
Sudarasana Farms Private Limited	Rajapalayam Farms Private Limited
Ramco Private Limited	Sri Sandhya Farms (India) Private Limited
Ramamandiram Agricultural Estate Private Limited	Nalina Agricultural Farms Private Limited
Sri Saradha Deepa Farms Private Limited	Sri Nithyalakshmi Farms Private Limited
Nirmala Shankar Farms & Estates Private Limited	Ram Sandhya Farms Private Limited
RCDC Securities and Investments Private Limited	Ramco Management Private Limited
Ramco Agencies Private Limited	Barafoot Dance Company Private Limited
Sound Investment & Leasing Private Limited	Satmala Agro-Farms Private Limited
Bharani Bio-Tech Private Limited	Parimala Chemicals Private Limited
Pranahita Power Generation Private Limited	Barefoot Media & Entertainment Private Limited
The Ramco Cements Limited	Rajapalayam Mills Ltd
Ramaraju Surgical Cotton Mills Ltd	Sri Vishnu Shankar Mills Ltd
Sandhya Spinning Mill Ltd	Rajapalayam Textile Ltd
Ramco Systems Limited	Lynks Logistics Limited
Vinvent Chemilab Private Limited	JKR Enterprise Limited
Shri Harini Media Limited	

(e) Employee Benefit Funds where control exists

Ramco Industries Limited Officers' Superannuation Fund
Ramco Industries Limited Employees' Gratuity Fund

(f) Other entities over which there is a significant influence

Smt. Lingammal Ramaraju Shastra Prathishta Trust	The Ramco Cements Limited Educational and Charitable Trust
PACR Sethurammammal Charity Trust	PACR Sethurammammal Charities
Ramco Welfare Trust	PAC Ramasamy Raja Education Charity Trust
Raja Charity Trust	Rajapalayam Rotary Trust
Sri Abhinava Vidhyatheertha Seva Trust	Ramco Debate And Research Educational And Charitable Trust
Sastra Prakasika Trust	PAC Ramasamy Raja Centenary Trust
Thangavilas Estate	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

43. Disclosure in respect of Related Party Transactions (excluding Reimbursements) during the year and outstanding balances including commitments as at the reporting date:

a. Transactions during the year

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
1	Sale of Goods		
	Associates		
	The Ramco Cements Limited	30.47	7.36
	Rajapalayam Mills Limited	458.96	175.80
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	589.57	698.88
	Ramaraju Surgical Cotton Mills Limited	43.17	56.82
	Sri Vishnu Shankar Mills Limited	753.63	596.17
	Sandhya Spinning Mill Limited	501.99	375.04
	Sri Harini Textiles Limited	179.70	64.77
	Thanjavur Spinning Mill Limited	0.09	37.47
	JKR Enterprise Limited	-	3.76
	Other entities over which there is a significant influence		
	P A C Ramasamy Raja Education Charity Trust	-	0.92
	PACR Sethurammam Charity Trust	-	0.31
	Total	2,557.58	2,017.30
2	Sale of Goods - Cement		
	Associates		
	The Ramco Cements Limited	-	3,672.05
	Total	-	3,672.05
3	Sale of asset of Cement Grinding Plant in Kharagpur		
	Associates		
	The Ramco Cements Limited	-	2,113.05
Total	-	2,113.05	
4	Purchase of Goods - Clinker		
	Associates		
	The Ramco Cements Limited	-	1,607.67
	Total	-	1,607.67
5	Purchase of Goods-Flyash		
	Associates		
	The Ramco Cements Limited	-	37.12
	Total	-	37.12

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NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
6	Purchase of Goods		
	Associates		
	The Ramco Cements Limited	1,507.81	1,000.63
	Rajapalayam Mills Limited	721.41	649.44
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Ramaraju Surgical Cotton Mills Limited	201.00	59.36
	Sri Vishnu Shankar Mills Limited	1,641.36	903.70
	Sandhya Spinning Mill Limited	953.32	603.31
	Rajapalayam Textile limited	0.02	63.32
	Thanjavur Spinning Mill Limited	2.30	11.60
	Vincent Chemilab Private Limited	74.21	49.01
	Other entities over which there is a significant influence		
	PACR Sethurammam Charity Trust	25.02	20.88
	Total	5,126.45	3,361.25
7	Receiving of Services		
	Associates		
	Rajapalayam Mills Limited	24.46	4.42
	Ramco Windfarms Limited	-	176.40
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mills Limited	5.24	-
	Sandhya Spinning Mill Limited	-	0.95
	Ramaraju Surgical Cotton Mills Limited	2.47	-
	Other entities over which there is a significant influence		
	Raja Charity Trust	720.65	615.91
Total	752.82	797.68	
8	Services Rendered		
	Associates		
	Rajapalayam Mills Limited	36.84	104.56
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	4.78	-
	Ramaraju Surgical Cotton Mills Limited	1.00	3.55
	Sandhya Spinning Mill Limited	1.68	2.16
	Sri Vishnu Shankar Mills Limited	16.85	0.38
	Total	61.15	110.65
9	Receiving of Services - Software Related Services		
	Associates		
	Ramco Systems Limited	473.86	292.47
	Total	473.86	292.47
10	Receiving of Services - Advertisement		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	4.87	4.73
Total	4.87	4.73	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
11	Rendering of Services - Manpower Supply		
	Other entities over which there is a significant influence		
	Raja Charity Trust	211.44	180.90
	Total	211.44	180.90
12	Leasing Arrangements - Rent Received		
	Associates		
	The Ramco Cements Limited	7.79	0.69
	Other entities over which there is a significant influence		
	Sri Abhinava Vidhyatheertha Seva Trust	0.03	0.03
Total	7.82	0.72	
13	Leasing Arrangement - Rent Received		
	Associates		
	Rajapalayam Mills Limited.	0.27	-
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mills Limited	0.02	-
	Sandhya Spinning Mill Limited	0.54	-
	Total	0.83	-
14	Leasing Arrangement - Rent & Amenties Paid		
	Associates		
	The Ramco Cements Limited	12.22	-
Total	12.22	-	
15	Leasing Arrangement - Rent Advance Paid		
	Associates		
	The Ramco Cements Limited	8.40	-
Total	8.40	-	
16	Share of Expenses - Receipts		
	The Ramco Cements Limited	9.26	-
	Total	9.26	-
17	Dividend received		
	Associates		
	The Ramco Cements Limited	1,568.85	1,568.85
	Rajapalayam Mills Limited	5.09	5.09
Total	1,573.94	1,573.94	
18	Dividend Paid		
	Associates		
	The Ramco Cements Limited	66.86	66.86
	Rajapalayam Mills Limited	39.60	39.60
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Ramaraju Surgical Cotton Mills Limited	0.68	0.68
	Key Management Personnel		
	P.R. Venketrana Raja, Chairman	31.10	31.10
	P.V.Abinav Ramasubramaniam Raja, Managing Director	0.20	0.20
	Prem G shanker	0.05	0.05
Total	138.49	138.49	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-03-2019	31-03-2018
19	Remuneration to Key Management Personnel (Other than Sitting Fees)		
	P.R. Venketrama Raja, Chairman	-	72.68
	P.V.Abinav Ramasubramaniam Raja, Managing Director	290.49	206.57
	Prem G Shanker, Chief Executive Officer	211.93	172.35
	K. Sankaranarayanan, Chief Financial Officer	63.90	58.48
	S. Balamurugasundaram, Company Secretary & Legal Head	28.11	25.04
	Total	594.43	535.12
20	Directors' Sitting Fees		
	Key Management Personnel		
	P.R. Venketrama Raja, Chairman	4.35	2.25
	P.V. Abinav Ramasubramaniam Raja	2.25	1.00
	S.S. Ramachandra Raja	2.00	1.25
	N.K. Shrikantan Raja	3.30	2.00
	K.T. Ramachandran	3.60	2.00
	R.S. Agarwal	4.75	3.50
	V. Santhanarman	2.40	1.50
	Smt. Justice Chitra Venkataraman (Retd.)	4.25	2.75
	Total	26.90	16.25
21	Investment in Equity shares during the year		
	Associates		
	Ramco Windfarms Limited	-	0.75
Total	-	0.75	
22	Sale of Share during the year		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Sri Vishnu Shankar Mills Limited	-	3.40
Total	-	3.40	
23	Contribution to Superannuation Fund / Gratuity Fund		
	Employee Benefit Funds where Control Exists		
	Ramco Industries Limited Officers' Superannuation Fund	31.18	29.57
	Ramco Industries Limited Employees' Gratuity Fund	160.95	45.71
Total	192.13	75.28	

b. Outstanding balances including commitments

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2019	31-03-2018
1	Trade Receivables		
	Associates		
	The Ramco Cements Ltd.	0.37	-
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Vinvent Chemilab Private Limited	-	4.76
Total	0.37	4.76	

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-03-2019	31-03-2018
2	Payables		
	Other entities over which there is a significant influence		
	Raja Charity Trust	4.87	39.25
	Total	4.87	39.25
3	Other Financial Liabilities		
	Associates		
	The Ramco Cement Limited	5.43	0.29
	Total	5.43	0.29
4	Corporate Guarantees given to lenders of Related parties		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Thanjavur Spinning Mill Limited	-	3,500.00
	Sri Harini Textiles Limited	4,629.00	4,629.00
	Total	4,629.00	8,129.00

Note: The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash or through provision of goods / services, in case of unadjusted advances.

Disclosure of Key Management Personnel compensation in total and for each of the following categories:

Particulars	31-3-2019	31-3-2018
Short - Term Benefits (1)		
Defined Contribution Plan (2)	596.68	538.37
Defined Benefit Plan / Other Long-term benefits(3)		
Total	596.68	538.37

1. It includes bonus, sitting fees, and value of perquisites.
2. It includes contribution to Provident fund and Superannuation fund
3. As the liability for gratuity and compensated absences are provided on actuarial basis for the Company as a whole, amounts accrued pertaining to key managerial personnel are not included above.

44. **Disclosure of Fair value measurements**

The fair values of financial assets and liabilities are determined at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial instruments approximate their carrying amounts largely due to their short term maturities of these instruments.

Financial Instruments by category

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-3-2019					
Financial Assets					
Other Investments	3,415.92	-4.61	279.15	3,690.46	3,690.46
Loans and Advances	411.57	-	-		
Trade Receivables	9,324.64	-	-	9,324.64	9,324.64
Cash and Bank Balances	989.48	-	-	989.48	989.48
Other Financial Assets	899.59	-	-	899.59	899.59
Financial Liabilities					
Borrowings	18,742.31	-	-	18,742.31	18,742.31
Trade Payables	3,907.45	-	-	3,907.45	3,907.45
Other Financial Liabilities	9,602.24	-	-	9,602.24	9,602.24

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-3-2018					
Financial Assets					
Other Investments	2,807.83	4.20	604.41	3416.44	3416.44
Loans and Advances	-	-	-	-	-
Trade Receivables	8,950.98	-	-	8,950.98	8,950.98
Cash and Bank Balances	4,366.47	-	-	4,366.47	4,366.47
Other Financial Assets	780.30	-	-	780.30	780.30
Financial Liabilities					
Borrowings	21,253.70	-	-	21,253.70	21,253.70
Trade Payables	4,924.74	-	-	4,924.74	4,924.74
Other Financial Liabilities	8,524.52	-	-	8,524.52	8,524.52

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : Quoted (Unadjusted) prices in active markets for identical assets or liabilities

Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The details of financial instruments that are measured at fair value on recurring basis are given below:

Particulars	Level 1	Level 2	Level 3	Total
Financial Instruments at FVTOCI				
Investments in listed equity securities				
As at 31-3-2019	279.15	-	-	279.15
As at 31-3-2018	604.41	-	-	604.41
Actuarial Values				
As at 31-3-2019			(60.60)	(60.60)
As at 31-3-2018	-	-	67.99	67.99
Financial Instruments at FVTPL				
Investment in mutual funds				
As at 31-3-2019	(4.71)			(4.71)
As at 31-3-2018	4.19	-	-	4.19
Foreign exchange forward contracts				
As at 31-3-2019		17.97		17.97
As at 31-3-2018	-	16.14	-	16.14

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

Valuation techniques used to determine the fair value

The significant inputs used in the fair value measurement categorized within the fair value hierarchy are given below:

Nature of Financial Instrument	Valuation Technique	Remarks
Investment in Listed securities / Mutual Funds	Market Value	Closing Price as at 31 st March in Stock Exchange
Investment in Unlisted securities	Adjusted Net Assets	Net Assets plus Cost Savings in operations of business based on Discounted cash flow method
Foreign exchange forward contracts	Mark to Market	Based on MTM valuations provided by the Banker
Financial Guarantee Obligation	Differential Interest Rate	Interest rates quote have been obtained from the Banker

45. Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Company. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Company's activities. The Company through its training and management standards and procedures develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the risk management framework. The Audit committee is assisted in the oversight role by Internal Audit. Internal Audit undertakes reviews of the risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has the following financial risks:

Categories of Risk	Nature of Risk
Credit Risk	Receivables
	Financial Instruments and Cash deposits
Liquidity Risk	Fund Management
Market Risk	Foreign Currency Risk
	Cash flow and fair value interest rate risk

The Board of Directors regularly reviews these risks and approves the risk management policies, which covers the management of these risks:

Credit Risk

Credit Risk is the risk of financial loss to the Company if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Company's receivables, treasury operations and other operations that are in the nature of lease.

Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Company extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Company evaluates the concentration of the risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. The Company maintains adequate security deposits from its customers in case of wholesale and retail segment. The exposures with the Government are generally unsecured but they are considered as good. However, unsecured credits are extended based on creditworthiness of the customers on case to case basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company and where there is a probability of default, the company creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

As at 31-3-2019	RIL	SRL	TOTAL
Gross carrying amount	9,366.43	916.81	10,283.24
Expected Loss Rate	4.76%	41.11%	8.00%
Expected Credit Losses	446.10	376.87	822.97
Carrying amount of trade receivables net of impairment	8,920.33	539.94	9,460.27

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

₹ in Lakhs

As at 31-3-2018	RIL	SRL	TOTAL
Gross carrying amount	8,777.53	975.55	9,753.08
Expected Loss Rate	4.87%	38.41%	8.22%
Expected Credit Losses	427.43	374.67	802.10
Carrying amount of trade receivables net of impairment	8,350.10	600.88	8,950.98

Financial Instruments and Cash deposits

Investments of surplus funds are made only with the approved counterparties. The Company is presently exposed to counter party risk relating to short term and medium term deposits placed with banks, and also investments made in mutual funds. The Company places its cash equivalents based on the creditworthiness of the financial institutions.

Liquidity Risk

Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Company has laid well defined policies and procedures facilitated by robust information system for timely and qualitative decision making by the management including its day to day operations.

Financial arrangements

The Company has access to the following undrawn borrowing facilities:

Particulars	31-03-2019	31-03-2018
Expiring within one year		
Bank Overdraft and other facilities	46,223.00	36,549.97
Term Loans	-	2,063.00
Expiring beyond year		
Term Loans	-	-

Maturities of Financial Liabilities

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-3-2019				
Borrowings from Banks	16,181.39	2,560.92	-	18,742.31
Trade payables	4,822.68	-	-	4,822.68
Security Deposits payable	3,094.33	-	-	3,094.33
Other Financial Liabilities (Incl. Interest)	9,741.85	-	-	9,741.85
As at 31-3-2018				
Borrowings from Banks	15,683.27	5,576.45	-	21,259.72
Trade payables	4,932.69	-	-	4,932.69
Security Deposits payable	2,808.97	-	-	2,808.97
Other Financial Liabilities	8,524.52	-	-	8,524.52

Foreign Currency Risk

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of raw material, capital goods and spares, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Company has following policies to mitigate this risk:

Decisions regarding borrowing in Foreign Currency and hedging thereof, (both interest and exchange rate risk) and the quantum of coverage is driven by the necessity to keep the cost comparable. Foreign Currency loans, imports and exports transactions are hedged by way of forward contract after taking into consideration the anticipated Foreign exchange inflows/ outflows, timing of cash flows, tenure of the forward contract and prevailing Foreign exchange market conditions.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

The Company's exposure to foreign currency risk (un-hedged) as detailed below:

Currency	Trade Payables	Trade and other Receivables	Balance with Banks	Foreign Currency Loan
USD in Millions				
As at 31-3-2019	1.60	2.73	0.03	0.92
As at 31-3-2018	2.97	0.63	0.05	1.99

Risk sensitivity on foreign currency fluctuation

Foreign Currency	31-3-2019		31-3-2018	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	36.54	36.54	27.19	(-)27.19
LKR	-	-	3.93	(-)3.93

Cash flow and fair value interest rate risk

Interest rate risk arises from long term borrowings with variable rates which exposed the company to cash flow interest rate risk. The Company's fixed rate borrowing are carried at amortized cost and therefore are not subject to interest rate risk as defined in Ind AS 107 since neither the carrying amount nor the future cash flows will fluctuate because of the change in market interest rates. The Company is exposed to the evolution of interest rates and credit markets for its future refinancing, which may result in a lower or higher cost of financing, which is mainly addressed through the management of the fixed/ floating ratio of financial liabilities. The Company constantly monitors credit markets to strategize a well-balanced maturity profile in order to reduce both the risk of refinancing and large fluctuations of its financing cost. The Company believes that it can source funds for both short term and long term at a competitive rate considering its strong fundamentals on its financial position.

Interest rate risk exposure

₹ in Lakhs

Particulars	31-3-2019	31-3-2018
Variable rate borrowings	13,171.87	13,003.28
Fixed rate borrowings	5,570.44	8,250.44

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation

Total Interest Cost works out to	31-3-2019	31-3-2018
1% Increase in Interest Rate	1,330.30	2,317.83
1% Decrease in Interest Rate	1,049.17	1,921.56

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

46. Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholders' wealth.

The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus Debt.

₹ in Lakhs

Particulars	31-03-2019	31-03-2018
Long Term Borrowings	2,560.92	5,570.44
Current maturities of Long term borrowings	3,009.52	2,679.99
Short Term Borrowings	13,171.87	13,003.27
Less: Cash and Cash Equivalents	-6,351.51	-4,366.47
Net Debt (A)	12,390.80	16,887.23
Equity Share Capital	866.63	866.63
Other Equity	3,04,350.51	2,87,771.85
Total Equity (B)	3,05,217.14	2,88,638.48
Total Capital Employed (C) = (A) + (B)	3,17,607.94	3,05,525.71
Capital Gearing Ratio (A) / (C)	3.90%	5.53%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans/borrowing. The Company has been consistently focusing on reduction in long term borrowings. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2019 and 31-03-2018.

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

47. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in Lakhs

As required under Ind (AS 17), the Segmentwise Revenue, Results and Capital employed are furnished below:-

Particulars	Building Products		Textiles		Windmill		Others		Total	
	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018	Year Ended 31.3.2019	Year Ended 31.3.2018
1. Revenue/Income from operations										
External Customers	88,567.76	83,811.65	14,921.77	11,853.55	1,630.07	1,852.54	1,540.23	1,494.34	1,06,659.83	99,012.08
Inter-segment	-	-	-	-	(3,010.28)	(3,129.17)			(3,010.28)	(3,129.17)
Total Revenue	88,567.76	83,811.65	14,921.77	11,853.55	(1,380.21)	(1,276.63)	1,540.23	1,494.34	1,03,649.55	95,882.91
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	6,710.92	5,737.39	544.21	799.16	1,082.71	1,331.58	12,368.37	12,951.75	20,706.21	20,819.89
Interest expenses									1,510.56	2,165.54
Interest Income/ Dividend income									1,615.68	1,612.84
Income Tax - Current (MAT)									2,534.28	2,914.20
- Deferred									2,243.29	1,958.82
- MAT credit entitlement									(1,509.93)	(1,553.50)
Profit from Ordinary activities									17,543.69	16,947.67
Exceptional items									-	1,264.97
Net Profit									17,543.69	18,212.64
3. Other Information:										
Segment Assets	70,295.91	66,579.01	13,708.13	14,008.14	1,653.28	1,774.35	2,64,954.36	2,49,172.57	3,50,611.68	3,31,534.07
Unallocated corporate assets										
Total Assets	70,295.91	66,579.01	13,708.13	14,008.14	1,653.28	1,774.35	2,64,954.36	2,49,172.57	3,50,611.68	3,31,534.07
Segment Liabilities	12,719.27	14,613.04	1,458.53	2,557.88	132.66	126.27	31,084.09	25,687.88	45,394.55	42,985.07
Unallocated corporate liabilities										
Total Liabilities	12,719.27	14,613.04	1,458.53	2,557.88	132.66	126.27	31,084.09	25,687.88	45,394.55	42,985.07
Capital Expenditure	3,034.82	2,655.06	182.67	469.47	-	-	1,706.54	181.37	4,924.03	3,305.90
Depreciation	2,467.26	2,289.49	365.51	383.61	115.84	114.23	0.54	2.87	2,949.15	2,790.20

Non - cash expenses other than depreciation
Segmental Assets includes Tax Assets

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

48. The previous period figures have been re-grouped / restated wherever considered necessary.

As per our Report Annexed

For M/s. SRSV & Associates
Chartered Accountants
Firm Registration No.: 015041S
G. CHELLA KRISHNA
Partner
Membership No.: 210474
Place : Chennai
Date : 23th May, 2019

For M/s. Ramakrishna Raja and Co.,
Chartered Accountants
Firm Registration No.: 005333S
C. KESAVAN
Partner
Membership No.227833

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Chairman
P.V. ABINAV RAMASUBRAMANIAM RAJA
Managing Director
PREM.G.SHANKER
Chief Executive Officer
K. SANKARANARAYANAN
Chief Financial Officer
S. BALAMURUGASUNDARAM
Company Secretary & Legal Head

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PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

RAMCO INDUSTRIES LIMITED

(CIN:L26943TN1965PLC005297)

Regd. Office: 47, P.S.K. Nagar, Rajapalayam - 626 108, Tamil Nadu.

Name of the Member(s) :

Registered address :

E-mail ID :

Folio No/DP ID - Client ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name : Address :

E-mail Id : Signature :, or failing him

2. Name : Address :

E-mail Id : Signature :, or failing him

3. Name : Address :

E-mail Id : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General Meeting of the company, to be held on Thursday the 8th August 2019 at 11.00 AM at P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108, Tamil Nadu and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions
Ordinary Business - Ordinary Resolutions	
1	Annual Accounts for the year ended 31 st March 2019
2	Declaration of dividend for the year 2018-2019
3	Reappointment of Shri N K Shrikantan Raja, as Director

Please see overleaf for Special Business - Special / Ordinary Resolutions

RAMCO INDUSTRIES LIMITED

(CIN:L26943TN1965PLC005297)

Regd. Office: 47, P.S.K. Nagar, Rajapalayam - 626 108, Tamil Nadu.

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I/We hereby record my/our presence at the 54th Annual General Meeting of the Company.

Venue : P.A.C.R.Centenary Community Hall, Sudarsan Gardens, P.A.C.Ramasamy Raja Salai, Rajapalayam - 626 108

Date & Time : Thursday, the 8th August 2019 at 11:00 AM

Name of the Member _____ Folio No/DP ID - Client ID _____

Name of the Proxy* _____ Signature of Member/Proxy Attending _____

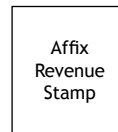
*(To be filled in, if the proxy attends instead of the Member)

Special Business - Special Resolutions	
4	Reappointment of Shri V Santhanaraman as an Independent Director
5	Reappointment of Smt. Justice Chitra Venkataraman (Retd.) as an Independent Director
6	Issue of Secured Non-Convertible Debentures
Special Business - Ordinary Resolution	
7	Remuneration payable to Cost Auditors for the year 2019-20

Signed this day of 2019

Signature of Shareholder

Signature of Proxy holder(s)



Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

 **HILUX**
CALCIUM SILICATE BOARD

4in1
ADVANTAGE



THE ONLY BOARD WITH *
4
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FIRE RATING

WATER
RESISTANT

ZERO
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Walls. Partitions. Ceilings