

Ramco Industries Limited

ANNUAL REPORT 2016 - 2017



RAMCO HILUX
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FHI 6988 - 2017



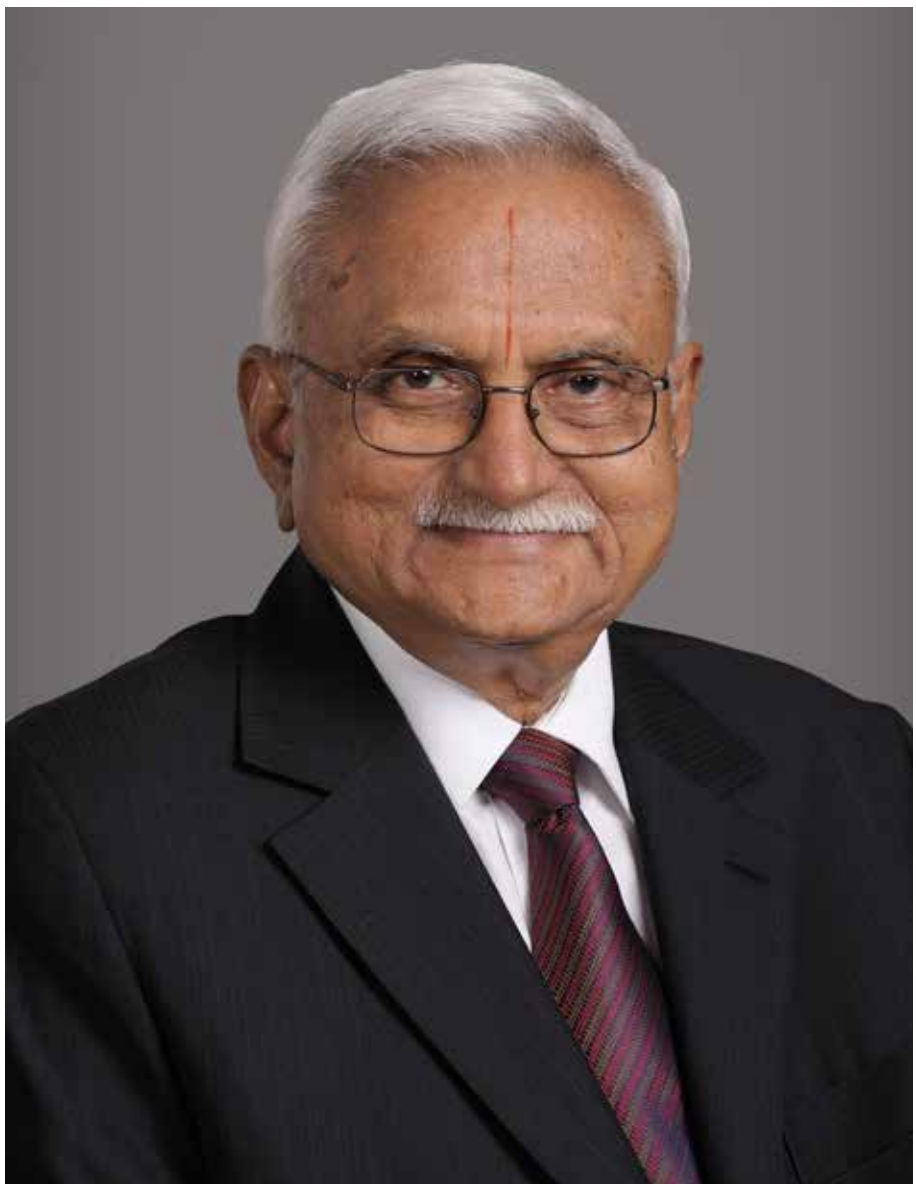
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RAMCO HICEM FLEXO
Fibre Cement Board

FHI 6989 - 2017

Our Beloved Chairman



SHRI. P.R. RAMASUBRAHMANEYA RAJHA

4.7.1935 - 11.5.2017

Board of Directors

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

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

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

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

Shri K.T. Ramachandran, B.E.

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

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

Shri V. Santhanaraman, B.Com., CAIIB

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

Chief Executive Officer
Shri Prem G Shanker

Chief Financial Officer
Shri K. Sankaranarayanan

Secretary
Shri S. Balamurugasundaram

Registered Office
47, P.S.K. Nagar
RAJAPALAYAM - 626 108, Tamil Nadu

Corporate Office
"Auras Corporate Centre", VI Floor
98-A, Dr. Radhakrishnan Road
Mylapore, CHENNAI - 600 004
Tamil Nadu
CIN No. L26943TN1965PLC005297

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

FACTORIES

I. Building Products Division
Arakkonam, Tamil Nadu
Bihiya, Bihar
Gangaikondan, Tamil Nadu
Karur, Karnataka
Kharagpur, West Bengal
Kotputli, Rajasthan
Maksi, Madhya Pradesh
Sinugra, Gujarat
Silvassa, Union Territory of Dadra & Nagar Haveli
Vijayawada, Andhra Pradesh

II. Textile Division (Cotton Yarn)
Sri Ramco Spinners, Rajapalayam, Tamil Nadu

Subsidiary Companies
Sudharsanam Investments Limited, India
Sri Ramco Lanka (Private) Limited, Sri Lanka
Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka

Bankers
HDFC Bank Limited
Axis Bank Limited
IDBI Bank Limited
Kotak Mahindra Bank Limited
Tamilnad Mercantile Bank Limited
Yes Bank Limited
ICICI Bank Limited
The Federal Bank Limited

Auditors
M/s. M.S. Jagannathan & N. Krishnaswami
Chartered Accountants
Unit - 5, Ground Floor, Abirami Apartments,
No.14, V.O.C. Road, Cantonment,
TIRUCHIRAPALLI - 620 001, Tamil Nadu

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

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

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

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₹ in lakhs

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

* NSE Quotations
** High & Low prices during the year ended 31st March at NSE.
@ Based on the market price as on 31st March at NSE.
# From 2009-10, Figures relating to Shares are after Stock-Split(F.V. of each Share: ₹1/-w.e.f 16-09-2009) and 1:1 Bonus Issue. Figures have been regrouped for comparison purposes

NOTICE TO THE MEMBERS

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

ORDINARY BUSINESS :

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

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

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

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

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

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

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

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

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

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

SPECIAL BUSINESS :

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By Order of the Board,

For RAMCO INDUSTRIES LIMITED,

P.R. VENKETRAMA RAJA

CHAIRMAN

Place : Rajapalayam
Date : 04-06-2017

NOTES :

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning the each item of Special Business is annexed hereto.
2. **A member entitled to attend at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and that the Proxy need not be a Member.**
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. Proxy Form is enclosed. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable. Attendance slip is attached. Members, Proxies and authorised representatives are requested to bring the duly filled in and signed, attendance slips to the meeting.
4. The Cut-off date will be 28th July, 2017 for determining the eligibility to vote by remote e-voting or in the General Meeting.
5. Under the provisions of Sections 205A(5) and 205 C of the Companies Act, 1956 and the corresponding applicable provisions of the Companies Act, 2013, the Company has transferred the unclaimed/unpaid dividends lying with the Company for a period of over 7 years to the Investor Education & Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education & Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unclaimed/unpaid dividends lying with the Company on the website of the Company (www.ramcoindltd.com), also on the website of Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to IEPF of the Central Government. Hence, the members who have not claimed their dividend relating to the earlier years may write to the Company for claiming the amount before it is so transferred to the Fund. The details of due dates for transfer of such unclaimed dividend to the said Fund are:

FINANCIAL YEAR ENDED	DATE OF DECLARATION OF DIVIDEND	LAST DATE FOR CLAIMING UNPAID DIVIDEND	DUE DATE FOR TRANSFER TO IEP FUND
31-03-2010 Final Dividend	02-08-2010	01-08-2017	31-08-2017
31-03-2011 Interim Dividend Final Dividend	25-10-2010 10-08-2011	24-10-2017 09-08-2018	23-11-2017 07-09-2018
31-03-2012 Interim Dividend	21-03-2012	20-03-2019	18-04-2019
Final Dividend	02-08-2012	01-08-2019	30-08-2019
31-03-2013 Interim Dividend	13-02-2013	12-02-2020	12-03-2020
Final Dividend	29-07-2013	28-07-2020	26-08-2020
31-03-2014 Dividend	28-07-2014	27-07-2021	25-08-2021
31-03-2015 Dividend	23-09-2015	22-09-2022	20-10-2022
31-03-2016 Dividend	11-03-2016	10-03-2016	08-04-2023

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

7. Electronic copy of the Notice for the Annual General Meeting and the Annual Report for 2016-17 are being sent to all the members whose E-Mail IDs are registered with the Company/Depository Participant(s). Physical copy of the Notice together with the Annual Report are being sent in permitted mode, to members for whom the E-Mail IDs are not available and who have requested for physical copies. The Notice and the Annual Report are also available on the Company's Website – www.ramcoindltd.com for their download.

8. Under Rule 18 of Companies (Management and Administration) Rules, 2014, Members, those who have not got their E-Mail IDs recorded are requested to register their E-Mail address and changes therein with the Company in respect of physical shares and with Depository Participants with respect to dematerialised shares. Members are also requested to provide their Unique Identification Number and PAN (CIN in the case of Corporate Members) to the Registrar and Share Transfer Agent/ Depository Participants.

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

10. Voting through electronic means

    I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing members remote e-voting facility to exercise their right to vote at the 52nd Annual General Meeting (AGM) and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

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

The Instructions for e-voting are as under:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Select the "RAMCO INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"

(iv) Enter your User ID - For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(v) Password : If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below.

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

(vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Set Password' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password may also be used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

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

(ix) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

(xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

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

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

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

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

be created using the admin login and password. The compliance user would be able to link the account(s) 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 Tuesday the 1st August, 2017 to 5.00 P.M on Thursday the 3rd August, 2017. During the period, the members of the company, holding shares either in physical form or in dematerialised form, as on the cut-off-date viz. Friday the 28th July 2017, may opt for remote e-voting. Voting shall not be allowed beyond 5.00 P.M on 3rd August, 2017.

(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 28-07-2017.

V. Shri.K.Srinivasan, Chartered Accountant (Membership No:21510), Partner, M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants has been appointed as the Scrutinizer to scrutinize 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 polling paper 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 : Rajapalayam
Date : 04-06-2017

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 5 & 6

Shri P.V. Abinav Ramasubramaniam Raja, Director, 23 years, has completed the graduation – Bachelor of Science in Industrial Engineering from Northwestern University Evanston, USA and had undergone internship in Enam Holdings Pvt. Ltd., Mumbai as Equity Research Analyst and in The Ramco Cements Limited, Chennai as Summer Analyst.

He was appointed as Business Development Associate by the Company on 5.08.2015. Considering his qualification, positive attributes and valuable contributions from him during the period, the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, at its Meeting held on 4.6.2017 had appointed Shri P.V. Abinav Ramasubramaniam Raja (DIN 07273249) as an Additional Director of the Company. In terms of Section 161(1) of the Companies Act, 2013 read with Article 92 of the Articles of Association of the Company, Shri. P.V. Abinav Ramasubramaniam Raja holds office as an Additional Director upto the date of the forthcoming Annual General Meeting.

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 alongwith the amount of requisite deposit from a member signifying his intention to propose the appointment of Shri. P.V. Abinav Ramasubramaniam Raja as a Director.

To accelerate the growth of the Company, Shri. P.V. Abinav Ramasubramaniam Raja (DIN 07273249) was also appointed as the Managing Director (Key Managerial Personnel) of the Company by the Board of Directors at their meeting held on 4.06.2017, subject to the approval of the Members at the 52nd Annual General Meeting, for a period of 5 years from 4.06.2017 to 3.06.2022 in accordance with the provisions of Section 152 read with Schedule V and other applicable provisions of the Companies Act,2013. As per Regulation 17 of the Articles of the Association of the Company by virtue of his appointment as Managing Director he is not liable to retire by rotation.

Terms of Remuneration :

i. When the Company is having profit:

5% of the net profits of the Company or RSL, whichever is higher, calculated as per Section 197(1) read with Section 198 of the Companies Act, 2013.

ii. When the Company is having no profit or inadequate profit :

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

In addition, he shall also be eligible for the following perquisites:

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

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

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

iii. Subject to the overall limits of (i) and (ii) above, he shall be paid a remuneration of ₹ 18 lakhs per month as Salary and Allowances, excluding perquisites.

iv. COMMISSION:

Such Commission, which together with the above said Salaries/allowances and value of perquisites paid both by Ramco Industries Limited and Ramco Systems Limited, shall not exceed 5% of the Profits of either Ramco Industries Limited or the Profits of Ramco Systems Limited, whichever is higher.

- in addition to the above remuneration, he would also be eligible for any fee paid for attending Meetings of the Board or Committee thereof or for any other purpose, whatsoever as may be decided by the Board as provided in Section 197(5) of the Companies Act, 2013.
- as per Schedule V of the Companies Act, 2013, in the event the company has no profits or its profits are inadequate, in any financial year during the currency of his tenure, the upper limit for remuneration payable to the Managing Director could be doubled, if the resolution passed by the Shareholders is a Special Resolution and the minimum remuneration approved is for a period not exceeding 3 such financial years.
- since the appointment and the remuneration proposed fulfilled the conditions stipulated in Schedule V of the Companies Act, 2013 and hence approval of Government of India was not required.

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

Consequent to the appointment as Managing Director, Mr.P.V.Abinav Ramasubramaniam Raja had relinquished the post of Business Development Associate from the Closing hours of 3.06.2017.

Shri. P.V. Abinav Ramasubramaniam Raja is a Director in the following Companies:

1.	Ramco Industries Limited
2.	Ramco Systems Limited
3.	Rajapalayam Mills Limited
4.	LYNKS Logistics Limited

Shri. P.V. Abinav Ramasubramaniam Raja is not a Member in committees of the Board of the above said Companies. He holds 40,000 equity shares in the company.

Considering the responsibilities to be undertaken by Shri.P.V. Abinav Ramasubramaniam Raja and his suitability, the Directors recommend the special resolution for Member's approval.

None of the Directors and Key Managerial Personnel except Shri P.V. Abinav Ramasubramaniam Raja as appointee and Shri P.R.Venketrama Raja as a relative may be deemed to be concerned or interested in the Resolution.

I. General Information:

1	Nature of Industry		Building Products and Textiles	
2	Date of Commencement of Business		27.01.1965	
3	Financial performance based on given indicators			
	Year	Turnover - ₹ in crores	Net Profit - ₹ in crores	Dividend per share - in ₹
	2015-16	785.02	33.33	0.50
	2014-15	760.95	20.93	0.30
	2013-14	692.04	(6.00)	0.25
4	Foreign investments or collaborations, if any		Investments made in 2 Subsidiaries in Srilanka viz. Sri Ramco Lanka (Pvt.) Ltd., and Sri Ramco Roofings Lanka (Pvt.) Ltd.	

II. Information about the appointee:

1.	Background Details	Shri P.V. Abinav Ramasubramaniam Raja is a Promoter and has been working as BUSINESS DEVELOPMENT ASSOCIATE of the Company since 05.08.2015. Age : 23 years Qualification : Bachelor of Science in Industrial Engineering from Northwestern University Evanston, USA in June 2015. No. of Shares held in the Company : 40,000
2.	Past Remuneration	Worked as Business Development Associate at a remuneration of ₹ 2.50 lacs per month.
3.	Recognition or awards	Nil
4.	Job profile and his suitability	Overall in-charge for Management of the affairs of the Company.
5.	Remuneration proposed	5% of the net profits of the Company or RSL whichever is higher and in case of no Profits or inadequacy of Profits in any financial year during the currency of his tenure, not being more than three such financial years over the entire tenure of five years, the remuneration payable by the Company to the Managing Director as approved by the Board and the Nomination and Remuneration Committee which shall not exceed the double of the applicable limit as provided under (A) of Section II, Part II of Schedule V of the Companies Act, 2013 and after deducting payment made by RSL. Also entitled to receive sitting fees for attending Board / Committee meetings by him.
6.	Comparative Remuneration profile	Remuneration is comparable with respect to industry, size of the Company, profile of the position and person.
7.	Relationship with managerial personnel	He is the son of Shri.P.R. Venketrama Raja, Chairman of the Company.

III. Other Information :

1	Reasons of loss or inadequate profits	The Company had made profit in the financial years 2015-16 & 2016-17. Though the inadequacy of profits may not arise, by way of abundant caution, approval of the Members is being sought for minimum remuneration for not more than three financial years during the tenure.
2	Steps taken or proposed to be taken for improvement	• Cost control measures • Pan India Market penetration • Aggressive marketing of Calcium Silicate Board. • The Company is taking continuous steps for improvement.
3	Expected increase in productivity and profits in measurable terms	• The aforesaid steps taken / to be taken by the Company are expected to improve the company's performance and profitability in the future.

IV. Disclosures :

As required, the information is provided under Corporate Governance Section.

The Notice together with this Statement may be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The resolutions as set out in item nos. 5 and 6 of this Notice are accordingly commended for your approval.

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), Cement Clinker Grinding and Cotton Yarn.

On the recommendation of the Audit Committee at its meeting held on 29.05.2017, the Board had approved the appointment of M/s. Geeyes & Co., Cost Accountants as the Cost Auditors of the Company to audit the cost records of Company, relating to manufacture of Fibre cement Products (FCP & CSB), Cement Clinker Grinding and Cotton Yarn for the Financial year 2017-18 at a remuneration of ₹ 2,50,000/- exclusive of applicable tax 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 the 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 deemed to be interested in this Resolution.

By Order of the Board,

For RAMCO INDUSTRIES LIMITED,

P.R. VENKETRAMA RAJA

CHAIRMAN

Place : Rajapalayam

Date : 04-06-2017

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

Shri P.R. Venketrama Raja, Director (DIN 00331406) had relinquished the post of Managing Director at the closing hours of 3rd June 2017 and continued to be a Director. Since his tenure in office is longest, as per the provisions of Section 152 of the Companies Act, 2013 he will be retiring in the ensuing Annual General Meeting and seeking re-election as Director, liable to retire by rotation. In terms of Regulation 36(3) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the following information is provided in respect of Shri.P.R.Venketrama Raja.

Shri.P.R.Venketrama Raja, aged 58 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. His line of experience has been in the overall managerial area. He is a Member on the Board of several companies of well diversified Ramco Group. He is also the Chairperson of Risk Management Committee of the Company. Shri P R Venketrama Raja holds 55,00,000 shares in the Company.

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

1.	The Ramco Cements Limited	Chairman
2.	Rajapalayam Mills Limited	Chairman
3.	Ramco Systems Limited	Chairman
4.	The Ramaraju Surgical Cotton Mills Limited	Director
5.	Sri Vishnu Shankar Mill Limited	Director
6.	Sandhya Spinning Mill Limited	Director
7.	Rajapalayam Textile Limited	Director
8.	LYNKS Logistics Limited	Director
9.	Sri Sandhya Farms (India) Private Limited	Director
10.	Sri Saradha Deepa Farms Private Limited	Director
11.	Ramamandiram Agricultural Estate Private Limited	Director
12.	Nalina Agricultural Farms Private Limited	Director

13.	Nirmala Shankar Farms & Estates Private Limited	Director
14.	Sri Nithyalakshmi Farms Private Limited	Director
15.	Ram Sandhya Farms Private Limited	Director
16.	RCDC Securities and Investments Private Limited	Director
17.	Sri Ramco Lanka (Private) Limited, Sri Lanka	Director
18.	Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka	Director
19.	Ramco System Corporation USA	Director
20.	Ramco Systems Ltd., Switzerland	Director
21.	Ramco Systems Sdn. Bhd., Malaysia	Director
22.	Ramco Systems Pte. Ltd., Singapore	Director
23.	RSL Enterprises Solutions (Pty.) Ltd., South Africa	Director
24.	Ramco Systems Canada Inc., Canada	Director
25.	Ramco Systems Fz-LLC	Director
26.	Ramco Systems Australia Pty. Limited, Australia	Director

Details of Committee memberships of Shri. P.R.Venketrama Raja, Director:

Name of the Company	Name of the Committee	Position Held (Chairman / Member)
Ramco Industries Limited	Stakeholders Relationship Committee	Member
Ramco Industries Limited	Corporate Social Responsibility Committee	Member
Ramco Industries Limited	Risk Management Committee	Chairman
The Ramco Cements Limited	Audit Committee	Member
The Ramco Cements Limited	Project Management Committee	Member
The Ramco Cements Limited	Stakeholders Relationship Committee	Chairman
The Ramco Cements Limited	Share/Debenture Committee	Chairman
The Ramco Cements Limited	Nomination and Remuneration Committee	Member
The Ramco Cements Limited	Corporate Social Responsibility Committee	Member
Rajapalayam Mills Limited	Stakeholders Relationship Committee	Chairman
Rajapalayam Mills Limited	Corporate Social Responsibility Committee	Chairman
Ramco Systems Limited	Stakeholders Relationship Committee	Member
Ramco Systems Limited	Corporate Social Responsibility Committee	Chairman
Ramco Systems Limited	Rights Issue 2013 Committee	Member
Ramco Systems Limited	Allotment Committee	Member
Ramco Systems Limited	Fund Raising Committee	Member
The Ramaraju Surgical Cotton Mills Limited	Stakeholders Relationship Committee	Member

None of the Directors and Key Managerial Personnel except Shri.P.R.Venketrama Raja as appointee and Shri.P.V.Abinav Ramasubramaniam Raja as a relative may be deemed to be concerned or interested in the Resolution.

BOARD'S REPORT

Your Directors have pleasure in presenting their 52nd Annual Report and the Audited Accounts of the Company for the year ended 31st March 2017.

FINANCIAL RESULTS

	For the Year ended 31.03.2017 ₹ in lakhs Standalone	For the Year ended 31.03.2016 ₹ in lakhs Standalone
Total Revenue	82,867	81,975
Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)	11,647	7,405
Less : Interest	3,354	3,978
Profit before Depreciation and Tax (PBDT)	8,293	3,427
Less : Depreciation	2,148	1,960
Add : Exceptional items	1,168	1,233
Net Profit/ Loss before Tax (PBT)	7,313	2,700
Less: Provision for Taxation - Current	1,342	139
- Deferred	864	(772)
MAT Credit Entitlement	(881)	-
Net Profit / Loss after Tax (PAT)	5,988	3,333
Add : Balance Profit from last year	5,672	3,586
Surplus for Appropriation	11,660	6,919
Appropriations :		
1. Transfer to General Reserve	900	500
2. Dividend	-	694
3. Tax on Dividend	-	53
Balance carried over to Balance Sheet	10,760	5,672
TOTAL	11,660	6,919

SHARE CAPITAL

The paid-up capital of the Company is ₹ 8,66,63,060/- consisting of 8,66,63,060 shares of ₹ 1/- each.

DIVIDEND

Your Directors at the Board Meeting held on 30.05.2017 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 ₹ 433.32 lacs. The recommendation of the dividend by the Directors is in accordance with the "Dividend Distribution Policy" of the Company.

TAXATION

An amount of ₹ 13.42 crore towards Current Tax, ₹8.64 crore towards Deferred tax and ₹ 8.81 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	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Fibre Cement Sheets	4,94,874	4,87,868	4,97,318	4,90,246	52,565	53,262
Calcium Silicate Boards	53,688	32,186	50,059	27,699	9,205	5,730

(a) Fibre Cement (FC) Sheets :

During the year under review, the Sales quantity of FC Sheets grown by around 1% compared to previous year. While there was a revival in the demand for the sheets,Demonetisation announced by the Union Government has been a dampener. Volumes were affected for nearly 3-4 months. Realisation dropped compared to last year due to competition. Depreciation of Rupee also affected the raw materials cost. 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 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) Calcium Silicate Boards (CSBs):

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

(c) Cement Clinker Grinding (CCG) Plant at Kharagpur, West Bengal :

The Plant had produced 73,677 M.T. of Cement during the year under review as against 1,16,077 M.T. of Cement during the previous year.

The Sale of Cement decreased to 73,519 M.T. during the last year to 1,17,137 M.T. during 2016-17.

(d) 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 2016-17, the Wind energy was good with increase of 43% 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	: 308 Lakh Units (P.Y: 214 Lakh Units)
Income earned (by generation/sale of power)	: ₹ 1,728 Lakhs (P.Y: ₹ 1,198 Lakhs)

C. COTTON YARN DIVISION - SRI RAMCO SPINNERS:

Production and Sales:

During the year 2016-17, the Unit had produced 25.40 Lakh Kgs. of Cotton Yarn as compared to 30.54 Lakh Kgs. produced during the previous year. The Unit had sold Yarn at 27.85 Lakh Kgs. (including traded yarn) during the year under review as against 34.31 Lakh Kgs. during 2015-16.

During the year under review, the performance of the Cotton yarn division was good when compared to previous year. The reduction in yarn selling price was partially offset by the reduction in cotton price.

With the moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving satisfactory results during the year 2017-18.

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

The production of FC plant of Sri Ramco Roofings Lanka (Private) Limited (SRRLPL), was 65,211 M.T. and Sales was 57,776 M.T. during the year under review, compared to 59,732 M.T. and 61,371 M.T. of last year.

And the production of Sri Ramco Lanka (Private) Limited was 73,206 M.T. and sales was 68,887 M.T. for the year under review as against 53,507 M.T. and 53,929 M.T. of last year.

At a Consolidated level of both the Companies, the Net Sales were SLR 41,014 lakhs (INR 18,744 lakhs) as against SLR 37,365 lakhs (INR 17,905 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 ₹ 900 lakhs to the General Reserves. An amount of ₹ 10,760 lakhs is proposed to be retained in the statement of Profit and Loss.

CONSOLIDATED FINANCIAL STATEMENTS:

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 viz. (a) M/s. Sudharsanam Investments Limited, (b) Sri Ramco Lanka (Private) Limited, Sri Lanka and (c) Sri Ramco Roofings Lanka (Private) Limited, Sri Lanka and Associate Company viz. The Ramco Cements Limited along with Auditors' Report thereon, forms part of this Annual Report.

The Annual Report containing the Audited Statement of Accounts for the Subsidiary Companies and Associate Company are available at the Company's website at the following link at http://www.ramcoindltd.com/financial-performance.aspx

The consolidated net profit of the Company amounted to ₹ 55.31 crore for the year ended 31st March, 2017 as compared to ₹ 57.48 crore of the previous year, on a standalone basis.

DIRECTORS:

The Board noted with deep regret the sudden demise of Shri P.R.Ramasubrahmaneya Rajha, Chairman on 11-05-2017. He was the Promoter-Founder of the Company and had been on the Board since the inception of the Company in 1965.

The Board may note that under his vision and leadership, the Company had grown to 10 Plants spread across nine states in India and 2 units in Sri Lanka with an aggregate production capacity of 1.2 million tonnes of fibre cement products per annum. Under his dynamic leadership the Company has grown to be one among the largest and most profitable Fibre cement roofing product manufacturers in India and Sri Lanka.

Further, the Company has also established Textile Units at Rajapalayam to export fine yarn products, diversified into Cement Grinding, Wind Energy and Green Dry Construction businesses.

The Company's turnover has increased from ₹ 23 lacs as on 31.03.1967 to ₹ 943 crores as on 31.03.2017. The Company has had a record of consistently making profits and declaring dividends. Under his leadership, the Company has made industry best profits and also rewarded handsomely all the stakeholders of the Company.

He was also known for his business ethics, value systems and philanthropic activities. He not only led the Ramco Industries but was also the guiding force for the entire Ramco Group of Companies, which has made the Group, one of the most respected industrial houses in the country.

The Board placed on record the immense contribution, Shri P.R.Ramasubrahmaneya Rajha had made to the Company in its growth progress which had made RAMCO INDUSTRIES what it is today.

Shri P R Venketrama Raja, Director (DIN 00331406) had relinquished the post of Managing Director at the closing hours of 3rd June 2017 and continued to be a Director. Since his tenure in office is longest,as per the provisions of Section 152 of the Companies Act,2013 he will be retiring in the ensuing Annual General Meeting and seeking re-election as Director, liable to retire by rotation.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors appointed Shri P.V. Abinav Ramasubramaniam Raja (DIN 07273249)as an Additional Director on 4.06.2017. Further he has also been appointed as Managing Director of the Company for a period of 5 years from 4-06-2017 to 3-06-2022. The resolutions for his appointment as Director not liable to retire by rotation and as Managing Director and remuneration payable to him have been included in the Notice convening 52nd Annual General Meeting for the approval of Members.

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.

Pursuant to Rule 8 (5) (iii) of Companies (Accounts) Rules, 2014 it is reported that, other than the above, there have been no changes in the Directors or Key Managerial Personnel during the year.

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.

All the three members of the Audit Committee 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. The objective of 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.

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/boards_of_directors.html

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.

MEETINGS :

During the year, four Board Meetings were held. In accordance with Clause 9 of Secretarial Standard 1, the details of the 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.

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 during 2014-15.

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 and 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 provided under Note Nos. 39,43(19), 43(21) Of Disclosures forming part of separate Financial Statements.

AUDITS :

STATUTORY AUDIT

As per the provisions of Section 139 of the Companies Act, 2013, the term of Office of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, and M/s. CNGSN & Associates LLP, Chartered Accountants, come to an end at the close of the 52nd Annual General Meeting of the Company.

M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, were the Auditors of the Company since 1975-76 and M/s. CNGSN & Associates LLP, Chartered Accountants, were the Auditors of the Company since 2003-04. The Board of Directors wish to place on record their sincere appreciation for the services rendered by M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, and M/s. CNGSN & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company, during their association with the Company.

Subject to the approval of the Members of the Company at the ensuing 52nd Annual General Meeting, the Board of Directors have recommended the appointment of M/s. Ramakrishna Raja And Co., Chartered Accountants and M/s. SRSV & Associates, Chartered

Accountants, as Statutory Auditors of the Company, pursuant to Section 139 of the Companies Act, 2013. The Audit Committee at its Meeting held on 29.05.2017 had recommended their appointment as Statutory Auditors, pursuant to Section 139(11) of the Companies Act, 2013. Written consents from the incoming auditors have been obtained, confirming that they satisfy the legal requirements for their appointment. The proposal relating to their appointment has been included in the notice convening the 52nd Annual General Meeting of the Company. They shall hold office from the conclusion of 52nd Annual General Meeting 57th Annual General Meeting and the matter relating to the Auditors' appointment will be placed before the Members for their ratification at every intervening Annual General Meeting.

The report of M/s. M.S. Jagannathan & N. Krishnaswami, Chartered Accountants, and M/s. CNGSN & Associates LLP, Chartered Accountants, viz., the Statutory Auditors for the year ended 31st March, 2017 does not contain any qualification, reservation or adverse remark.

COST AUDIT :

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), Cement Clinker Grinding and Cotton Yarn for the year 2017-18 at a remuneration of ₹ 2.50 lakhs.

The remuneration of the cost auditor for the year 2017-18 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. Accordingly, the matter relating to their remuneration had been included in the Notice convening the 52nd Annual General Meeting scheduled to be held on 04.08.2017, for ratification by the Members.

The Cost Audit Report for the financial year 2015-16 due to be filed with Ministry of Corporate Affairs by 30.09.2016, had been filed on 06.09.2016. The Cost Audit Report for the financial year 2016-17 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,have been appointed to conduct the Secretarial Audit of the Company. Pursuant to the Section 204 (1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31st March, 2017 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.

CORPORATE GOVERNANCE

The Company has complied with the requirements regarding Corporate Governance as stipulated in SEBI (LODR) Regulations. As required under Schedule V (C) of SEBI (LODR) Regulations, a report on Corporate Governance being followed by the Company is attached as Annexure – 4. As required under Schedule V (E) of SEBI (LODR) Regulations, a Certificate from the Statutory Auditors 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 2016-17 is Nil. However, the Company has spent ₹ 74.39 lacs on CSR. Further, the Company had spent a sum of ₹ 0.53 lacs 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 SEBI (LODR) Regulations, the Company has established Vigil mechanism as per the Whistle Blower Policy of the Company. The detail of the Whistle Blower Policy is hosted on the Company's website at http://www.ramcoindltd.com/files/WHISTLE_BLOWER_POLICY.pdf

RISK MANAGEMENT POLICY:

Pursuant to the requirements of Section 134 (3) (n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (LODR) Regulations,the Company has designed and implemented the Risk Management Policy. The policy envisages identification of risk and procedures for assessment and minimisation of risk thereof.

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 SEBI (LODR) Regulations,2015. In accordance with Ind AS 24, the details of transactions with the related parties are set out in Note No.42 to the Balance Sheet.

As required under Regulation 46(2)(g) of SEBI (LODR) Regulations, 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 Regulation 46(2)(h) of SEBI (LODR) Regulations, 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

INDIAN ACCOUNTING STANDARDS (IND AS) – IFRS CONVERGED STANDARDS

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standard) Rules, 2015. In pursuance of this notification, the Company, its subsidiary and associate companies had adopted Ind AS with effect from 01.04.2016. The Company's financial results for the previous year ended 31.03.2016 had also been recast in accordance with Ind AS.

FUTURE OUTLOOK

Indian rural economy has been under stress due to poor monsoon and draught in many states in the earlier years resulting to slowdown of industry. With the thrust given in the Union Budget 2017-18 for agriculture growth and good monsoon in the last year we foresee revival of rural demand for our products.

The investments in infrastructure by Government of India are expected to give a boost to the construction activities. The moderate inflation will encourage investments in housing sector. In the backdrop of demonetization and the Government's commitment to reforms and its initiatives relating to "Make in India" and ease of doing business in organized sector are expected to make good GDP growth. All these will positively impact the demand for Building Products in future. As all our plants are fully equipped and modernized with supporting logistics facilities, our Company will be able to take full advantage of the economic momentum in the coming years.

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

The Company has 1,273 employees as on 31.03.2017. 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.

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. 2017-18 respectively.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) 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,2017;

(b) 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,2017 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.

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED

Place : Rajapalayam
Date : 04-06-2017

P.R. VENKETRAMA RAJA
CHAIRMAN

Annexure - 1

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	4,270.27	425.00
	SLR	2,300.02	10,150.43	
Reserves & surplus	INR	5,414.21	2,300.12	352.33
	SLR	17,734.95	5,503.97	
Total assets	INR	4,361.23	7,685.26	1,288.41
	SLR	14,376.81	18,262.91	
Total Liabilities	INR	1,864.85	1,114.88	511.08
	SLR	4,363.25	2,608.51	
Investments	INR	4,283.15	-	1,286.25
	SLR	10,021.41	-	
Turnover	INR	10,318.74	8,424.86	0.18
	SLR	22,579.30	18,435.14	
Profit before taxation	INR	4,105.14	1,977.76	-42.18
	SLR	9,084.57	4,434.18	
Provision for Taxation	INR	721.97	183.19	-
	SLR	1,579.81	400.85	
Profit after taxation	INR	3,383.16	1,794.57	-42.18
	SLR	7,504.76	4,033.33	
Proposed Dividend	INR	-	-	-
	SLR	-	-	-
Percentage of Shareholding		99.99%	1.27%	100%
As on 31.03.2017 : 1 SLR = ₹ 0.4570				

PART B - ASSOCIATE COMPANIES

Particulars	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17	2016-17
Name of the Associate Company	The Ramco Cements Limited	Rajapalayam Mills Limited	Ramco Systems Limited	On Time Transport Company Limited	Madurai Trans Carrier Limited	Lynks Logistics Limited	Ramco Wind Farm Limited
Latest audited Balance Sheet date	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017	31.03.2017
Number of Shares held as on 31.03.2017	4,93,12,420	1,27,360	54,67,376	50,000	3,09,00,000	19,00,000	2,65,000
Amount of Investment in Associate as on 31.03.2017 -(₹ in Lakhs)	5,815.15	61.79	13,216.19	5.00	309.00	19.00	3.25
Extent of Shareholding % as on 31.03.2017	20.71	1.73	17.98	17.77	17.17	2.71	2.65
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	By virtue of Shareholding
Reason why the associate is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to shareholding (₹ in Lakhs)	78,644	427	9,722	57	345	13	18
Profit/Loss for the year (Consolidated) (₹ in lakhs)							
(a) Considered in Consolidation - ₹ in Lakhs	14,480.73	63.63	181.78	7.31	-0.58	-5.49	11.54
(b) Not Considered in Consolidation							

As per our Report Annexed

For M/s.M.S. JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

Annexure - 2

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2017
[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, P S K 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 2016 to 31st March 2017 (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 2017 but before the issue of this audit report;

(ii) Our observations during our visits to the corporate office and some of the factories 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 2017 the Company has, to the extent, in the manner and subject to the reporting made hereinafter:

(i) Complied with the statutory provisions listed hereunder; and

(ii) Board processes and compliance mechanism in place

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 Companies Act, 1956 and the rules made thereunder.

      (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

      (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.

      (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

      (vi) 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 Act and dealing with client;

         (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

         (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;

         (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

      (vii) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements).

      (viii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India (Standards)

   1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2017 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 (i) to (vii) of paragraph 1.1 above; and

(ii) Generally complied with applicable provisions of the Standards mentioned under sub-paragraph (viii) above.

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

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(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 We are further informed that, during/ in respect of the year, there was no law specifically applicable to the Company considering the nature of its business, the books, papers, minute books or other records or file any forms/ returns we would be required to examine and report under paragraph 1.2 above.

2. Board processes:

We further report that during the year/ as at 31st March 2017 as the context indicates:

2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director.

2.2 There was no change in composition of the Board of Directors during the year. At the 51st Annual General Meeting held on 4th August 2016 the members approved:

(i) The re-appointment of the retiring director; and

(ii) The re-appointment of Vice-Chairman and Managing Director for a period of five years with effect from 1st April 2017.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.

2.4 Notice of Board meetings were sent at least seven days in advance.

2.5 Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings and consent of the Board for so circulating them was duly obtained as required under the Secretarial Standards:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and

(ii) Additional subjects/ information/ presentations and supplementary notes.

2.6 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.

2.7 We noted from the minutes that, at the Board meetings:

(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 of the Company commensurate with its size and operations and to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is taking steps to strengthen the compliance systems and processes in the factories at various locations.

4. Specific events/ actions

4.1 During the audit period, there were no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards.

For S Krishnamurthy & Co.
Company Secretaries

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

Date : 30th May 2017
Place: Chennai

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 2017 is to be read along with this letter

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming and opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2017 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 the 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.

For S Krishnamurthy & Co.
Company Secretaries

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

Date : 30th May 2017
Place: Chennai

Annexure - 3

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

[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	Fibre Cement Sheets	3270	81
2	Cotton Yarn	13111	14

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, Srilanka	P V 75389	Subsidiary	1.27	2(87)(ii)
4.	The Ramco Cements Limited	L26941TN1957PLC003566	Associate	20.72	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	23433161	0	23433161	27.04	0.00
b) Central Govt)	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	23296660	0	23296660	26.88	23296660	0	23296660	26.88	0.0000
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	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	0.00	0	0	0	0	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0	0.00
e) Any other	0	0	0	0.00	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	3430501	2000	3432501	3.9607	1938790	2000	1940790	2.2394	-1.7212
b) Banks / FI	1560450	4000	2564450	1.8052	1656848	4000	1660848	1.9164	0.1112
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	4531	0	4531	0.0052	11532	0	11532	0.0133	0.0080
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investor (Corporate) Category I	0	0	0	0.00	5106	0	5106	0.0058	0.0058
Foreign Portfolio Investor (Corporate) Category II	7106	0	7106	0.0081	196917	0	196917	0.2272	0.2190
	7106	0	7106	0.0081	202023	0	202023	0.2331	0.2249
Sub-total (B)(1)	5002588	6000	5008588	5.7793	3809193	6000	3815193	4.4023	-1.3770
2. Non-Institutions									
a) Bodies Corporate	2032181	99660	2131841	2.4599	2446108	99660	2545768	2.9375	0.4776
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	12655297	1350927	14006224	16.1617	14573680	1097635	15671315	18.0830	1.9213
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12567582	3661776	16229358	18.7269	12086665	2953671	15040336	17.3549	-1.3720

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	
c) Others (specify)									
Clearing Members	29516	0	29516	0.0340	135242	0	135242	0.1560	0.1219
Directors and their Relatives	3000	0	3000	0.0034	0	0	0	0.00	-0.0034
Foreign Portfolio Investor (individual) Category III	0	0	0	0.00	500	0	500	0.0005	0.0005
Hindu Undivided Families	1515240	0	1515240	1.7484	1746532	0	1746532	2.0153	0.2668
Non Resident Indians	1008972	0	1008972	1.1642	956988	0	956988	1.1042	-0.0599
Trusts	500	0	500	0.0005	21365	0	21365	0.0246	0.0240
	2557228	0	2557228	2.9507	2860627	0	2860627	3.3008	0.3500
Sub-total (B)(2)	29812288	5112363	34924651	40.2993	31967080	4150966	36118046	41.6764	1.3770
Total Public Shareholding (B) = (B)(1) + (B)(2)	34814876	5118363	39933239	46.0787	35776273	4156966	39933239	46.0787	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	81544697	5118363	86663060	100.00	82506094	4156966	86663060	100.00	0.0000

ii) Shareholding of Promoters

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	
Ramco Management Pvt. Ltd.	1805800	2.08	0	1805800	2.08	0	0.00
The Ramaraju Surgical Cotton Mills Ltd.	135880	0.16	0	135880	0.16	0	0.00
Rajapalayam Mills Limited	7920680	9.14	0	7920680	9.14	0	0.00
Ramco Agencies Pvt. Ltd.	22200	0.03	0	22200	0.03	0	0.00
Ramco Pvt. Ltd.	39600	0.05	0	39600	0.05	0	0.00
Shri P.R. Ramasubrahmaneya Rajha	2882621	3.33	0	2882621	3.33	0	0.00
Smt. Ramachandra Raja Chittammal	1053880	1.22	0	1053880	1.22	0	0.00
Smt. P.V. Srisandhya	42400	0.05	0	42400	0.05	0	0.00
Shri P.V. Abinav Ramasubramaniam Raja	40000	0.05	0	40000	0.05	0	0.00
Smt. Saradha Deepa	5500000	6.35	0	5500000	6.35	0.29	0.00
Shri P.R. Venketrama Raja	5500000	6.35	2.89	5500000	6.35	6.35	0.00
Smt. P.V. Nirmala	60000	0.07	0	60000	0.07	0	0.00
Shri N.R.K.Ramkumar Raja	174640	0.20	0	174640	0.20	0	0.00
Smt. Nalina Ramalakshmi	5580000	6.44	0	5580000	6.44	0	0.00
Shri S.R. Srirama Raja	243000	0.28	0	243000	0.28	0	0.00
Smt. R Sudarsanam	2356620	2.72	0	2356620	2.72	0	0.00
The Ramco Cements Ltd.	13372500	15.43	0	13372500	15.43	0	0.00
Total	46729821	53.92	2.89	46729821	53.92	6.64	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 (01.04.2016)	46729821	53.92	--	--
	Increase in Shareholding by Purchase	--	--	--	--
	At the end of the year (31.03.2017)	46729821	53.92	46729821	53.92

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 (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Govindlal M Parikh/Chinmay G Parikh	3145909	3.63	01.04.2016				
				30.6.2016	2221	Purchase	3148130	3.63
		3267048	3.77	25.11.2016	118918	Purchase	3267048	3.77
2	General Insurance Corporation of India	1516660	1.75	01.04.2016			1516660	1.75
3	Sundaram Mutual Fund A/c Sundaram Smile Fund	1479933	1.71	01.04.2016				
				02.09.2016	19933	Sale	1460000	1.69
				23.09.2016	24538	Sale	1435462	1.66
				07.10.2016	24446	Sale	1411016	1.63
				14.10.2016	1858	Sale	1409158	1.63
				21.10.2016	18743	Sale	1390415	1.60
				28.10.2016	41428	Sale	1348987	1.56
				04.11.2016	34416	Sale	1314571	1.52
				11.11.2016	10756	Sale	1303815	1.50
		1250000	1.44	06.01.2017	53815	Sale	1250000	1.44
	Sundaram Mutual Fund A/c Sundaram Value Fund Series-I	103277	0.12	01.04.2016				
		100000	0.12	09.12.2016	3277	Sale	100000	0.12
	Sundaram Mutual Fund A/c Sundaram Select Microcap Series VIII	60656	0.07	01.04.2016				
		55656	0.06	27.01.2017	5000	Sale	55656	0.06
	Sundaram Mutual Fund A/c Sundaram Value Fund Series-II	40387	0.05	01.04.2016				
				02.09.2016	2387	Sale	38000	0.04
				02.12.2016	8000	Sale	30000	0.04
				30.12.2016	17666	Sale	12334	0.01
		0	0.00	06.01.2017	12334	Sale	0	0.00
	Sundaram Mutual Fund A/c Sundaram Select Microcap Series IX	40287	0.05	01.04.2016				
		33035	0.04	27.01.2017	7252	Sale	33035	0.04
	Sundaram Mutual Fund A/c Sundaram Select Microcap Series X	2638	0.00	01.04.2016				
		0	0.00	27.01.2017	2638	Sale	0	0.00

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
4	Sandhya G Parikh/ Govindlal M Parikh	779302	0.90	01.04.2016			779302	0.90
				14.10.2016	225000	Sale	554302	0.64
				21.10.2016	445464	Sale	108838	0.13
		93719	0.11	28.10.2016	15119	Sale	93719	0.11
5	SBI Tax Advantage Fund Series I	700000	0.81	01.04.2016				
				06.05.2016	49538	Purchase	749538	0.87
				06.01.2017	333723	Sale	415815	0.48
				13.01.2017	291073	Sale	124742	0.14
				20.01.2017	76757	Sale	47985	0.06
		0	0.00	27.01.2017	47985	Sale	0	0.00
	SBI Tax Advantage Fund Series II	120000	0.14	01.04.2016				
				02.12.2016	50000	Sale	70000	0.08
				16.12.2016	48036	Sale	21964	0.03
		0	0.00	23.12.2016	21964	Sale	0	0.00
	SBI Tax Advantage Fund Series III	70000	0.08	01.04.2016				
		0	0.00	23.12.2016	70000	Sale	0	0.00
	SBI Long Term Advantage Fund Series II	55000	0.06	01.04.2016				
				09.12.2016	55000	Sale	0	0.00
6	HDFC Trustee Company Limited - HDFC Prudence Fund	699663	0.81	01.04.2016				
				15.4.2016	59000	Purchase	758663	0.88
				22.04.2016	53000	Purchase	811663	0.94
				28.10.2016	171800	Sale	639863	0.74
				04.11.2016	59824	Sale	580039	0.67
				11.11.2016	34900	Sale	545139	0.63
				03.03.2017	13000	Sale	532139	0.61
		468639	0.54	10.03.2017	63500	Sale	468639	0.54
7	Govindlal M Parikh	696000	0.80	01.04.2016			696000	0.80

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
8	Shailesh Manoharlal Shah/ Kalpana Shailesh Shah	573453	0.71	01.04.2016				
				29.4.2016	45000	Purchase	618453	0.71
				06.05.2016	2500	Purchase	620953	0.72
				15.07.2016	5500	Sale	615453	0.71
				28.07.2016	10453	Sale	605000	0.70
				29.07.2016	5000	Sale	600000	0.69
				12.08.2016	24500	Purchase	624500	0.72
				19.08.2016	500	Sale	624000	0.72
				04.11.2016	21000	Purchase	645000	0.74
				18.11.2016	7300	Purchase	652300	0.75
				02.12.2016	2300	Sale	650000	0.75
		700000	0.81	10.02.2017	50000	Purchase	700000	0.81
9	Krishnasamy Kamaya Naicker S	556500	0.64	01.04.2016			556500	0.64
10	Krishnamurthy V	493200	0.57	01.04.2016			493200	0.57

Note :

The top 10 shareholders are based on the shareholding as on 01-04-2016 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 (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS :								
1	Shri P.R. Ramasubrahmaneya Rajha	2882621	3.33	N.A.	N.A.	N.A.		
		2882621	3.33	N.A.	N.A.	N.A.	2882621	3.33
2	Shri P.R. Venketrama Raja	5500000	6.35	N.A.	N.A.	N.A.		
		5500000	6.35	N.A.	N.A.	N.A.	5500000	6.35
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

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No. of Shares at the beginning (01-04-2016) / end of the year (31-03-2017)	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Shri R.S. Agarwal	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL
		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 Rupees lakhs

	Secured Loan excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial year				
(i) Principal Amount	28,807.30	7,158.30	-	35,965.61
(ii) Interest Due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total of (i+ii+iii)	28,807.30	7,158.30	-	35,965.61
Change in Indebtedness during the Financial year				
Addition	1,679.37	11,318.35	-	12,997.72
Reduction	14,528.38	658.30	-	15,186.69
Net change	(12,849.01)	10,660.04	-	(2,188.97)
Indebtedness at the end of the Financial year				
(i) Principal Amount	15,801.55	17,818.35	-	33,619.89
(ii) Interest Due but not paid	-	-	-	-
(iii) Interest accrued but not due	156.75	-	-	156.75
Total of (i+ii+iii)	15,958.29	17,818.35	-	33,776.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rupees)

Sl.No.	Particulars of remuneration	Name of VCMD	Name of WTD	Name of Manager	Total Amount
		Shri P.R.Venketrama Raja	-	-	-
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,67,70,000	-	-	1,67,70,000
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
2	Commission - as % profit	1,34,35,841	-	-	1,34,35,841
3	Contribution towards provident fund	11,01,600	-	-	11,01,600
	Total (A)	3,13,07,441	-	-	3,13,07,441
	Ceiling as per the Act	See Note below			

Note : Shri P.R. Venketrama Raja is also the Vice Chairman & Managing Director of Ramco Systems Ltd (RSL) and his total remuneration shall not exceed 5% of net profit of the Company or RSL whichever is higher. In case of no profit or inadequate profit he shall be paid the maximum remuneration as permissible under Section II Part II of Schedule V of Companies Act,2013 after deducting payment made by RSL.

B. Remuneration to other Directors :

In ₹.

Sl. No.	Particulars of Remuneration	Name of the Directors							Total Amount
		Shri P.R. Rama-subrahmaneya Rajha	Shri S.S.Rama-chandra Raja	Shri N.K. Shrikantan Raja	Shri K.T. Ramachandran	Shri R.S. Agarwal	Shri V. San-thanaraman	Smt. Justice Chitra Venkataraman (Retd.)	
1	Independent Directors								
	Fee for attending Board/ Committee Meetings	-	-	-	2,75,000	3,25,000	1,25,000	2,25,000	9,50,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	2,75,000	3,25,000	1,25,000	2,25,000	9,50,000
2	Other Non Executive Directors								
	Fee for attending Board/ Committee Meetings	1,50,000	75,000	1,75,000	-	-	-	-	4,00,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	Total (2)	1,50,000	75,000	1,75,000	-	-	-	-	4,00,000
	Total (B) = (1+2)	1,50,000	75,000	1,75,000	2,75,000	3,25,000	1,25,000	2,25,000	13,50,000
	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)								3,26,57,441

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (₹ in lakhs)

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 & Senior General Manager (Legal)	Total Amount
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1,37,59,873	54,35,699	21,68,608	2,13,64,180
	(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	1,37,59,873	54,35,699	21,68,608	2,13,64,180

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties/punishments/compounding of offences for the year 31st March, 2017.

On behalf of the Board of Directors

For RAMCO INDUSTRIES LIMITED

P.R. VENKETRAMA RAJA
Chairman

Place : Rajapalayam
Date : 04.06.2017

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

In line with the definition of Corporate Governance by the Institute of Company Secretaries of India, the Company's philosophy on Code of Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

The Company has put in place a set of systems, procedures, policies, practices, standards to ensure that relationship with various stakeholders is maintained in transparent and honest manner.

The Company firmly believes that Corporate Governance is integral to the existence of the Company and Good Corporate Governance inspires and strengthens investors' confidence, enhances the value of all the Stakeholders of the Company viz., Shareholders, Creditors, Customers and Employees.

With this belief, the Company, since inception, assiduously follows its self-determined goals on Corporate Governance and 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 Company is conscious of the fact that observance of good Corporate Governance principles would go a long way in maintaining the relationship with various Stakeholders in a transparent and honest manner.

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 has 8 Directors out of which 7 Directors are 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 is 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.

During the year under review, four Board Meetings were held, one each on 20.05.2016, 03.08.2016, 16.11.2016 and 07.02.2017.

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.Ramasubrahmaneya Rajha (Chairman - Non-Executive) (till 11-05-2017) DIN: 00331357	P & NE	4	Yes
2.	Shri P.R. Venketrama Raja (Chairman from 04-06-2017) (VCMD upto 03-06-2017) DIN: 00331406	P & NE	3	Yes
3.	Shri S.S. Ramachandra Raja DIN: 00331491	NE	3	Yes
4.	Shri N.K. Shrikantan Raja DIN: 00350693	NE	4	Yes
5.	Shri K.T. Ramachandran DIN: 00351334	NE & ID	3	No
6.	Shri R.S. Agarwal DIN: 003012594	NE & ID	4	Yes

Sl. No	Name of the Director	Directorship*	No. of Board Meetings attended	Attendance at last AGM
7.	Shri V. Santhanaraman DIN: 00212334	NE & ID	4	No
8.	Smt. Justice Chitra Venkataraman DIN: 07044099	NE & ID	4	Yes
9.	Shri P.V. Abinav Ramasubramaniam Raja Managing Director (from 04.06.2017) DIN: 07273249	P & E	N.A.	N.A.

* 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 31-03-2017 is given below:

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

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

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/policies.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 itself 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 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 Subsidiary Company.

In addition, the Audit Committee would discharge the roles and responsibilities as prescribed by SEBI (LODR) Regulations, 2015 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 K.T. Ramachandran	4
3.	Smt. Justice Chitra Venkataraman (Retd.)	4

No. of Meetings held during the year : Four
Date of Meetings : 19.05.2016, 02.08.2016, 16.11.2016 and 06.02.2017

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.

All the three members of the Audit Committee are Independent Directors as against the requirement of 2/3rd as stipulated in Regulation 18 (1) (b) of SEBI (LODR) Regulations, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, SEBI (LODR) Regulations, 2015 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.

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	3
2.	Shri K.T. Ramachandran	3
3.	Shri N.K. Shrikantan Raja	3

No. of Meetings held during the year : Three
Date of the Meetings : 19.5.2016, 16.11.2016 and 07.02.2017

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 Non-Executive Directors are paid Sitting Fee of ₹ 25,000/- per meeting for attending the Board and Committees thereof, except for Share Transfer Committee Meeting from 22.05.2014 for which no sitting fee is payable.

	(₹ In lacs)			
Name of the Director	Sitting Fee	Remuneration	Commission	No. of Shares held
Shri P.R. Ramasubrahmaneya Rajha	1.50	Nil	Nil	28,82,621
Shri P.R. Venketrama Raja	Nil	313.07		55,00,000
Shri S.S. Ramachandra Raja	0.75	Nil	Nil	4,07,680
Shri N.K. Shrikantan Raja	1.75	Nil	Nil	1,20,140
Shri K.T. Ramachandran	2.75	Nil	Nil	4,47,171
Shri R.S. Agarwal	3.25	Nil	Nil	Nil
Shri V. Santhanaraman	1.25	Nil	Nil	Nil
Smt. Justice Chitra Venkataraman (Retd.)	2.25	Nil	Nil	Nil

There is no pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company.

*After deducting the remuneration paid by Ramco Systems Limited

The appointment and remuneration to Managing Director is governed by the resolution passed by the shareholders at the Annual General Meeting held on 4.08.2016 and the remuneration is equivalent to 5% of the Net Profits of the Company and in case of inadequacy of profits, as per (A) of Section II, Part II of Schedule V of the Companies Act, 2013.

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

Name of Non-Executive Director heading the Committee	Shri P.R. Ramasubrahmaneya Rajha
Name and Designation of Compliance Officer	Shri S. Balamurugasundaram Secretary and Senior GM (Legal)
No. of complaint received during the year	1
Number not solved to the Satisfaction of shareholders	0
Number of pending complaints	Nil

No. of Meeting held during the year : One

Date of the Meeting : 11.02.2017

7. GENERAL MEETINGS

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

Year ended	Date	Time	Venue
31.03.2014	28.07.2014	11.00 A.M.	P.A.C.R.Centenary Community Hall P.A.C.Ramasamy Raja Salai Rajapalayam 626 108 (Tamil Nadu)
31.03.2015	23.09.2015	10.00 A.M	- do -
31.03.2016	04.08.2016	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
04.08.2016	Re-appointment of Shri P.R. Venketrama Raja as Vice Chairman and Managing Director
23.09.2015	To authorize the Company to create charges on assets of the Company
	To authorize the Company to issue Debentures
28.07.2014	To amend the Articles of Association, for enabling appointment of Managing Director as Chairperson of the Company as well.
	Re-appointment of Shri.P.R.Venketrama Raja as Vice Chairman and Managing Director for a period of three years effective from 01-04-2014.
	To authorise the Company to borrow which may not exceed ₹ 125 crore over and above the aggregate of the paidup capital and its free reserves of the Company.
	To authorize the Board of Directors to contribute bonafide charitable funds etc., not exceeding ₹ 6 crore or 5% of its three years average net profit whichever is greater.
	To maintain the Register of Members and other Statutory Registers at the Company's Corporate Office at Chennai

iii. No resolution on matters requiring postal ballot as per Section 110 of the Companies Act, 2013, was passed during the year.

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). All the Financial Results were also faxed/e-mailed immediately to the two Stock Exchanges where the Shares of the Company are listed and also displayed on the Company's website www.ramcoindltd.com. Official News Releases whenever issued, will be displayed in Company's website.

9. GENERAL SHAREHOLDER INFORMATION

a	Annual General Meeting	On Friday the 4th August, 2017 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	1st April 2016 to 31st March 2017
c	Dividend Payment date	From 11.08.2017 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 2017-18 has been paid to the Stock Exchanges
e	Stock Code 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	Register 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 certificates are to be submitted to the Company along with the required security transfer forms. The Company effects the transfers within 15 days, if the documents are sent to the transferees. In the case of defective documents, the same are returned with the reasons to the transferees within 15 days.
k	Distribution of Shareholding	Enclosed in Annexure – B
l	Dematerialisation of Shares & liquidity	As on 31st March, 2017, 95.20% 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 into 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. Arakkonam, **Tamil Nadu** 2. Karur, **Karnataka** 3. Maksi, **Madhya** Pradesh 4. Silvassa, **U.T of Dadra & Nagar Haveli** 5. Kharagpur, **West Bengal** 6. Ibrahimpatnam, Vijayawada, **A.P.** 7. Sinugra Village, Anjar Taluk, **Gujarat** 8. Gangaikondan, Tirunelveli Dist., **Tamil Nadu** 9. Bihiya, Bhojpur District, **Bihar**
(ii) Fibre Cement Pressure Pipes unit:	Maksi, **Madhya Pradesh**
(iii) Calcium Silicate Board unit :	Arakkonam, **Tamil Nadu**/ Kotputli, **Rajasthan**
(iv) Cement Clinker Grinding unit :	Kharagpur, **West Bengal**
(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/ enquires

S. BALAMURUGASUNDARAM
Company Secretary (Compliance Officer) & Senior General Manager- Legal
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

10. OTHER DISCLOSURES

a. 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.

b. 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.

c. 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.

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 unqualified for the year 2016-17.

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. The details relating to commodity price risks and commodity hedging activities are not applicable.

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 no material subsidiary.

14. 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.

15. 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.

16. 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.

17. 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.

18. As required under Regulation 46(2) of SEBI (LODR) Regulations, 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
    * Policy on dealing with Related Party Transactions
    * Policy for determining 'Material' Subsidiaries
    * Details of Familiarization Programmes imparted to Independent Directors

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. Ramasubrahmaneya Rajha Chairman of the Committee
2	Shri P.R. Venketrama Raja
3	Shri R.S. Agarwal

b. SHARE TRANSFER COMMITTEE*

MEMBERS

Sl. No.	Name of the Director
1	Shri.P.R.Ramasubrahmaneya Rajha Chairman of the Committee
2	Shri.P.R.Venketrama Raja
3	Shri K T Ramachandran

* ceased to exist from 7.2.2017

c. 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

DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

[Pursuant to Schedule V(F) of SEBI (LODR) Regulations]

As on 31.03.2017, 84,660 shares of ₹ 1/- each belonging to 37 members are lying at "Ramco Industries Limited unclaimed suspense Account" in dematerialized form. No shareholder had approached the Company for transfer of shares from the suspense account. The voting rights of these shares shall remain frozen till the rightful owner of such shares claims the shares.

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED

Place : Rajapalayam
Date : 04-06-2017

P.R. VENKETRAMA RAJA
CHAIRMAN

DECLARATION

As provided under Schedule V (D) of the SEBI (LODR) Regulations, 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 2017.

For Ramco Industries Limited

Place : Chennai
Date : May 30, 2017

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 of Ramco Industries Limited for the year ended 31.3.2016 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. 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 confirm that there are no deficiencies in the design or operation of such internal controls.

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. the Company has adopted Indian Accounting Standards (IND AS) - IFRS Converged Standards with effect from 01-04-2016;
   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

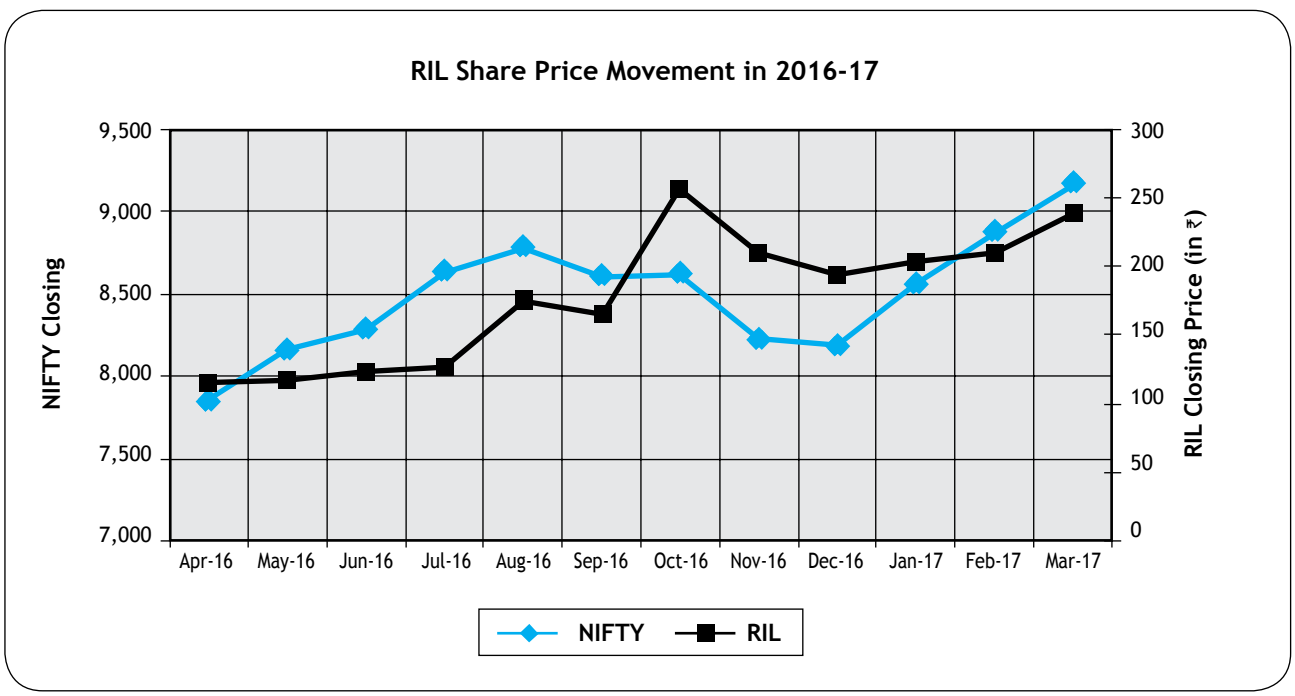
Place : Chennai
Date : 30.05.2017

Annexure - A

STATISTICAL DATA - Share Price - High & Low - Traded Volume (During April, 2016 to March, 2017 in NSE and BSE)

Month	NSE			BSE		
	High Price	Low Price	Qty.Traded	High Price	Low Price	Qty.Traded
April, 2016	122.85	90.50	21,78,343	122.65	91.00	7,32,359
May, 2016	123.90	110.10	13,90,870	124.00	110.00	5,11,130
June, 2016	129.55	111.00	18,89,261	129.00	110.20	7,39,493
July, 2016	134.70	121.00	12,99,997	135.00	121.10	4,58,921
August, 2016	182.00	120.10	60,26,470	182.10	120.05	20,06,587
September, 2016	185.95	159.35	25,77,494	186.00	160.00	8,89,946
October, 2016	288.30	166.00	1,36,00,223	287.90	165.50	30,32,965
November, 2016	260.05	163.05	63,81,887	260.00	163.50	21,51,243
December, 2016	212.25	182.80	28,29,516	212.55	182.80	11,15,439
January, 2017	216.50	190.25	37,29,627	216.55	190.70	12,36,200
February, 2017	237.60	196.55	39,24,841	237.45	196.50	13,59,271
March, 2017	241.90	197.00	34,52,415	241.80	197.00	15,10,250

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



Annexure - B

Pattern of Shareholding as on 31.03.2017

Description	No. of Share-holders	%	No. of Shares (₹ 1/- each)	% to Capital
A. PROMOTERS HOLDING				
Promoter & Promoter Group	17	0.12	4,67,29,821	53.92
B. NON-PROMOTERS HOLDING				
1. Mutual Funds & UTI	7	0.05	19,40,790	2.24
2. Foreign Portfolio Investors	12	0.09	2,02,023	0.23
2. F.Is / Banks	5	0.04	16,60,848	1.92
3. Central/State Govt/s; VCF; Ins. Companies	0	0.00	0	0.00
4. Foreign Institutional Investors	2	0.01	11,532	0.01
5. Bodies Corporate	407	2.91	25,45,768	2.94
6. Individual Shareholders holding nominal Share Capital :				
a. Up to ₹ 2.00 Lac	12,680	90.76	1,92,20,173	22.18
b. In excess of ₹ 1.00 Lac	21	0.15	1,14,91,478	13.26
7. Others-HUF/NRI/Clearing Members etc.	820	5.87	28,60,627	3.30
Grand Total	**13,971***	**100.00**	**8,66,63,060**	**100.00**

* Based on PAN for Stock Exchange disclosures

Distribution of Shareholding as on 31.03.2017

Range (No. of Shares of ₹ 1 each)	No. of Share holders	%	No: of Shares (₹ 1/- each)	%
Upto - 500	10,486	75.03	14,78,812	1.71
501 to 1000	1,361	9.74	11,80,127	1.36
1001 to 2000	767	5.49	12,65,190	1.46
2001 to 3000	273	1.95	7,05,719	0.82
3001 to 4000	207	1.48	7,65,670	0.88
4001 to 5000	145	1.04	6,84,704	0.79
5001 to 10000	301	2.15	22,98,223	2.65
10001 & above	436	3.12	7,82,84,615	90.33
Total	**13,976**	**100.00**	**8,66,63,060**	**100.00**

Category of Shareholding as on 31.03.2017

Category	No. of Share Holders	%	No. of Shares held	%
Dematerialised Form :				
NSDL	8,128	58.16	6,11,66,620	70.58
CDSL	5,627	40.26	2,13,39,474	24.62
Physical Form	221	1.58	41,56,966	4.80
Total	**13,976**	**100.00**	**8,66,63,060**	**100.00**

Annexure - 5

AUDITORS' CERTIFICATE

(under Schedule V(E) of SEBI (LODR) Regulations, 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 SEBI (LODR) Regulations, 2015 and report that all the conditions contained therein have been complied with by the Company.

For M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K. SRINIVASAN
Partner
Membership No.: 021510

For CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N. GANGADARAN
Partner
Membership No.: 011205

Place : Chennai
Date : 30.05.2017

Annexure - 6

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.Ramasubrahmaneya Rajha, Chairman of the Committee
2. Shri.P.R.Venketrama Raja, Member
3. Shri.R.S.Agarwal, Member

3 Average net profit of the Company for last three financial years - ₹ (-)9.91 crore

4 Prescribed CSR Expenditure - ₹ 0.00 lacs (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 - ₹ 74.39 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
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: Direct or through implementing agency
		Substantial amount has been spent in most of the districts in the States where our plants are situated	Actuals	Direct Expenditure		Spent Directly
1	Eradication of Hunger, poverty, malnutrition making available safe drinking water, promotion of healthcare, including preventive healthcare	-- do --	44.29	-- do --		44.29
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 --	8.43	-- do --		8.43

1	2	3	4	5	6	7
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: Direct or through implementing agency
		Substantial amount has been spent in most of the districts in the States where our plants are situated	Actuals	Direct Expenditure		Spent Directly
3	Promoting Gender equality, empowering women,setting up homes and hostels for women and orphans etc	-- do --	2.76	-- do --		2.76
4	Ensuring Environmental Sustainability, ecological balance, protection of flora and fauna, animal welfare etc.,	-- do --	0.44	-- do --		0.44
5	Protection of national Heritage, Art and Culture, promotion and development of traditional arts, restoration of building and sites of historical importances	-- do --	2.35	-- do --		2.35
6	Measures for the benefit of Armed forces	-- do --		-- do --		0.00
7	Training to promote rural sports, national recognised sports, para-olympic sports etc.,	-- do --	0.49	-- do --		0.49
8	Contribution to Chief Minister / Prime Minister Relief Fund	-- do --		-- do --		0.00
9	Rural Development Projects	-- do --	15.96	-- do --		15.63
	Total					**74.39**

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

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 ₹ 384.02 lakhs for the sales made through them of ₹ 51,202.77 lakhs during the year 2016-17(as approved by Shareholders in the EGM held on 19.03.2012 and in the AGM held on 23.09.2015).

On behalf of the Board of Directors
For RAMCO INDUSTRIES LIMITED

Place : Rajapalayam
Date : 04.06.2017

P.R.VENKETRAMA RAJA
CHAIRMAN

Annexure - 8

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 31.03.2017.

A. CONSERVATION OF ENERGY (pertaining to Building Products Division)	
(a) the Steps taken or impact on conservation of energy	Apart from increase in productivity, the Company is providing energy saving LED lamps, variable frequency drives to reduce energy consumption. Replacing the conventional slurry pumps to energy efficient pumps. Replacing the mechanism of Auto Corrugation from Hydraulic to Rack and Pinion mechanism.
(b) the steps taken by the Company for utilising alternate sources of energy	Use of wind mill energy and use of LPG in place of electric heaters for heating chambers.
(c) The capital investment on energy conservation equipments	NIL
B. TECHNOLOGY ABSORPTION	
(i) Efforts made in Technology Absorption	Part substitution of imported fibre and cement and development new type of boards for exports.
(ii) the benefits derived like product improvement,cost reduction,product development or import substitution	Improvement in quality, reduction RM Cost, development of air cured boards and non-asbestos roofing sheets. Development of printed and laminated calcium silicate boards.
(iii) In case of imported technology (imported during the last 3 years reckoned form 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	NIL

Annexure - 8

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 31.03.2017.

A. CONSERVATION OF ENERGY (pertaining to Cotton Yarn Division)	
(a) the Steps taken or impact on conservation of energy	1. In A unit G5/1 Ring frame, existing compact system is being controlled to Centralised Duct System to improve performance and save energy. 2. We have replaced existing conventional Tube Lights by LED Tube Lights in our A unit. 3. Internal Energy Audit and conservation measure is being adopted periodically. 4. We have installed new Savio Eco Pulsar Autoconer to produce pineapple cheese and also to save energy.
(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	1. We have installed new Savio Eco Pulsar Autoconer, to produce pineapple cheese. 2. Installed SSM Assembly winder capable to produce parallel cone/ normal cheese/soft cheese and pineapple cheese.
(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) 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	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	₹ 2,413.50 lakhs
(b) Foreign exchange out go during the year in the term of actual outflows	₹ 4,965.64 lakhs

Annexure - 9

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 2016-17.

Name of the Director / KMP and Designation	Remuneration of the Director / KMP for financial year 2016-17 ₹ in lakhs	% increase in remuneration in the financial year 2016-17	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.Ramasubrahmaneya Rajha	1.50	0.00	0.68:1	
Shri P.R. Venketrama Raja	313.07	260.00	142.77:1	The Profit Before Tax increased by 170 % and Profit After Tax by 80% in 2016-17
Shri S.S. Ramachandra Raja	0.75	-40.00	0.34:1	
Shri K.T. Ramachandran	2.75	-8.00	1.25:1	
Shri N.K. Shrikantan Raja	1.75	0.00	0.80:1	
Shri R.S. Agarwal	3.25	-13.00	1.48:1	
Shri V. Santhanaraman	1.25	-17.00	0.57:1	
Smt. Justice Chitra Venkataraman (Retd.)	2.25	-18.00	1.03:1	
Shri Prem G Shanker (Chief Executive Officer)	137.60	15.00	62.83:1	The Profit Before Tax increased by 170% and Profit After Tax by 80% in 2016-17
Shri K. Sankaranarayanan (Chief Financial Officer)	54.35	8.08	24.82:1	
Shri S. Balamurugasundaram (Company Secretary)	21.68	33.36	9.90:1	

iii. The median remuneration of the employees during the financial year was ₹ 2,19,290/- and the percentage increase in the median remuneration was 20%.

iv. There were 1,273 permanent employees on the rolls of the Company, as on 31st March 2017.

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 13.82% (i.e.) from ₹ 1.87 Crores in 2015-16 to ₹ 5.27 Crores in 2016-17, whereas the Profit before tax increased by 170% and Profit after tax increased by 80% in the financial year 2016-17.

vii. a. Variations in the market capitalisation of the Company: The market capitalisation of ₹ 792.97 Crores as on 31st March, 2016 had increased to ₹ 2,072.98 Crores as on 31st March 2017, showing an increase of 161%.

b. Price earning ratio: The price earning ratio of the Company was 34.62 as at 31st March 2017 and was 23.83 as at 31st March, 2016.

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 ₹ 1,849.89 as dividend. The said investment of ₹ 10/- would have risen to a value of ₹ 32,292 as on 31-03-2017.

viii. Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year i.e. 2016-17 was 7.22% and the increase in the managerial remuneration of KMP for the same financial year was 13.82%.

ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company – Provided under i & ii above.

x. VCMD's remuneration is 5% of the profits of the Company, 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 directorto 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) Particulars of Top 10 employees in terms of remuneration drawn and particulars of employees employed throughout the financial year 2016-17 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 (Yrs.)	Last employment
1.	Shri P.R. Venketrama Raja	VCMD	313.07	B.Tech., MBA	28.06.1993 (as VCMD)	58	N.A.
2.	Shri Prem G Shanker	CEO	137.60	B.Tech., MS (30)	9.10.2008	53	Texmo Industries, Coimbatore

(ii) Employed for a part of the financial year 2016-17 and was in receipt of remuneration, at a rate which, in the aggregate, not less than ₹ 8.50 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.R.Venketrama Raja, Vice Chairman & Managing Director who is related to Shri P.R. Ramasubrahmaneya Rajha, Chairman.
3. No employee was in receipt of remuneration in excess of that drawn by Vice Chairman & Managing Director.
4. VCMD's remuneration includes contribution to PF and after deduction of salary paid by M/s. Ramco Systems Limited, as approved by Shareholders on 28.7.2014.
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

Place : Rajapalayam
Date : 04.06.2017

P.R.VENKETRAMA RAJA
CHAIRMAN

INDEPENDENT AUDITORS' REPORT

To the Members of Ramco Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements drawn in accordance with the Indian Accounting Standards ("the Financial Statements"), of Ramco Industries Limited ("the Company"),which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss(including Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement for the year ended on 31 March 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of the Financial Statements that give a true and fair view of the financial position, financial performance(including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgments 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 including the Indian Accounting Standards, of the state of affairs(financial position) of the Company as at 31 March 2017, its Profit(financial performance including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on 31 March 2017.

Report on Other Legal and Regulatory Requirements

1) 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 Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2) 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the 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 31 March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;

f) We have enclosed our separate report in "Annexure B" with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls 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 details of the pending litigations and its impact on the financial statements have been disclosed in the Note No. 38.2.1 to 38.2.12 of the 'Disclosures forming part of Standalone Ind AS financial statements' for the year ended 31 March 2017.

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.

iv. The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company.

For M/s.M.S. JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Financial Statements of the Company for the year ended 31 March 2017:

1) Fixed Assets

1.1 The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

1.2 The fixed assets were physically verified during the year by the Management in accordance with the regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed during such verification.

1.3 According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2) Inventory

2.1 The Management has conducted the physical verification of inventory at reasonable intervals.

2.2 The discrepancies noticed on verification between the physical stocks and the book records were properly dealt with in the books of account and were not material.

3) 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 ₹ 511.04 Lakhs (PY ₹ 602.45 Lakhs) and the amount outstanding as on 31 March 2017 is ₹ 511.04 Lakhs (PY ₹ 468.80 Lakhs).

3.1 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.

3.2 The payment of the principal and the interest wherever applicable are regular.

3.3 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.

4) 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 Act, in respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) The Company is maintaining the accounts and records which have been specified by the Central Government under Section 148(1) of the Act.

7) Undisputed and disputed taxes and duties

7.1 The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

7.2 The disputed statutory dues aggregating to ₹ 2945.81 lakhs (PY ₹ 5171.61 Lakhs) that have not been deposited on account of matters pending before appropriate authorities are as under.

(₹ In lakhs)

Sl No.	Name of the Statute	Forum where dispute is pending	As on 31-03-17	As on 31-03-16
1	Income Tax Act	Deputy Commissioner	75.23	15.25
		Commissioner Appeal	761.76	1684.59
		High Court	432.85	2563.56
		Appellate Tribunal	858.89	-
2	Sales Tax Act			
	CST Act	Appellate Authority	-	3.34
		CST Act - Asst. Commissioner	258.80	-
		Assistant/Deputy/Joint Commissioner Appeal	10.42	10.42
		Tribunal Court	3.77	18.45
		High Court	-	311.61
	Entry Tax Act	Assistant/Deputy/Joint Commissioner Appeal	10.09	9.95
	Sales Tax Act	Appellate Authority	72.45	72.45
	VAT Act	Appellate Authority	-	1.01
		Assistant/Deputy/Joint Commissioner Appeal	54.69	24.38
		Tribunal Court	2.28	50.32
3	Central Excise Act and Cenvat Credit Rules	Appellate Authority	55.63	57.33
4	Electricity Act	High Court	348.95	348.95
	Total		2,945.81	5,171.61

8) The Company has not defaulted in repayment of dues to Financial Institutions, Banks, Debenture holders or Government.

9) The Company did not raise any money by way of initial public offer or further public offer during the year. The Company has raised term loans from Banks / Institutions during the year and the proceeds have been applied for the purposes for which they were raised. The Company has not issued any debentures during the year.

10) Based upon the audit procedures performed and the information and explanations given by the management, 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.

11) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

14) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

15) Based upon the audit procedures performed and the information and explanations given by the Management, the Company has not entered into any non-cash transactions with Directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

16) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For M/s.M.S. JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH 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 Ramco Industries Limited("the Company") as of March 31, 2017 in conjunction with our audit of the Financial Statements of the Company for the year ended on 31 March 2017.

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 and, 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 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, 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 31 March 2017, 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.M.S. JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

BALANCE SHEET AS AT 31ST MARCH 2017

	Note No.	31.03.2017	As at 31.03.2016 ₹ In Lakhs	01.04.2015
I ASSETS				
1 NON-CURRENT ASSETS				
Property, Plant and Equipments	7	39,050.98	37,415.65	36,840.45
Capital Work -in- Progress	7	249.53	1,411.12	340.40
Intangible Assets	7	546.16	149.53	50.87
Investment Property	8	43.94	53.66	120.96
Investment in Subsidiaries and Associates	9	21,274.07	21,449.32	21,295.97
Financials Assets				
Other investment	9	2,807.83	2,071.25	2,447.37
Loans	10	511.04	468.80	602.45
Other Financials Assets	10	646.03	581.07	453.66
Other Non - Current Assets	11	185.84	374.83	806.82
		65,315.42	63,975.23	62,958.95
2 CURRENT ASSETS				
Inventories	12	30,478.37	24,206.55	25,984.43
Financials Assets				
Trade Receivables	13	7,317.63	6,882.88	6,934.37
Cash and Cash Equivalents	14	553.80	971.09	728.90
Other Financials Assets	15	522.73	566.43	716.97
Current Tax Assets		4,266.25	1,899.75	1,804.73
Other Current Assets	16	2,744.42	2,527.07	4,080.81
		45,883.20	37,053.77	40,250.21
TOTAL ASSETS		1,11,198.62	1,01,029.00	1,03,209.16
II EQUITY AND LIABILITIES				
SHARE HOLDERS' FUND				
Equity Share Capital	17	866.63	866.63	866.63
Other Equity	17-A	58,106.44	51,516.96	49,480.41
Total Equity		58,973.07	52,383.59	50,347.04
NON-CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	18	6,452.49	13,565.91	10,670.34
Deferred Tax Liability (Net)	19	1,104.22	240.31	1,021.90
Deferred Government Grants	20	162.53	174.23	185.92
		7,719.24	13,980.45	11,878.16
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	21	23,410.82	17,451.47	20,667.27
Trade Payables	22	5,112.21	3,840.27	3,694.98
Other financial Liabilities	23	10,616.45	10,563.90	14,531.36
Deferred Government Grants		11.70	11.70	11.70
Other Current liabilities	24	2,329.57	2,169.06	1,700.08
Provisions	25	3,025.56	628.56	378.57
		44,506.31	34,664.96	40,983.96
TOTAL		1,11,198.62	1,01,029.00	1,03,209.16
Significant Accounting Policies, Judgements and Estimates	1-6			
See accompanying notes to the financial statements	7-50			

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

Place: Chennai
Date : 30th May, 2017

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

	Note No.	2016-17 ₹ in lakhs	2015-16 ₹ in lakhs
INCOME			
Revenue from operations	26	78,530.20	78,501.36
Other Income	27	4,149.37	3,331.34
Other Finance Income	28	187.30	142.24
Total Revenue		82,866.87	81,974.94
EXPENDITURE			
Cost of materials consumed	29	37,893.56	42,627.20
Cost of resale materials		131.08	324.42
Change in inventories of Finished Goods and Work in Progress	30	1,072.69	462.43
Excise duty on sale of goods		7,324.44	7,762.25
Employee benefit expenses	31	6,717.94	6,096.53
Finance costs	32	3,353.60	3,977.61
Depreciation and amortisation expenses	7	2,148.11	1,960.34
Other expenses	33	18,081.03	17,297.66
Total Expenses		76,722.45	80,508.44
Profit/(Loss) before exceptional items and tax		6,144.42	1,466.50
Exceptional Items	34	1,168.48	1,232.92
Profit / (Loss) before Tax		7,312.90	2,699.42
Income Tax expenses	36		
Current Tax		1,342.21	138.63
Deferred Tax		863.91	(772.06)
MAT Credit		(880.52)	-
Profit / (Loss) for the year		5,987.30	3,332.85
Other Comprehensive income			
(ii) Item will not be reclassified to profit / (loss) in subsequent periods:			
Actuarial Gain/(loss) on defined benefit obligation(net)		(131.20)	(175.26)
Fair value gain/(loss) on Equity instruments through OCI		733.38	(374.80)
Total Comprehensive income for the year, net of Tax		6,589.48	2,782.79
Earnings per equity share of face value of ₹ 1 each			
Basic & Diluted in Rupees		6.91	3.85
Significant Accounting Policies, Judgements and estimates	1-6		
Notes on Financial Statements	7-50		
The accompanying notes form an integral part of the financial statements			

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2017

		2016-17 ₹ in lakhs		2015-16 ₹ in lakhs	
A	**Cash flow from operating activities**				
	Net profit after tax as per Profit and Loss Account		6,589.48		2,782.79
	Adjusted for				
	Deferred tax	863.91		(781.59)	
	Loss on sale of assets	5.92		73.48	
	Depreciation	2,148.11		1,960.80	
	Impairment of Assets	-		30.19	
	Dividend Income	(3,798.64)		(3,122.21)	
	Profit on sale of assets	(89.16)		(220.18)	
	Profit on sale of shares	(1,089.66)		(1,049.35)	
	Fair value loss/(gain) on investments	(737.14)		376.67	
	Interest income	(187.30)		(142.24)	
	Interest paid	3,482.59		3,817.81	
	Royalty receipts	(1,874.20)		(1,793.67)	
			(1,275.57)		(850.29)
	Operating profit before working capital changes		5,313.91		1,932.50
	Adjusted for				
	Trade and other receivables	(434.75)		51.49	
	Inventories	(6,271.82)		1,777.88	
	Trade payables	1,271.94		145.29	
	Other Current Assets	(3,408.83)		1,540.59	
	Other current Liabilities	2,610.06		(3,248.49)	
			(6,233.40)		266.76
	Cash (used in) / generated from operations		(919.49)		2,199.26
	Taxes paid		868.68		68.68
	Net cash (used in) / generated from operating activities		(50.81)		2,267.94
B	**Cash flow from Investing activities**				
	Purchase of fixed assets	(4,182.46)		(2,999.16)	
	Sale of fixed assets	117.94		319.10	
	Adjustments in Assets	(32.31)		161.91	
	Proceeds from Sale of shares	1,265.47		1,224.00	
	Interest income	187.30		142.24	
	Dividend income	3,798.64		3,122.21	
	Changes in Capital WIP	1,161.59		(1,070.72)	
	Advance for long term purpose	91.51		505.53	
	Investment subsidy	-		-	
	Purchase of investment	-		(328.55)	
	Royalty receipts	1,874.20		1,793.67	
	Net cash (used in) / from investing activities		4,281.88		2,870.23

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March 2017 Contd...

		2016-17 ₹ in lakhs		2015-16 ₹ in lakhs	
C	**Cash flow from financing activities**				
	Proceeds from long term borrowing	(7,113.42)		2,895.57	
	Proceeds from other Long term liabilities	(11.70)		(11.69)	
	Proceeds from short term borrowings	5,959.35		(3,215.80)	
	Dividend paid	-		(746.25)	
	Finance cost	(3,482.59)		(3,817.81)	
	Net cash from / (used in) Financing activities		(4,648.36)		(4,895.98)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		(417.29)		242.19
	Cash and cash equivalents as at the beginning of the year		971.09		728.90
	Cash and Cash equivalents as at end of the year		553.80		971.09

The accompanying notes form an integral part of the financial statements
As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu. 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 Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs), 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 30-05-2017.

2. Basis of Preparation of Separate Financial Statements

2.1 The financial statements for the period up to 31-03-2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The comparative figures in the financial statements with respect to the previous year have been restated in accordance with Ind AS requirements. While preparing these financials statements, the Company has first prepared its opening Balance sheet as at 01-04-2015, the date of transition to Ind AS.

2.2 The significant accounting policies used in preparing the financial statements are set out in Note No.5

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 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. First time adoption of Ind AS

The financial statements for the year ended 31-03-2017 are the first financial statements prepared in accordance with Ind AS. The Reconciliation and description of the effect of transition from previous GAAP to Ind AS on Equity, Statement of Profit and Loss and Cash flow are provided in Note 57. The Balance sheet as on the date of transition has been prepared in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards (Ind AS). All applicable Ind AS were applied consistently and retrospectively in preparation of the first Ind AS Financial Statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under Ind AS 101.

Estimates

The estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. Accordingly, the Company has not made any changes to estimates made in accordance with previous GAAP.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The mandatory exceptions to the retrospective application under Ind AS 101 that are applicable to the Company are as below:

Mandatory Exceptions under Ind AS 101	Compliance
Derecognition of previously recognised financial assets/financial liabilities	
An entity shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.	The Company has applied the de-recognition requirements prospectively.
Hedge accounting	
At the date of transition to Ind AS, an entity shall measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities. An entity shall not reflect in its opening Ind AS Balance Sheet a hedging relationship that does not qualify for hedge accounting in accordance with Ind AS 109.	The Company has measured derivatives at fair value through profit and loss. The Company does not have any hedging relationship that meets the qualifying criteria for Hedge accounting.
Classification and measurement of financial assets	
Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.	The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.
Impairment of Financial Assets	
Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.	The Company has applied impairment requirements retrospectively.

The voluntary exemptions to the retrospective application under Ind AS 101 that are applicable to the Company are as below:

Voluntary Exemption under Ind AS 101	Option exercised
Deemed Cost	
An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment, intangibles by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.	The Company has opted to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.
Investments in Subsidiary and Associates	
An entity is required to account for its investments in subsidiaries, joint ventures and associates either (a) at cost; or (b) in accordance with Ind AS 109. Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date.	The Company has opted to measure its investment in subsidiaries / associates as per the previous GAAP carrying amount as at the date of transition to Ind AS.
Designation of previously recognised financial instruments	
An entity may designate an investment in an equity instrument as at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.	The Company has designated all equity instruments in companies other than subsidiaries / associates at FVTOCI, based on the assessment made on the date of transition to Ind AS.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

4 Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 5.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

5. Significant Accounting Policies

5.1 Inventories

5.1.1 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.

5.1.2 Process stock is valued at 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.

5.1.3 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 including excise duty. 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.

5.2 Cash Flow Statement

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.3 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 is recognised directly in Equity.

5.4 Income Taxes

5.4.1 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.

5.4.2 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.

5.4.3 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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.4.4 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.

5.4.5 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.

5.4.6 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.

5.4.7 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.

5.5 Property, plant and equipments (PPE)

5.5.1. PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT 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.

5.5.2 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:

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

5.5.3 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.

5.5.4 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.

5.5.5 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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.5.6 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.

5.5.7 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

5.5.8 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.

5.6 Leases

5.6.1 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.

5.6.2 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.

5.6.3 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.

5.7 Revenue Recognition

5.7.1 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.

5.7.2 **Revenue from Operations**

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 and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

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 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.

5.7.3 **Other Income**

a. Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

b. Dividend income is recognised when the Company's right to receive dividend is established.

c. Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

d. Value of Carbon credits are recognised when the Company's right to receive the same is established.

5.8 Employee Benefits

5.8.1 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.

5.8.2 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.

5.8.3 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.

5.8.4 The Company also contributes for superannuation a sum equivalent to 15% of the officer's eligible annual basic salary subject to maximum of ₹ 1.50 lakhs and (Out of the said 15% contribution, a sum upto ₹ 1.50 Lakhs 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.

5.8.5 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, including for its employees in subsidiary Company, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.

5.8.6 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.

5.8.7 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.

5.9 Government Grants

5.9.1 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". 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".

5.10 Foreign currency transactions

5.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

5.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

5.10.3 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.

5.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.11 Borrowing Costs

5.11.1 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.

5.11.2 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 borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period 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.

5.12 Earnings per Share

5.12.1 Net profit after tax is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year.

5.12.2 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.

5.12.3 The Company do not have any potential equity shares.

5.13 Impairment of Non-financial Assets

5.13.1 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.

5.13.2 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.

5.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

5.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

5.14 Provisions, Contingent Liabilities and Contingent Assets

5.14.1 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.

5.14.2 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.

5.14.3 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.

5.14.4 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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.15 Intangible Assets

5.15.1 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.

5.15.2 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	3 years
Amortisation of Intangible assets	**Accounting classification**
Computer software	Depreciation & Amortisation

5.15.3 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.

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

5.16 Investment Properties

5.16.1 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.

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

5.16.3 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.

5.16.4 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

5.16.5 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.

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

5.17 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, 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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

5.18 Financial Instruments

5.18.1 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.

5.18.2 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.

5.18.3 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

5.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

5.18.5 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.

5.18.6 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.18.7 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 retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

5.18.8 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.

5.18.9 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

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

5.18.11 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.

5.18.12 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.

5.18.13 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.18.14 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.

5.19 Fair value measurement

5.19.1 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.

5.19.2 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.

5.19.3 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.

5.19.4 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.

5.19.5 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.

5.19.6 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

6. 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

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MAR 2017

7 PROPERTY PLANT & EQUIPMENT

₹ in lakhs

		GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
Particulars	YEAR	As At 01-APR-2016	Additions	Withdrawals/ Adjustments	As At 31-MAR-2017	As At 01-APR-2016	For the year 2016-17	Withdrawals/ Adjustments	As At 31-MAR-2017	As At 31-MAR-2017	As At 31-MAR-2016
LAND - FREEHOLD	2016-17	1,679.00			1,679.00	-			-	1,679.00	1,679.00
	2015-16	1,721.24		42.24	1,679.00				-	1,679.00	1,721.24
LAND - LEASE HOLD	2016-17	1,399.35			1,399.35	61.70	15.59	0.06	77.23	1,322.12	1,337.65
	2015-16	1,356.54	65.20	22.39	1,399.35	46.54	15.59	0.43	61.70	1,337.65	1,310.00
BUILDINGS	2016-17	16,228.31	267.41	-	16,495.72	4,541.58	444.96	5.12	4,981.42	11,514.30	11,686.73
	2015-16	16,135.17	125.76	32.62	16,228.31	4,085.57	462.95	6.94	4,541.58	11,686.73	12,049.60
RAILWAY SIDINGS	2016-17	20.68			20.68	19.65			19.65	1.03	1.03
	2015-16	20.68			20.68	19.65			19.65	1.03	1.03
PLANT & MACHINERY	2016-17	46,050.66	2,437.52	259.25	48,228.93	27,022.27	1,080.63	251.74	27,851.16	20,377.77	19,028.39
	2015-16	44,507.96	2,324.91	782.21	46,050.66	26,685.03	942.26	605.02	27,022.27	19,028.39	17,822.93
ELECTRICAL MACHINERY	2016-17	6,359.49	1,002.96	-	7,362.45	3,105.91	490.37	-	3,596.28	3,766.17	3,253.58
	2015-16	6,390.71	316.52	347.74	6,359.49	2,937.95	461.59	293.63	3,105.91	3,253.58	3,452.76
FURNITURE	2016-17	336.57	2.85		339.42	128.62	27.36		155.98	183.44	207.95
	2015-16	394.61	3.82	61.86	336.57	144.92	26.90	43.20	128.62	207.95	249.69
OFFICE EQUIPMENTS	2016-17	208.27	22.43		230.70	167.41	12.73		180.14	50.56	40.86
	2015-16	219.56	5.98	17.27	208.27	168.41	15.64	16.64	167.41	40.86	51.15
VEHICLES	2016-17	460.26	10.85	0.25	470.86	279.80	34.66	0.19	314.27	156.59	180.46
	2015-16	454.59	50.21	44.54	460.26	272.54	34.51	27.25	279.80	180.46	182.05
TOTAL TANGIBLE ASSET	2016-17	72,742.59	3,744.02	259.50	76,227.11	35,326.94	2,106.30	257.11	37,176.13	39,050.98	37,415.65
	2015-16	71,201.06	2,892.40	1,350.87	72,742.59	34,360.61	1,959.44	993.11	35,326.94	37,415.65	36,840.45

Capital work-in-progress

CAPITAL WORK-IN-PROGRESS	2016-17	1,411.12	2,582.43	3,744.02	249.53					249.53	1,411.12
	2015-16	340.40	4,069.88	2,999.16	1,411.12					1,411.12	340.40

Intangible Assets

COMPUTER SOFTWARE	2016-17	700.17	438.44		1,138.61	550.64	41.81		592.45	546.16	149.53
	2015-16	598.37	106.75	4.95	700.17	547.50	0.90	(2.24)	550.64	149.53	50.87
TOTAL INTANGIBLE ASSETS	2016-17	700.17	438.44	-	1138.61	550.64	41.81	-	592.45	546.16	149.53
	2015-16	598.37	106.75	4.95	700.17	547.50	0.90	(2.24)	550.64	149.53	50.87

(a) The Company has opted to use previous GAAP carrying amount as Deemed cost as at the date of transition to Ind AS (i.e As on 1-4-2015). However, as per the FAQ issued by Accounting Standard Board of ICAI, the above information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP is an additional disclosure and the same is not considered for subsequent recognition and/or measurement purposes.

(b) No Borrowings cost have been capitalised for both current and previous year.

(c) As per Ind AS, the Company reclassify land at Gaziabad, 2 Numbers of commercial properties at Mumbai, a commercial property at Kolkatta and Pipe plant Building at Maksi as investment properties. These amount are adjusted in the opening balance as at 01.04.2015

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MAR 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
8	**INVESTMENT PROPERTY**			
	Gross Block			
	As at the beginning of the year	277.37	345.07	345.07
	Less: Sold during the period	(9.06)	(67.70)	-
	As at the end of the year	268.31	277.37	345.07
	Depreciation and impairment			
	As at the beginning of the year	223.71	224.11	221.73
	Sold during the year	(4.52)	(2.33)	-
	Depreciation during the year	5.18	1.93	2.38
	As at the end of the year	224.37	223.71	224.11
	Net Block			
	As at the end of the year	43.94	53.66	120.96
	Information regarding income and expenditure of Investment property			
	Rental Income from Investment Properties	20.00	25.00	15.00
	Direct Operating Expenses	4.93	4.95	2.37
	Profit arising from Investment Properties before Depreciation and indirect expenses	15.07	20.05	12.63
	Less: Depreciation	4.98	4.49	8.47
	Profit arising from Investment Properties	10.09	15.56	4.16
	Fair Value of Investment property	268.31	277.37	345.07

a. The Company's investment property consists of a commercial property at Mumbai, a commercial property at Kolkatta and Pipe plant Building at Maksi. Out of these, property at Mumbai was sold on 15.06.2016.

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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MAR 2017

9 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

₹ In Lakhs

Name of the Company	Total face Value ₹	As at 31-03-2017		As at 31-03-2016		AS AT 01-04-2015	
		Number	Amount	Number	Amount	Number	Amount
Quoted Investment - Fully paid Equity shares							
The Ramco Cements Limited	1.00	4,93,12,420	5,815.85	4,93,12,420	5,815.85	4,93,12,420	5,815.85
Rajapalayam Mills Limited	1.00	1,27,360	61.79	4,87,360	236.44	8,47,360	411.09
Ramco System Limited	1.00	48,22,215	13,216.19	48,22,215	13,216.19	48,22,215	13,216.19
Sub-Total (A)			19,093.83		19,268.48		19,443.13
Unquoted Investment - Fully paid Equity shares							
Associate Companies							
Ontime Industrial Services Ltd	10.00	50,000	5.00	50,000	5.00	50,000	5.00
Ramco Windfarms Ltd	1.00	2,65,000	2.65	32,50,000	3.25	32,50,000	3.25
Madurai Trans carrier Ltd	1.00	3,09,00,000	309.00	3,09,00,000	309.00	-	-
Lynks Logistics Limited	1.00	19,00,000	19.00	19,00,000	19.00	-	-
Sub-Total			335.65		336.25		8.25
Subsidiaries							
Sudharsanam Investments Limited	10.00	42,50,000	425.00	42,50,000	425.00	42,50,000	425.00
Sri Ramco Lanka (Private) Ltd, Srilanka	SLR 10.00	2,30,00,000	1,365.32	2,30,00,000	1,365.32	2,30,00,000	1,365.32
Sri Ramco roofing Lanka (Private) Ltd, Srilanka	SLR 10.00	12,90,000	54.27	12,90,000	54.27	12,90,000	54.27
Sub-Total			1,844.59		1,844.59		1,844.59
Sub-Total (B)			2,180.24		2,180.84		1,852.84
Total Investments in Subsidiaries and Associates C= (A+B)			21,274.07		21,449.32		21,295.97
Aggregate Market Value of Quoted Investments			2,86,982.48		2,33,022.01		1,84,057.56
Other Investment							
Quoted Investment - Fully paid Equity shares (designated at FVTOCI)							
Indian Bank	10.00	1,391	3.87	1,391	1.45	1,391	2.41
HDFC Limited	2.00	1,79,200	2,691.76	1,79,200	1,981.24	1,79,200	2,357.73
HDFC Bank Limited	2.00	5,500	79.34	5,500	58.91	5,500	56.25
DHFL Vysya Housing Finance Limited	10.00	30,000	3.00	30,000	3.00	30,000	3.00
Sub-Total (A)			2,777.97		2,044.60		2,419.39
Investments in Mutual Funds (measured at FVTPL)							
HDFC Mutual Fund	10.00	1,00,000.00	29.32	1,00,000	25.56	1,00,000	27.44
Sub-Total (B)			29.32		25.56		27.44
Unquoted Investment - Fully paid Equity shares							
ARS Energy Private Limited	1.00	-	-	55000	0.55	-	-
Sub-Total (C)			-		0.55		-
Investments in Government or Trust Securities							
National Savings Certificate			0.52		0.52		0.52
Sub-Total (D)			0.52		0.52		0.52
III. Other Non-Current Investments, Non-Trade - Unquoted							
Ramco Industries Employees Co-op Stores Limited		2,500.00	0.02		0.02		0.02
Sub-Total (E)			0.02		0.02		0.02
Total Other Investments (A+B+C+D+E)			2,807.83		2,071.25		2,447.37

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
10	**LOANS AND OTHER FINANCIAL ASSETS [Non Current]**			
	Loan give to related parties	511.04	468.80	602.45
	Security deposit with Electricity Board	646.03	581.07	453.66
		1,157.07	1,049.87	1,056.11
	Loan to related party is loan given to our wholly owned subsidiary company, M/s.Sudharsanam Investments Ltd			
11	**OTHER NON CURRENT ASSETS**			
	Secured and considered good			
	Advances towards Capital goods	106.42	326.97	751.48
	Advances to Others	70.33	38.33	45.36
	Prepaid Expenses	9.09	9.53	9.98
		185.84	374.83	806.82
12	**INVENTORIES**			
	Raw materials	14,981.31	9,980.53	10,134.11
	Raw Materials in Transit	2,090.46	-	1,091.07
	Work-in-progress	1,934.06	2,067.83	2,231.40
	Finished goods	10,518.96	11,429.27	11,950.70
	Finished goods in Transit	-	3.96	-
	Stores and spares	946.47	700.74	577.15
	Asset held for Sale	7.11	24.22	-
		30,478.37	24,206.55	25,984.43

a. Inventories are valued as per companies accounting policy. [Note No. 5.1 of accounting policies]

b. The total carrying cost of inventories as at the reporting date has been pledged as security for borrowings.

13	**TRADE RECEIVABLES**			
	Trade receivables outstanding for more than 6 months, unsecured considered doubtful	315.95	359.25	311.77
	Trade receivables outstanding for more than 6 months, provision	(315.95)	(359.25)	(311.77)
	Trade receivables outstanding for more than 6 months, unsecured, considered good	259.86	-	-
	Trade receivables, unsecured considered good	6,620.46	6,365.66	6,559.59
	Trade receivables unsecured considered good- Related Parties	437.31	517.22	374.78
		7,317.63	6,882.88	6,934.37

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 Borrowings.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
14	**CASH AND CASH EQUIVALENTS**			
	Cash on Hand	6.16	8.71	15.43
	Balance With Bank Current account	521.24	931.31	680.57
	Margin Money	9.40	9.40	10.42
	Balance with Bank - Unpaid Dividend Warrant Account	17.00	21.67	22.48
		553.80	971.09	728.90
15	**OTHER FINANCIAL ASSETS [Current]**			
	Security Deposit - Others	203.80	173.54	149.06
	Asset - Foreign exchange forward contracts	3.69	-	99.49
	Asset - Interest rate swaps	-	-	79.72
	Government Grants receivable	315.24	392.89	388.70
		522.73	566.43	716.97
	Government Grants receivable include:			
	- Government of West Bengal - ₹ 63.13 lakhs (as at 31.03.2016 - ₹ 213.12 lakhs; As at 31.03.2015-₹ 213.12 lakhs)			
	- Government of Bihar - ₹ 252.11 lakhs (as at 31.03.2016 - ₹ 179.77 lakhs; As at 31.03.2015 - ₹ 175.58 lakhs)			
16	**OTHER CURRENT ASSETS**			
	Tax Credit - Indirect Taxes	798.47	1,017.64	1,015.41
	Advance to Suppliers	1,492.93	965.92	1,697.36
	Advance to Employees	23.19	67.53	99.82
	Prepaid Expenses	216.49	192.52	244.47
	Other Current Assets	213.34	283.46	1,023.75
		2,744.42	2,527.07	4,080.81

17. EQUITY SHARE CAPITAL

Reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital	20,00,00,000	2,000.00	2000,00,000	2,000.00	2000,00,000	2,000.00
Issued & Subscribed and Fully paid shares of ₹ 1/- each	8,66,63,060	866.63	8,66,63,060	866.63	8,66,63,060	866.63
Number of Shares at the beginning	866,63,060	866.63	866,63,060	866.63	866,63,060	866.63
Issued during the year - Bonus Issue	-	-	-	-	-	-
Issued during the year - Preferential Issue	-	-	-	-	-	-
Number of Shares at the end	8,66,63,060	866.63	**8,66,63,060**	**866.63**	**8,66,63,060**	**866.63**

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31st MAR 2017		As at 31st March 2016		As at 31st March 2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
The Ramco Cements Ltd	1,33,72,500	15.43	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	79,20,680	9.14	79,20,680	9.14	79,20,680	9.14
Shri.P.R.Venketrama Raja	55,00,000	6.35	55,00,000	6.35	55,00,000	6.35
Smt.Saradha Deepa	55,00,000	6.35	55,00,000	6.35	55,00,000	6.35
Smt.Nalina Ramalakshmi	55,80,000	6.44	55,80,000	6.44	55,80,000	6.44
	3,78,73,180	43.71	3,78,73,180	43.71	3,78,73,180	43.71

17-A. OTHER EQUITY

For the year ended 31st March 2017 — **₹ in Lakhs**

Particulars	Reserves & Surplus				Items of OCI	Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI reserve	
As at 1st April 2016	**1,260.71**	**209.53**	**5,672.39**	**42,373.46**	**2,000.87**	51,516.96
Profit for the period	-	-	5,987.30	-	-	5,987.30
Other comprehensive income(Note..)	-	-	-	-	602.18	602.18
Total Comprehensive Income	-	-	5,987.30	-	602.18	6,589.48
Issue of share capital						-
Transfer to general reserve	-	-	(900.00)	900.00	-	-
Share-based payments	-	-	-	-	-	-
Transaction costs	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-
As at 31st March 2017	**1,260.71**	**209.53**	**10,759.69**	**43,273.46**	**2,603.05**	**58,106.44**

For the year ended 31st March, 2016 — **₹ in Lakhs**

Particulars	Reserves & Surplus				Items of OCI	
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI reserve	Total
As at 1st April 2015	1,260.71	209.53	3,585.80	41,873.46	2,550.93	49,480.43
Profit for the period	-	-	3,332.85	-	-	3,332.85
Other comprehensive income(Note..)	-	-	-	-	(550.06)	(550.06)
Total Comprehensive Income	-	-	3,332.85	-	(550.06)	2,782.79
Issue of share capital	-	-	-	-	-	-
Transfer to general reserve	-	-	(500.00)	500.00		-
Share-based payments	-	-	-			-
Transaction costs	-	-	-			-
Cash dividends	-	-	(693.32)			(693.32)
Dividend distribution tax on cash dividend by parent company	-	-	(52.94)			(52.94)
As at 31st March 2016	1,260.71	209.53	5,672.39	42,373.46	2,000.87	51,516.96

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Capital Reserve

Represents the difference between the shares allotted to the Share Holders of Transferor Company and Net Worth acquired from Transferor Company as per scheme of Amalgamation.

Securities Premium Reserve

Represents excess of share subscription money received over par value of shares.

General reserve

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained earnings

Represents that portion of the net income of the Company that has been retained by the Company.

FVTOCI Reserve

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.

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
18	**BORROWINGS [NON CURRENT]**			
	Secured:			
	Term Loan from Banks	6,452.49	13,565.91	10,670.34
		6,452.49	13,565.91	10,670.34
	a. Term Loan from Banks are secured by pari-passu 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	109.22		
	2020-21	510.87	692.15	156.25
	2019-20	1,990.23	3,103.78	937.29
	2018-19	3,859.23	4,623.41	2,765.74
	2017-18	5,184.68	3,393.39	
	2016-17	3,460.19		
	Processing charges to be absorbed over the period of loan	(17.06)	(38.11)	(42.52)
		6,452.49	13,565.91	10,670.34
19	**DEFERRED TAX LIABILITY (NET)**			
	Deferred Tax Liabilities			
	Tax effect on difference between book depreciation and depreciation under the Income Tax Act 1961	(4,713.86)	(3,985.66)	(3,354.19)
	Other Items allowable under the Income Tax Act, 1961	29.14		
	Tax effect on Fair Value measurement	1.28	1.28	-63.60
	Deferred Tax Assets			
	Tax effect-Unabsorbed depreciation under IT Act,1961	3,014.51	3,226.35	1,922.85
	Tax effect -provision for Bonus and Leave encashment	408.76	323.48	148.47
	MAT credit entitlement			
	Disallowances under the Income Tax Act, 1961.	155.95	194.24	324.57
	Net Deferred Tax Liability	1,104.22	240.31	1,021.90
	Reconciliation of deferred tax Liabilities (net)			
	Opening balance as on 1st April	240.31	1,021.90	
	Tax (income)/Expense during the period recognised in Profit and Loss	863.91	(772.06)	
	Deferred Tax effect on Componentisation of assets		(9.53)	
	Closing balance as on 31st March	1,104.22	240.31	

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
20	**DEFERRED GOVERNMENT GRANTS**			
	Deferred Government Grants	162.53	174.23	185.92
		162.53	174.23	185.92

Industrial Promotion Assistance (IPA) provided by Department of Industries of Government of Bihar [₹ 134.31 lakhs] and Government of West Bengal [₹ 150.00 lakhs] 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	5,592.47	10,293.17	20,667.27
	Unsecured:			
	Loan from banks	17,818.35	7,158.30	-
		23,410.82	17,451.47	20,667.27

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

22	**TRADE PAYABLES**			
	Trade Payables	5,112.21	3,840.27	3,694.98

a. Trade payables are non-interest bearing and are normally settled on 10 to 30 days, except where credit term as per contractual is more than 30 days.

b. There are no dues to micro and small enterprises as at 31-03-2017 (PY: ₹ NIL). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 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	3,750.00	4,910.12	6,770.92
	Current Maturities of Long Term Debt - Unsecured	-	-	1,988.04
	Unpaid dividends	16.80	21.46	22.28
	Financial Guarantee Obligation	40.76	40.56	41.93
	Security Deposit from Customers	2,741.83	2,556.25	2,396.15
	Liability - Foreign exchange forward contracts	378.49	45.11	181.01
	Interest rate swaps	-	-	27.42
	Other Liabilities	3,688.57	2,990.40	3,103.61
		2 10,616.45	10,563.90	14,531.36

a. Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables / receivables in foreign currencies.

b. 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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
24	**OTHER CURRENT LIABILITIES**			
	Statutory Duties and Taxes recovery repayable	853.77	1,018.64	896.97
	Advance received from Customers	1,475.80	1,150.42	803.11
		2,329.57	2,169.06	1,700.08
25	**PROVISIONS [CURRENT]**			
	Provision for Leave encashment	583.63	467.92	378.57
	Provision for Gratuity	269.59	160.64	-
	Provision for Taxation	2,172.34	-	-
		3,025.56	628.56	378.57

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.

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
26	**REVENUE FROM OPERATIONS**		
	Sale Revenue	75,620.04	75,862.74
	Other operating revenue		
	Industrial promotion assistance	835.74	627.30
	Royalty Received	1,874.20	1,793.67
	Income from Wind power generation {Net of inter-divisional transfer of ₹ 1527.92 lakhs (Previous year ₹ 979.61)}	200.22	217.65
		78,530.20	78,501.36

a. Sale Revenue include Excise Duty

b. Industrial Promotion Assistance from:

- Government of Bihar - ₹ 824.04 lakhs [Previous year - ₹ 605.27 lakhs]
- Government of Rajasthan - NIL [Previous year- ₹ 10.33 lakhs]
- Deferred Grant recognised as income -₹ 11.70 lakhs [Previous year-₹ 11.70 lakhs]

c. Out of 326.07 lakhs units [Previous year - 222.21 lakhs units] generated by our windmills, 54.50 lakhs units [Previous year - 58.19 lakhs units] were sold to concerned state Electricity Board, 237.97 lakhs units [Previous year - 145.94 lakhs units] were consumed at our plant and 33.60 lakhs units [Previous year - 18.08 lakhs units] remain unadjusted.

27	**OTHER INCOME**		
	Dividend Income	38.68	2,283.56
	Dividend Income from Subsidiaries	3,759.96	838.65
	Other Miscellaneous Income	350.73	209.13
		4,149.37	3,331.34

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
28	**OTHER FINANCE INCOME**		
	Interest Income	187.30	142.24
29	**COST OF MATERIALS CONSUMED**		
	Material consumed for Building Products	31,401.49	35,535.48
	Material consumed for Textile Products	6,492.07	7,091.72
		37,893.56	42,627.20
30	**CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**		
	Closing Stock of Finished Goods	10,518.96	11,429.27
	Closing Stock of Process Stock	1,934.06	2,067.83
		12,453.02	13,497.10
	Opening Stock of Finished Goods	11,429.27	11,799.06
	Opening Stock of Process Stock	2,067.83	2,383.04
		13,497.10	14,182.10
	(Increase) / Decrease	1,044.08	685.00
	ED on stock variance	28.61	-222.57
	(Increase) / Decrease	1,072.69	462.43
31	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and wages	5,789.83	5,264.17
	Contribution to and provision for		
	- Provident Fund	392.70	370.93
	- Gratuity Fund	96.06	73.25
	- Superannuation Fund	27.98	25.16
	Staff welfare	411.37	363.02
		6,717.94	6,096.53
32	**FINANCE COSTS**		
	Interest on Bank borrowings	2,701.94	3,411.89
	Others	467.64	381.02
	Exchange difference regarded as an adjustment to borrowing cost	184.02	184.70
		3,353.60	3,977.61

Others includes Interest on Security deposit from Customers.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
33	**OTHER EXPENSES**		
	Manufacturing Expenses	1,436.31	1,410.65
	Power & Fuel (net off power from Wind Mills)	4,518.09	4,687.72
	Repairs & Maintenance - Building	175.36	102.49
	Repairs & Maintenance - General	341.93	222.74
	Repairs & Maintenance - Plant & Machinery	2,522.18	1,810.47
	Establishment Expenses		
	Repairs & Maintenance - Vehicle / Aircraft	341.85	417.65
	Insurance	94.48	84.16
	Travelling expenses	681.53	643.24
	Rates & Taxes	637.86	749.30
	Exchange fluctuation in foreign currency loss	128.99	209.22
	Rent	184.41	173.42
	Managerial Remuneration	313.07	112.50
	Printing & Stationery	34.79	37.50
	Communication Expenses	89.44	82.97
	Corporate Social Responsibility	74.91	91.62
	Legal & Consultancy Expenses	270.72	303.32
	Profit / (Loss) on Sale of Assets	5.92	73.48
	Impairment on Assets	-	5.97
	Directors Sitting fees	15.51	17.71
	Audit Fees & Expenses [see Note : 35]	18.80	16.34
	Selling & Distribution Expenses		
	Agency Commission	384.02	373.14
	Advertisement Expenses	612.38	349.68
	Bad and Doubtful Debts	42.10	47.48
	Transportation and Handling Expenses	4,633.21	4,489.29
	Miscellaneous Expenses	523.17	785.60
		18,081.03	17,297.66

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

34	**EXCEPTIONAL ITEMS**		
	Profit on Sale of Assets	78.82	183.57
	Profit on Sale of shares	1,089.66	1,049.35
		1,168.48	1,232.92

35	**AUDIT FEES AND EXPENSES**		
	1. Statutory Auditors:		
	a. for statutory audit	7.00	7.00
	b. for Taxation matters	1.00	1.00
	c. for certification work	1.47	1.39
	d. for reimbursement of expenses	4.33	4.45
	2. Cost Auditor:		
	a. for Cost audit	2.50	2.50
	3. Secretarial Auditor		
	a. for Secretarial Audit	2.50	-
		18.80	16.34

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
36	**INCOME TAX EXPENSES**		
	Reconciliation Tax Expenses and Accounting Profit		
	Accounting Profit before Income Tax	7,312.90	2,699.42
	At India's statutory Income Tax Rate of 34.608% (2016: 34.608%)	2,530.85	934.21
	Effects of:		
	Adjustments of tax in respect of prior years	(690.01)	(658.84)
	Wind Mill Profit exempted from Tax	(406.87)	(408.39)
	Profit / (Loss) on Sale of Property, Plant and Equipment	(1,301.25)	(290.24)
	Government Grants exempted from tax	-	-
	Utilisation of previously unrecognised tax losses	(211.86)	1088.92
	Other exempted Items	-	-
	Other non-deductible expenses	79.14	(665.66
	Net effective income tax under Regular method (A)	-	-
	115BBD Tax working (Spl rate of Tax)		
	Dividend from Foreign Company-(2017: 17.304)(2016: 16.531)	3759.96	838.65
	Net effective income tax u/s 115BBD (B)	650.63	138.63
	Income Tax Under MAT		
	Accounting Profit before Income Tax	7,312.90	2,699.42
	At India's statutory Income Tax Rate of 21.3416% (2016: 21.3416%)	1,560.69	550.37
	Adjustments as per Income Tax	(29.54)	(433.96)
	Net effective income tax (C)	1,531.15	116.41
	Tax applicable higher A and B and C	1,531.15	138.63
	Less: Excess provision on previous year adjusted	(188.94)	-
		1,342.21	138.63
	MAT Credit		
	Net effective income tax	1,531.15	138.63
	Income tax expense under Regular Method	650.63	138.63
	Other adjustments	-	-
	MAT Credit	(880.52)	-
	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	(690.01)	(626.19)
	Adjustment of tax in respect of Prior Years	-	614.63
	Tax effect on Fair Value Measurement	(18.43)	-
	Tax effect on unabsorbed depreciation under Income Tax Act, 1961	(211.84)	630.31
	Other non-deductible expenses	56.37	153.31
		(863.91)	772.06

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In Lakhs

37.

Commitments	As at 31-3-2017	As at 31-3-2016	As at 1-4-2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	422.57	626.22	914.06

38.

	Contingent Liabilities	As at 31-3-2017	As at 31-3-2016	As at 1-4-2015
38.1	Guarantees given by the bankers on behalf of company	402.20	456.08	374.09
38.2	Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -			
	Income Tax (Ref Note 38.2.1)	2,658.08	5,453.52	3,971.06
	VAT & Input Tax Credit, CST (Ref Note 38.2.2)	412.73	455.62	428.20
	Excise Duty, CENVAT Credit (Ref Note 38.2.3)	52.55	59.17	66.40
	Other demands (EB) (Ref Note 38.2.4 to 38.2.12)	365.82	365.82	379.76

38.2.1 Income Tax Assessment has been completed upto the accounting year ended 31st March, 2013 and 31st March 2014 i.e. Assessment Year 2013-14 & 2014-15 and demand raised by the Income Tax department amounting to ₹ 478.87 lakhs for the Assessment year 2013-14 and there is no demand for the Assessment year 2014-15. With this, the total demand received upto the Assessment year 2012-13 is ₹ 2,658.08 lakhs (As at 31-03-2016: ₹ 5,453.52 lakhs; As at 01-04-2015: 3,971.06 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 disputed pending, no provision has been considered necessary.

38.2.2 Sales Tax demands amounting to ₹ 412.73 lakhs (As at 31-03-2016: ₹ 455.62 lakhs; As at 01-04-2015: ₹ 428.20 lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed pending, no provision has been considered necessary.

38.2.3 Central Excise demands amounting to ₹ 52.55 lakhs (As at 31-03-2016: ₹ 59.17 lakhs; As at 01-04-2015: ₹ 66.40 lakhs) have been disputed by the Company and necessary appeals have been filed. Based on the nature of claim disputed pending, 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 31-03-2016: ₹ 291.87 lakhs; As at 01-04-2015: ₹ 305.81 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 disposed of vide order dated 30.09.2003, hence both impugned orders are quashed and the matter is remitted to the responded Board for a fresh de novo enquiry. During the year, there was no development in the matter. The management is confident of resolving the matter in its favour and hence no provision is made in the books of account.

38.2.6 The Company had received a letter dated 04.11.2009 from Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) withholding an amount of ₹ 46.54 lakhs pending resolution of Power Tariff Concession applicability to fibre cement sheet plant at Arakonam. This amount was withheld against our dues towards power sold to Tamil Nadu Electricity Board covered under the power purchase agreement. The Company preferred an appeal against TANGEDCO in the year 2009 and the matter is pending with the Honourable High Court of Madras. During the year, there was no development in the matter. The management is confident of collecting the withheld amount and no provision is made in the books of account.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

38.2.7 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 Madras High Court and obtained an interim stay against the implementation of the said regulation.

38.2.8 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 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 Honourable Supreme Court and the adjudication and the court hearing is in process pending final disposal by the Honourable 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

38.2.9 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 Scrips 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.

38.2.10 The Company received a notice from Gangaikondan Sub-Registrar office demanding a short payment of stamp duty of ₹ 2.57 lakhs in connection with registration of Company's land at Gangaikondan, Tirunelveli district, Tamil Nadu and has appropriately recorded the deficiency of the stamp duty payment in the encumbrance certificate of the Land records maintained by Sub-Registrar office. The Company has represented the matter with the Sub-Registrar citing payment of stamp duty correctly as per the guide line rate prevailing then. Based on the representation, they reduced the Stamp Duty to the tune of ₹ 1.21 lacs. The Company filed the appeal against the order of Deputy Collector. The IG, Registration (Appellate Authority) quashed the order of Deputy Collector (stamps) in favor of the company.

38.2.11 The Government of West Bengal enacted "The West Bengal Tax on Entry of goods into Local Areas Act, 2012" and writ petitions were filed by others challenging the validity of the said Act. The Calcutta High Court held that the said Act was unconstitutional. Aggrieved, the Government has preferred an appeal before the Division Bench and obtained an interim direction to continue the Assessment proceedings only. Though the company has not received any demand, it has filed a petition to join in the case.

38.2.12 The company is eligible for incentives under the "Bihar Industrial Incentive Policy 2006" in respect of its Fibre Cement Plant at Bihiya in the State of Bihar. During the year under review,

- A sum of ₹ 824.04 lakhs (As at 31-03-2016: ₹ 605.27 lakhs; As at 01-04-2015: ₹ 559.79 lakhs) accrued as Industrial Promotion Assistance is credited to Profit and Loss account. Out of this ₹ 571.93 lakhs has been received before 31.03.2017.
- We have received a sum of ₹ 11.70 lakhs due to fair valuation of Govt Grants as per Ind AS

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,

- No amount was received as Incentive grant during the year (As at 31-03-2016: ₹ 10.33 lakhs; As at 01-04-2015: ₹ 0.00 lakhs) as Industrial Promotion Assistance.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In Lakhs

39.

Financial guarantees	As at 31-3-2017	As at 31-3-2016	As at 1-4-2015
Guarantees given to banks to avail loan facilities by Related parties:			
- Thanjavur Spinning Mill Limited	3,500.00	3,500.00	-
- Sri Harini Textiles Limited	4,629.00	4,629.00	3,629.00
- Ramco Systems Limited	-	-	3550.00

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

Defined Contribution Plan

Particulars	31-3-2017	31-3-2016
Employer's Contribution to Provident Fund	392.70	370.93
Employer's Contribution to Superannuation Fund	27.98	25.16

Principal Actuarial Assumptions
(Expressed as weighted averages)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Discount Rate	6.90%	7.80%	6.90%	7.80%
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	6.90%	7.80%	0.00%	0.00%

Changes In The Present Value Of The Obligation (PVO)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
PVO as at the beginning of the period	956.28	756.14	467.92	378.58
Interest Cost	71.76	55.56	34.75	26.80
Current service cost	88.14	77.99	72.45	73.90
Past service cost	-	-	-	-
Benefits paid	(72.49)	(114.50)	(44.78)	(82.84)
Actuarial loss/(gain) on obligation (balancing figure)	137.42	181.09	53.30	71.47
PVO as at the end of the period	1,181.12	956.28	583.63	467.92

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

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Fair value of plan assets as at the beginning of the period	795.65	787.50	-	-
Expected return on plan assets	63.85	60.30	-	-
Contributions	118.31	56.52	44.78	82.84
Benefits paid	(72.49)	(114.50)	(44.78)	(82.84)
Actuarial gain/(loss) on plan assets [balancing figure]	6.22	5.83	-	-
Fair value of plan assets as at the end of the period	911.53	795.65	-	-

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Actual Return On Plan Assets ₹ in Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Expected return on plan assets	63.85	60.30	-	-
Actuarial gain (loss) on plan assets	6.22	5.83	-	-
Actual return on plan assets	70.07	66.13	-	-

Actuarial Gains And Losses Recognized

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Actuarial gain (loss) for year - obligation	(137.42)	(181.09)	(53.30)	(71.47)
Actuarial gain (loss) for year - plan assets	6.22	5.83	-	-
Subtotal	(131.20)	(175.26)	(53.30)	(71.47)
Actuarial (gain) / loss recognized	131.20	175.26	53.30	71.47
Unrecognized actuarial gains (losses) at the end of the period	-	-	-	-

Amounts Recognised In The Balance Sheet And Related Analyses

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Present value of the obligation	1,181.12	956.28	583.63	467.92
Fair value of plan assets	911.53	795.65	-	-
Amount determined under para 63 of Ind AS 19	269.59	160.64	-	-
Net Defined Benefit Liability recognized in the balance sheet	269.59	160.64	583.63	467.92
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:

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Current service cost	88.14	77.99	72.45	73.90
Net Interest on Net Defined Benefit Obligations	7.92	(4.74)	34.75	26.80
Net actuarial (gain)/loss recognised during the period	-	-	53.30	71.47
Past service cost	-	-	-	-
Expenses recognized in the statement of profit and loss	96.06	73.25	160.50	172.17

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Amount Recognized For The Current Period In The Statement Of Other Comprehensive Income [OCI] ₹ in Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Actuarial (gain)/loss on Plan Obligations	137.42	181.09	-	-
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	(6.22)	(5.83)	-	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	131.20	175.26	-	-

Movements In The Liability Recognized In The Balance Sheet

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Opening net liability adjusted for effect of balance sheet limit	160.64	(31.36)	467.92	378.58
Amount recognised in Profit and Loss	96.06	73.25	160.50	172.17
Amount recognised in OCI	131.20	175.26	-	-
Contribution paid	(118.31)	(56.52)	(44.78)	(82.84)
Closing net liability	269.59	160.64	583.63	467.92

Amount For The Current Period

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Present Value of obligation	1,181.12	956.28	583.63	467.92
Plan Assets	911.53	795.65	-	-
Surplus (Deficit)	(269.59)	(160.64)	(583.63)	(467.92)
Experience adjustments on plan liabilities -(loss)/gain	(80.00)	(128.47)	(23.10)	(48.68)
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	(57.42)	(52.62)	-	-
Experience adjustments on plan assets -(loss)/gain	6.22	5.83	-	-

Major Categories Of Plan Assets (As Percentage Of Total Plan Assets)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Government of India Securities	0.00%	0.00%	0.00%	0.00%
State Government Securities	0.00%	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%	0.00%	0.00%
Others (to specify)	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	0.00%	0.00%

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Enterprise's Best Estimate Of Contribution During Next Year ₹ in Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Enterprise'S Best Estimate Of Contribution During Next Year	NA	NA	-	-

Sensitivity Analyses

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
A. Discount Rate + 50 BP	7.40%	8.30%	7.40%	8.30%
Defined Benefit Obligation [PVO]	1,148.52	929.39	566.48	454.41
Current Service Cost	100.73	85.04	68.74	59.42
B. Discount Rate - 50 BP	6.40%	7.30%	6.40%	7.30%
Defined Benefit Obligation [PVO]	1,215.59	984.71	601.78	482.20
Current Service Cost	108.33	91.45	73.42	63.40
C. Salary Escalation Rate +50 BP	6.50%	6.50%	6.50%	6.50%
Defined Benefit Obligation [PVO]	1,217.32	986.46	601.86	482.38
Current Service Cost	108.51	91.64	73.43	63.43
D. Salary Escalation Rate -50 BP	5.50%	5.50%	5.50%	5.50%
Defined Benefit Obligation [PVO]	1,146.58	927.50	566.26	454.13
Current Service Cost	100.52	84.84	68.71	59.38

Expected Contributions in Following Years

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Year 1	NA	NA	55.13	43.59
Year 2	NA	NA	72.31	55.02
Year 3	NA	NA	54.91	52.71
Year 4	NA	NA	52.39	44.59
Year 5	NA	NA	65.40	43.34
Next 5 Years	NA	NA	238.31	211.26

Expected Benefit Payments in Following Years

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Year 1	123.74	103.34	55.13	43.59
Year 2	313.93	201.37	72.31	55.02
Year 3	105.80	119.49	54.91	52.71
Year 4	116.12	92.08	52.39	44.59
Year 5	121.22	103.69	65.40	43.34
Next 5 Years	491.17	442.13	238.31	211.26

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

41. Earnings per Share

₹ in Lakhs

Particulars	31-3-2017	31-3-2016
Net profit after tax (A)	5,987.30	3,332.85
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 ₹	6.91	3.85

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 2017:

(a) Subsidiary

Name of the Company	Country of Incorporation	% of Shareholding as at		
		31-3-2017	31-3-2016	1-4-2015
Sudharsanam Investments Ltd	India	100.00	100.00	100.00
Sri Ramco Lanka (Private) Ltd	Srilanka	99.99	99.99	99.99
Sri Ramco Roofings Lanka (Private) Ltd*	Srilanka	1.27	1.27	1.27
***Stepdown subsidiary**				
Sri Ramco Lanka Private Limited holding in Sri Ramco Roofing (Pvt) ltd	Srilanka	98.73	98.73	98.73

(b) Associates

Name of the Company	Country of Incorporation	% of Shareholding as at		
		31-3-2017	31-3-2016	1-4-2015
The Ramco Cements Limited	India	20.71	20.71	20.71
Ramco Systems Limited	India	17.98	18.23	22.40
Rajapalayam Mills Limited	India	1.73	6.61	11.49
Ramco wind form Limited	India	2.65	3.25	3.25
Ontime Industrial Service Limited	India	17.77	17.77	17.77
Madurai Trans Carrier Limited	India	17.17	17.17	-
Lynks Logistics Limited	India	2.71	19.00	-

(c) Key Management Personnel (Including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
P.R. Ramasubrahmaneya Rajha	Chairman
P.R. Venketrama Raja	Vice Chairman and Managing Director
Prem G Shanker	Chief Executive Officer
K. Sankaranarayanan	Chief Financial Officer
S. Balamurugasundaram	Company Secretary
S.S. Ramachandra Raja	Independent Director
K.T. Ramachandran	Independent Director
N.K. Shrikantan Raja	Independent Director
R.S. Agarwal	Independent Director
V. Santhanaraman	Independent Director
Smt. Justice Chitra Venkataraman (Retd.)	Independent Director

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(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 of 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	Rajapalaiyam Mills Ltd
The Ramaraju Surgical Cotton Mills Ltd	Sri Vishnu Shankar Mills Ltd
Sandhya Spinning Mill Ltd	Rajapalayam Textile Ltd
Ramco Systems Limited	Lynks Logistics 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 Sethuramammal Charity Trust	PACR Sethuramammal Charities
Ramco Welfare Trust	PAC Ramasamy Raja Education Charity Trust
Raja Charity Trust	Rajapalayam Rotary Trust
Shri Abhinava Vidya Theertha Seva Trust	Ramco Debate And Research Educational And Charitable Trust
Sastra Prakasika Trust	PAC Ramasamy Raja Centenary Trust
Thangavilas Estate	

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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	31-3-2017	31-3-2016
1	**Sale of Goods**		
	Associates		
	The Ramco Cements Limited	32.72	25.79
	Rajapalayam Mills Limited	159.98	329.45
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	479.80	590.34
	The Ramaraju Surgical Cotton Mills Limited	178.82	175.50
	Sri Vishnu Shankar Mill Limited	254.70	424.36
	Sandhya Spinning Mill Limited	9.73	-
	Thanjavur Spinning Mill Limited	219.16	-
	Sri Harini Textiles Limited	92.09	-
	Subsidiaries		
	Sri Ramco Lanka Private Limited	81.57	66.16
	Sri Ramco Roofings Lanka Private Limited	60.62	326.11
	Other entities over which there is a significant influence		
	Raja Charity Trust	6.05	-
	Total	1,575.24	1,937.71
2	**Sale of Goods - Cement**		
	Associates		
	The Ramco Cement Limited (CGU, Kharagpur)	3,545.10	-
	Total	3,545.10	-
3	**Purchase of Goods - Clinker**		
	Associates		
	The Ramco Cement Limited (CGU, Kharagpur)	1,732.75	-
	Total	1732.75	-
4	**Purchase of Goods**		
	Associates		
	The Ramco Cement Limited	1,269.01	524.75
	Rajapalayam Mills Limited	461.40	332.88
	Ramco Wind Farms Limited	152.76	97.09
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	149.75	164.82
	The Ramaraju Surgical Cotton Mills Limited	137.61	386.54
	Sri Vishnu Shankar Mill Limited	336.12	237.07
	Sandhya Spinning Mill Limited	410.78	463.52
	Thanjavur Spinning Mill Limited	134.86	498.18
	Other entities over which there is a significant influence		
	PACR Sethurammal Charity Trust	12.01	9.43
	Total	3,064.30	2,714.28

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-3-2017	31-3-2016
5	**Receiving of Services**		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	The Ramaraju Surgical Cotton Mills Limited	1.44	-
	Sri Vishnu Shankar Mill Limited	4.06	0.29
	Sandhya Spinning Mill Limited	0.21	-
	Other entities over which there is a significant influence		
	Raja Charity Trust	384.02	373.14
	Total	389.73	373.43
6	**Services Rendered**		
	Associates		
	Rajapalayam Mills Limited	1.12	0.17
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	0.47	0.23
	The Ramaraju Surgical Cotton Mills Limited	1.90	-
	Sri Vishnu Shankar Mill Limited	1.23	0.92
	Sandhya Spinning Mill Limited	5.96	-
	Thanjavur Spinning Mill Limited	2.28	-
	Total	12.96	1.32
7	**Services Rendered - Royalty**		
	Subsidiaries		
	Sri Ramco Lanka Private Limited	1,031.67	862.67
	Sri Ramco Roofings Lanka Private Limited	842.53	931.00
	Total	1,874.20	1,793.67
8	**Receiving of Services - Software Related Services**		
	Associates		
	Ramco Systems Limited	625.49	52.07
	Total	625.49	52.07
9	**Receiving of Services - Advertisement**		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	4.55	4.90
	Total		
10	**Receiving of Services - Manpower Supply**		
	Other entities over which there is a significant influence		
	Raja Charity Trust	103.42	130.88
	Total	103.42	130.88
11	**Leasing Arrangements - Rent Received**		
	Associates		
	The Ramco Cement limited	0.42	-
	Other entities over which there is a significant influence		
	Sri Abhinava Vidhaytheertha Seva Trust	0.03	0.03
	Total	0.45	0.03
12	**Dividend received**		
	Associates		
	The Ramco Cement Limited	-	2,219.06
	Rajapalayam Mills Limited	-	35.80
	Subsidiaries		
	Sri Ramco Lanka Private Limited	3,737.38	833.38
	Sri Ramco Roofings Lanka Private Limited	22.58	5.27
	Total	3,759.96	3,093.51

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-3-2017	31-3-2016
13	**Dividend Paid**		
	P.R. Ramasubrahmaneya Rajha	-	23.06
	P.R. Venketrama Raja	-	44.00
	Prem G Shanker	-	0.05
	Associates		
	The Ramco Cements Limited	-	106.98
	Rajapalayam Mills Limited	-	63.37
	Total	-	237.41
14	**Remuneration to Key Management Personnel (Other than Sitting Fees)**		
	P.R. Venkerama Raja, Vice Chairman and Managing Director	313.07	112.50
	Prem G Shanker, Chief Executive Officer	137.60	121.49
	K. Sankaranarayanan, Chief Financial Officer	54.35	49.11
	S. Balamurugasundaram, Company Secretary	21.69	17.09
	Total	526.71	300.19
15	**Directors' Sitting Fees**		
	P.R. Ramasubrahmaneya Rajha	1.50	1.50
	S.S. Ramachandra Raja	0.75	1.25
	N.K. Shrikantan Raja	1.75	1.75
	K.T. Ramachandran	2.75	3.00
	R.S. Agarwal	3.25	3.75
	V. Santhanarman	1.25	1.50
	Smt. Justice Chitra Venkataraman (Retd.)	2.25	2.75
	Total	13.50	15.50
16	**Sale of Fixed Assets**		
	Associates		
	Rajapalayam Mills Limited	-	10.24
	Total	-	10.24
17	**Interest Received / (Paid)**		
	Subsidiaries		
	Sudharsanam Investment Limited	43.25	-
	Total	43.25	-
18	**Contribution to Superannuation Fund / Gratuity Fund**		
	Ramco Industries Limited Officers' Superannuation Fund	27.98	25.16
	Ramco Industries Limited Employees' Gratuity Fund	227.26	248.51
	Total	255.24	273.67
19	**Investment in Equity Shares during the year**		
	Associates		
	Lynks Logistics Limited	-	19.00
	Madurai Trans Carrier Limited	-	309.00
	Total	-	328.00
20	**Sale of Share during the year**		
	Key Management Personnel		
	P.R. Venketrama Raja	1,263.05	1,219.97
	Total	1,263.05	1,219.97
21	**Maximum amount of loans and advances outstanding during the year**		
	Subsidiaries		
	Sudharsanam Investment Limited	511.00	468.79
	Total	511.00	468.79

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

b. **Outstanding balances including commitments** **₹ in Lakhs**

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-3-2017	31-3-2016	1-4-2015
1	**Trade Receivables**			
	Subsidiaries			
	Sri Ramco Lanka Private Limited	274.56	244.83	194.61
	Sri Ramco Roofings Lanka Private Limited	162.75	272.40	175.45
	Total	437.31	517.23	370.06
2	**Payables**			
	Other entities over which there is a significant influence			
	Raja Charity Trust	15.22	3.56	5.44
	Total	15.22	3.56	5.44
3	**Loans and Advances**			
	Associates			
	The Ramco Cement Limited	0.29	-	-
	Total	0.29	-	-
4	**Corporate Guarantees given to lenders of Related parties**			
	Companies over which KMP / Relatives of KMP exercise significant influence			
	Ramco Systems Limited	-	-	3,550.00
	Thanjavur Spinning Mill Limited	3,500.00	3,500.00	-
	Sri Harini Textiles Limited	4,629.00	4,629.00	3,629.00
	Total	8,129.00	8,129.00	3,629.00

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	31-3-2017	31-3-2016
Short - Term Benefits (1)		
Defined Contribution Plan (2)	526.72	307.96
Defined Benefit Plan / Other Long-term benefits(3)		
Total	526.72	307.96

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Financial Instruments by category ₹ in Lakhs

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-3-2017					
Financial Assets					
Other Investments	2,070.70	3.75	733.38	2,807.83	2,807.83
Loans and Advances	511.04	-	-	511.04	511.04
Trade Receivables	7317.63	-	-	7317.63	7317.63
Cash and Bank Balances	553.80	-	-	553.80	553.80
Other Financial Assets	1,168.76	-	-	1,168.76	1,168.76
Financial Liabilities					
Borrowings	29,863.31	-	-	29,863.31	29,863.31
Trade Payables	5,112.21	-	-	5,112.21	5,112.21
Other Financial Liabilities	10,616.45	-	-	10,616.45	10,616.45
As at 31-3-2016					
Financial Assets					
Other Investments	2,447.94	1.89	374.80	2,071.25	2,071.25
Loans and Advances	468.80	-	-	468.80	468.80
Trade Receivables	6,882.88	-	-	6,882.88	6,882.88
Cash and Bank Balances	971.09	-	-	971.09	971.09
Other Financial Assets	1,147.50	-	-	1,147.50	1,147.50
Financial Liabilities					
Borrowings	31,017.38	-	-	31,017.38	31,017.38
Trade Payables	3,840.27	-	-	3,840.27	3,840.27
Other Financial Liabilities	10,563.90	-	-	10,563.90	10,563.90
As at 1-4-2015					
Financial Assets					
Other Investments	19.69	17.44	2,410.24	2,447.37	2,447.37
Loans and Advances	602.45	-	-	602.45	602.45
Trade Receivables	6,934.37	-	-	6,934.37	6,934.37
Cash and Bank Balances	728.90	-	-	728.90	728.90
Other Financial Assets	1,170.63	-	-	1,170.63	1,170.63
Financial Liabilities					
Borrowings	31,337.61	-	-	31,337.61	31,337.61
Trade Payables	3,694.98	-	-	3,694.98	3,694.98
Other Financial Liabilities	14,531.36	-	-	14,531.36	14,531.36

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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 31-3-2017	733.38	-	-	733.38
As at 31-3-2016	(374.80)	-	-	(374.80)
As at 1-4-2015	2,410.24	-	-	2,410.24
Actuarial Values				
As at 31-3-2017	-	-	(131.20)	(131.20)
As at 31-3-2016	-	-	175.26	175.26
As at 1-4-2015	-	-	140.69	140.69
Financial Instruments at FVTPL				
Investment in mutual funds				
As at 31-3-2017	(3.76)	-	-	(3.76)
As at 31-3-2016	2.66	-	-	2.66
As at 1-4-2015	17.44	-	-	17.44
Foreign exchange forward contracts				
As at 31-3-2017	-	-	-	-
As at 31-3-2016	-	159.03	-	159.03
As at 1-4-2015	-	142.28	-	142.28

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 31st 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.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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:

₹ In Lakhs

As at 31-3-2017	Fiber Cement Board	Calcium Silicate Board	Windmill	Total
Gross carrying amount	3279.30	1,213.58	105.17	4,598.05
Expected Loss Rate	4.00%	5.00%	70.00%	79.00%
Expected Credit Losses	131.17	60.68	73.77	265.62
Carrying amount of trade receivables net of impairment	3,148.13	1,152.90	31.40	4,332.43

Note: Provision amount of receivables relating to legal case ₹ 46.54 lakhs
Other disputed ₹ 27.23 lakhs
Total ₹ 73.77 lakhs

₹ In Lakhs

As at 31-3-2016	Fiber Cement Board	Calcium Silicate Board	Windmill	Total
Gross carrying amount	3,129.71	982.32	73.77	4,185.80
Expected Loss Rate	4.00%	5.00%	100.00%	109.00%
Expected Credit Losses	125.19	49.12	73.77	248.08
Carrying amount of trade receivables net of impairment	3,004.52	933.20	-	3,937.72

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In Lakhs

As at 1-4-2015	Fiber Cement Board	Calcium Silicate Board	Windmill	Total
Gross carrying amount	2,993.99	660.10	77.09	3,731.18
Expected Loss Rate	4.00%	5.00%	84.00%	93.00%
Expected Credit Losses	119.76	33.01	64.65	217.42
Carrying amount of trade receivables net of impairment	2,874.23	627.09	12.44	3,513.76

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	31-3-2017	31-3-2016	1-4-2015
Expiring within one year			
Bank Overdraft and other facilities	25,585.00	19,549.00	11,535.00
Term Loans	7,063.00	1,409.00	7,816.00
Expiring beyond year			
Term Loans	-	-	-

Maturities of Financial Liabilities ₹ in Lakhs

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-3-2017				
Borrowings from Banks	27,166.11	6,469.55	-	33,635.66
Trade payables	5,112.21	-	-	5,112.21
Security Deposits payable	2,741.83	-	-	2,741.83
Other Financial Liabilities (Incl. Interest)	10,616.45	-	-	10,616.45
As at 31-3-2016				
Borrowings from Banks	22,361.59	13,604.02	-	35,965.61
Trade payables	3,840.27	-	-	3,840.27
Security Deposits payable	2,556.25	-	-	2,556.25
Other Financial Liabilities	10,563.90	-	-	10,563.90
As at 1-4-2015				
Borrowings from Banks	29,474.20	10,907.45	-	40,381.65
Trade payables	3,694.98	-	-	3,694.98
Security Deposits payable	2,396.15	-	-	2,396.15
Other Financial Liabilities	14,531.36	-	-	14,531.36

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 31-3-2017	3.52	-	-	1.33
As at 31-3-2016	2.38	0.60	-	0.01
As at 1-4-2015	0.60	-	-	0.06
LKR in Millions				
As at 31-3-2017	-	112.40	-	-
As at 31-3-2016	-	110.82	-	-
As at 1-4-2015	-	87.47	-	-

Risk sensitivity on foreign currency fluctuation

Foreign Currency	31-3-2017		31-3-2016	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	(31.51)	31.51	(19.82)	19.82
LKR	(5.01)	5.01	(5.31)	5.31

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**

Interest rate risk exposure **₹ in Lakhs**

Particulars	31-3-2017	31-3-2016	1-4-2015
Variable rate borrowings	15,347.31	23,065.66	31,881.65
Fixed rate borrowings	18,288.35	12,900.00	8,500.00

The Company does not have any interest rate swap contracts.

Sensitivity on interest rate fluctuation **₹ in Lakhs**

Total Interest Cost works out to	31-3-2017	31-3-2016
1% Increase in Interest Rate	3380.62	4011.33
1% Decrease in Interest Rate	3326.58	3943.49

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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	**31-03-2017**	**31-03-2016**	**01-04-2015**
Long Term Borrowings	6,452.49	13,565.91	10,670.34
Current maturities of Long term borrowings	10,616.45	10,563.90	14,531.36
Short Term Borrowings	23,410.82	17,451.47	20,667.27
Less: Cash and Cash Equivalents	553.80	971.09	728.90
Net Debt (A)	**39,925.96**	**40,610.19**	**45,140.07**
Equity Share Capital	866.63	866.63	866.63
Other Equity	58,106.44	51,516.96	49,480.41
Total Equity (B)	**58,973.07**	**52,383.59**	**50,347.04**
Total Capital Employed **(C) = (A) + (B)**	98,899.03	92,993.78	95,487.11
Capital Gearing Ratio (A) / (C)	**40.37%**	**43.67%**	**47.27%**

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 31-03-2017 and 31-03-2016.

47. Details of Specified Bank Notes ('SBN') held and transacted during the period 8-11-2016 to 30-12-2016

As per the amendments notified on 30-3-2017 to Ind AS Schedule III, Clause K of Note 6 to General Instructions for Preparation of Balance Sheet, the details of Specified Bank Notes ('SBN') held and transacted during the period 8-11-2016 to 30-12-2016 is given in the below table:

₹ in Lakhs

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing Cash in hand as at 8-11-2016	8.10	2.41	10.51
Add: Permitted Receipts	-	27.66	27.66
Less: Permitted Payments	0.96	23.67	24.63
Less: Amount Deposited in Banks	7.14	-	7.14
Closing Cash in hand as at 30-12-2016	-	6.40	6.40

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

48. Disclosures as required by Ind AS 101 First time adoption of Indian Accounting Standards

Reconciliation of Balance Sheet as at the date of transition (1-4-2015) — **₹ in Lakhs**

Particulars	Notes	Previous GAAP	Transition Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	B,C	36,989.39	(148.94)	36,840.45
Capital Work -in- Progress	-	340.40	-	340.40
Intangible Assets	-	50.87	-	50.87
Investment Property	C		120.96	120.96
Investment in Subsidiaries and Associates	-	21295.97	-	21295.97
Financials Assets	-		-	
Other Investments	C,D	19.7	2,427.67	2447.37
Loans and Advances	-	1956.65	(1,354.20)	602.45
Other Financial Assets	-		453.66	453.66
Other Non-Current Assets	B	311.62	495.20	806.82
		60,964.60	**1,994.35**	**62,958.95**
Current Assets				
Inventories	-	25,984.43	-	25,984.43
Financial Assets	-		-	
Trade Receivables	-	6,934.37	-	6,934.37
Cash and Cash Equivalents	-	728.90	-	728.90
Other Financial Assets	-	-	716.97	716.97
Short term Loans and Advances	-	3,838.89	(3,838.89)	-
Current Tax Assets	B,J		1,804.73	1,804.73
Other Current Assets	-	2,192.37	1,888.44	4,080.81
		39,678.96	**571.25**	**40,250.21**
Total Assets		1,00,643.56	2,565.60	1,03,209.16
EQUITY & LIABILITIES				
Equity				
SHARE HOLDERS' FUND	-			
Equity Share Capital	-	866.63	-	866.63
Other Equity	S	46,808.04	2,672.37	49,480.41
Total Equity		**47,674.67**	**2,672.37**	**50,347.04**
Non-Current Liabilities				
Financial Liabilities				
Borrowings	I	10,907.45	(237.11)	10,670.34
Deferred Tax Liability (Net)	G,K	958.30	63.60	1,021.90
Other Long Term Liabilities	-	2,396.15	(2,396.15)	-
Deferred Government Grants	-		185.92	185.92
Provisions	-	341.02	(341.02)	-
		14,602.92	**(2,724.76)**	**11,878.16**
Current Liabilities	-			
Financial Liabilities	-			
Borrowings	F,J,L	20,715.24	(47.97)	20,667.27
Trade Payables	-	3,694.98	-	3,694.98
Other Financial Liabilities	-	13,605.28	926.08	14,531.36
Deferred Government Grants	-		11.70	11.70
Other Current liabilities	-	-	1,700.08	1,700.08
Provisions	-	350.47	28.10	378.57
		38,365.97	**2,617.99**	**40,983.96**
Total Equity and Liabilities		**1,00,643.56**	**2,565.60**	**1,03,209.16**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconciliation of Balance Sheet as at 31-3-2016 **₹ in Lakhs**

Particulars	Notes	Previous GAAP	Transition Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	B,C	37,471.91	(56.26)	37,415.65
Capital Work -in- Progress	-	1411.12	-	1411.12
Intangible Assets	-	156.49	(6.96)	149.53
Investment Property	C	-	53.66	53.66
Investment in Subsidiaries and Associates	-	21444.32	5.00	21449.32
Financials Assets	-	-	-	-
Other Investments	C,D	25.25	2,046.00	2071.25
Loans and Advances	-	1550.37	(1,081.57)	468.80
Other Financial Assets	-	-	581.07	581.07
Other Non-Current Assets	B	304.59	70.24	374.83
		62,364.05	**1,611.18**	**63,975.23**
Current Assets				
Inventories	-	24,206.55	-	24,206.55
Financial Assets	-	-	-	
Trade Receivables	-	6,882.88	-	6,882.88
Cash and Cash Equivalents	-	971.09	-	971.09
Other Financial Assets	-	-	566.43	566.43
Short term Loans and Advances	-	3,118.92	(3,118.92)	-
Current Tax Assets	-	-	1,899.75	1,899.75
Other Current Assets	B,J	1,462.09	1,064.98	2,527.07
		36,641.53	**412.24**	**37,053.77**
Total Assets		**99,005.58**	**2,023.42**	**1,01,029.00**
EQUITY & LIABILITIES				
Equity				
SHARE HOLDERS' FUND	-			
Equity Share Capital	-	866.63	-	866.63
Other Equity	S	49,725.74	1,791.22	51,516.96
Total Equity		**50,592.37**	**1,791.22**	**52,383.59**
Non-Current Liabilities				
Financial Liabilities				
Borrowings	I	13,604.02	(38.11)	13,565.91
Deferred Tax Liability (Net)	G,K	241.60	(1.29)	240.31
Other Long Term Liabilities	F,J,L	2,556.25	(2,556.25)	-
Deferred Government Grants	-	-	174.23	174.23
Provisions	-	416.31	(416.31)	-
		16,818.18	**(2,837.73)**	**13,980.45**
Current Liabilities				
Financial Liabilities				
Borrowings	I	17,451.47	-	17,451.47
Trade Payables	-	3,840.27	-	3,840.27
Other Financial Liabilities	F,J,L	10,251.68	312.22	10,563.90
Deferred Government Grants	-	-	11.70	11.70
Other Current liabilities	-	-	2,169.06	2,169.06
Provisions	-	51.61	576.95	628.56
		31,595.03	**3,069.93**	**34,664.96**
Total Equity and Liabilities		**99,005.58**	**2,023.42**	**1,01,029.00**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconciliation of Statement of Profit and Loss for the year ended 31-3-2016 **₹ in Lakhs**

Particulars	Note No.	Previous GAAP	Transition adjustments	Ind AS
INCOME				
Revenue from operations	N,O	70,234.52	8,266.84	78,501.36
Other Income	F	5,184.37	(1,853.03)	3,331.34
Other Finance Income	-	-	142.24	142.24
Total Revenue		**75,418.89**	**6,556.05**	**81,974.94**
EXPENDITURE				
Cost of materials consumed	-	42,627.20	-	42,627.20
Cost of Resale materials	-	324.42	-	324.42
Change in inventories of Finished Goods and Work in Progress	-	462.43	-	462.43
Excise duty on sale of goods	N		7,762.25	7,762.25
Employee benefit expenses	P	6,271.78	(175.25)	6,096.53
Finance costs	I	3,796.86	180.75	3,977.61
Depreciation and amortisation expenses	A,B	1,960.80	(0.46)	1,960.34
Other expenses	B,D,F,J,O	18,407.84	(1,110.18)	17,297.66
Total Expenses		**73,851.33**	**6,657.11**	**80,508.44**
Profit/(Loss) before exceptional items and tax		1,567.56	(101.06)	1,466.50
Exceptional Items	-	1,232.92	-	1,232.92
Profit / (Loss) before Tax		2,800.48	(101.06)	2,699.42
Income Tax expenses			-	
Current Tax		138.63	-	138.63
Deferred Tax	K	-707.17	(64.89)	(772.06)
MAT Credit		0.00	-	-
Profit / (Loss) for the year		**3,369.02**	**(36.17)**	**3,332.85**
Other Comprehensive income				
(ii) Item will not be reclassified to profit / (loss) in subsequent periods:				
Actuarial Gain/(loss) on defined benefit obligation(net)		-	(175.26)	(175.26)
Fai value gain/(loss) on Equity instruments through OCI		-	(374.80)	(374.80)
Total Comprehensive income for the year, net of Tax	**P**	**-**	**2,782.79**	**2,782.79**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

Explanatory Notes on preparation and presentation of financial statements upon transition to Ind AS

In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1-4-2015, which is the Company's date of transition to Ind AS. The following note explains the nature of adjustments made by the Company read with Note No. 3 in restating its previous GAAP Financial Statements including its Balance Sheet as at 1-4-2015 and the financial statements as at and for the year ended 31-3-2016.

A. ***Depreciation and Amortization expense***

Under previous GAAP, the carrying value of significant components of Property, Plant and Equipment which have completed their useful life, have been charged off against opening balance of Retained Earnings for the financial year 2015-16 as permitted by Schedule II to the Companies Act, 2013. However, under Ind AS, this has been taken through profit and loss for the year ended 31-3-2016 as it not a GAAP difference.

B. ***Leasehold Land***

Lease prepayments made for Leasehold land were classified as Leasehold Land under previous GAAP. However, under Ind AS, prepayments made for leasehold land should be classified as lease prepayments under operating lease and the same should be amortized over the tenure of the lease. Accordingly, lease prepayments as at 1-4-2015 are reclassified from Property, Plant and Equipment into Prepaid expenses. The subsequent amortization of lease prepayments for the year ended 31-3-2016 is recognized as 'Rent' under classification of 'Other Expenses' in the Statement of Profit and Loss.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

C. Investment Properties

Under previous GAAP as well as Ind AS, Investment Properties are required to be stated at cost net of accumulated depreciation and impairment loss, if any. Under previous GAAP, it was grouped under fixed assets whereas under Ind AS, the same is required to be disclosed as a separate line item in the Balance Sheet. Accordingly, investment properties are reclassified.

D. Investments

Under previous GAAP, investments in mutual funds were measured at the lower of cost or fair value. Under Ind AS, the Company is required to measure the investments in mutual funds at fair value through profit & loss and accordingly recognized the fair value gain/loss in Opening Equity or in the Statement of Profit and Loss for the year ended 31-3-2016. Under previous GAAP, long term equity instruments were measured at cost less provision for permanent diminution. In respect of investments in companies other than in Subsidiary and Associates, the Company is required to designate such investments necessarily at fair value. Therefore, the Company has designated such investments as FVTOCI Investments. At the date of transition to Ind AS, the excess /deficit of fair value of equity instruments over the previous GAAP carrying amount is recognised as fair value gain/loss, in the FVTOCI reserve/Other Comprehensive Income for the year ended 31-3-2016.

E. Classification of Financial Instruments

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/financial liabilities. Accordingly, bifurcation of assets/liabilities as financial/Non-financial is identified and reclassified. However, this reclassification is not presented as transition adjustments.

F. Financial Guarantee Contracts

The Company has issued Corporate Guarantee to Banks for the loans availed by Subsidiary, Associates and other related parties. Where guarantees in relation to loans are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment if the loan is given to Associate/Subsidiary, and recognized as Other expenses if the loan is given to other related parties. The carrying amount of financial guarantee obligation is recognized as other income over the tenure of the corporate guarantee.

G. Presentation of MAT Credit Entitlement as 'Deferred Tax Assets'

Under previous GAAP, MAT credit entitlement was presented under the head 'Loans and advances' since there being a convincing evidence of realization of the asset. As per Ind AS 12 on Income Taxes, Deferred Tax Assets include the amounts of income taxes recoverable in future periods in respect of the carry forward of unused tax credits. Accordingly, MAT Credit Entitlement classified as Loans and Advances under previous GAAP, are netted against Deferred Tax Liability under Ind AS.

H. Dividend

Under previous GAAP, dividends proposed by the Board of Directors are recognized as proposed dividend in the financial statements even though it is approved by the shareholders in the AGM. However, under Ind AS, dividend has to be recognized upon approval by the shareholders in the Annual General Meeting. Accordingly, Proposed Dividend (including Dividend Distribution Tax recognized as liability in the financial year 2014-15 as per previous GAAP has been reversed with corresponding credit to Equity as at the date of transition i.e. 1-4-2015 and recognized in the Equity during the year ended 31-3-2016 as declared and paid.

I. Transaction cost on Borrowings

Under previous GAAP, transaction costs (loan processing fees) incurred in connection with borrowings is charged to profit or loss up front. Under Ind AS, transaction cost is to be included in the initial recognition and charged to profit or loss using the effective interest method. Accordingly, transaction cost on borrowings is reversed to Equity, for the loans outstanding as at 1-4-2015 and additional interest expense is recognized in the Opening Equity for the period upto 1-4-2015, using Effective Interest Rate method (EIR). For the year ended 31-3-2016, the Company has reversed the transaction cost pertaining to the Borrowings availed during the year 2015-16 and the additional Interest impact computed using EIR method is recognized as Finance cost.

J. Recognition and Measurement of Forward Contracts on Mark To Market (MTM)

Under previous GAAP, in respect of forward contracts, the difference between the forward rate and the exchange rate at the inception of the forward exchange contract is recognized as income/expenses over the tenure of such contract. Under Ind AS, the fair value of forward foreign exchange contracts has to be recognized. Accordingly, the assets and liabilities related to forward contracts recognized under previous GAAP are reversed and Mark to Market (MTM) gain/loss is recognized as other expenses in the Statement of Profit and Loss.

K. Deferred Tax

Deferred tax is accounted using income statement approach by computing the differences between taxable profits and accounting profits for the period under previous GAAP. As per Ind AS 12, the deferred tax is to be computed using the balance sheet approach, which is based on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax adjustments are recognized either in retained earnings or a separate component of equity.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

L. ***Security Deposits from Customers & Service Providers***

The company has presented the Security deposits from Customers & Service providers as Non-current liability under previous GAAP as per the FAQ on Schedule III to the Companies Act 2013 issued by ICAI based on the fact that company's past record shows that these deposits are not generally claimed and hence it was appropriate to treat it as non-current liability. However, as per Educational material issued by ICAI on Ind AS 1 Presentation of Financial Statements, such deposits have to be classified under Current Financial Liability only in view of the fact that the Company does not have the unconditional right to defer settlement of the liability. Accordingly, the Company has reclassified Security Deposits from Customers/Service providers from non-current liability to other current financial liabilities.

M. ***Defined Benefit Plan***

Under previous GAAP, actuarial gains and losses are charged to profit or loss. Under Ind AS re-measurements of net defined benefit asset/liability comprising of actuarial gains or losses are arising from experience adjustments and changes in actuarial assumption are charged/credited to other comprehensive income. There is no impact on the total equity as at 31-3-2016. However for the period upto the date of transition, the Company has transferred all re-measurement costs recognized in the past periods within accumulated profits or loss (a component of equity), in accordance with provisions of Para 122 of Ind AS 19.

N. ***Excise Duty***

Under previous GAAP, Sale of goods and scraps was presented as net of excise duty. However, under Ind AS, sale of goods and scraps includes excise duty. Excise duty on sale of goods and scraps is separately shown as a line item in the Statement of Profit and Loss as part of expenses. However, there is no impact on the total equity and profit.

O. ***Dealer Awards***

Under previous GAAP, Dealer awards were recognized as part of Sales Promotion Expenses. However, under Ind AS, the same has to be netted against Revenue. Accordingly, dealer awards have been netted against Revenue from Operations in the Statement of Profit and Loss.

P. ***Other Comprehensive Income (OCI)***

This is a new classification under Ind AS. Any income or expense that are not required to be recognized in profit or loss are shown under a new category namely OCI in the Statement of Profit and Loss namely re-measurements of defined benefit plans, gains and losses from investments in equity instruments designated at fair value through other comprehensive income, gains and losses on financial assets measured at fair value through other comprehensive income, gain or loss on financial instruments that qualify for hedge accounting, changes in revaluation surplus and gains and losses arising from translating the financial statements of a foreign operation.

Q. ***Bank Overdraft***

Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in the same were shown as part of financing activities. Under Ind AS, Bank overdrafts repayable on demand are to be treated as an integral part of the cash management process. Accordingly, Bank overdraft is included in Cash and Cash equivalents for the purpose of presentation of Statement of Cash Flows.

R. Reconciliation of total comprehensive income for the year ended 31-3-2016 **₹ in Lakhs**

Particulars	Notes	31-3-2016
Profit after tax as per previous GAAP		**3,369.02**
Add: Adjustments on account of transition to Ind AS - Credit		
Impact on recognition and measurement of Government Grant	-	11.70
Fair value recognition and measurement of Financial Guarantee contracts	F	1.37
Impact of measurement of Forward contracts on MTM	J	(260.92)
Actuarial loss reclassified to OCI	P	175.26
Deferred tax impact on Ind AS Adjustments	A,K	64.89
Less: Adjustments on account of transition to Ind AS - Debit		
Fair value of mutual funds measured at FVTPL	D	(1.89)
Fair value recognition and measurement of loans and advances	-	(26.58)
Profit after tax as per Ind AS		
Add: Other Comprehensive Income		
Remeasurements of defined benefit obligations	M	(175.26)
Fair value of equity instruments designated at FVTOCI	D	(374.80)
Total Comprehensive Income		**2,839.73**

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

S. ***Reconciliation of Total Equity as at 31-3-2016 and 1-4-2015*** ₹ In Lakhs

Particulars	Notes	31-3-2016	1-4-2015
Total Equity (Shareholders funds) as per previous GAAP	-	**50,592.37**	**47,674.67**
Carry forward of Ind AS adjustments as at 1-4-2015	-	2,377.45	-
Impact on recognition and measurement of Government Grant	-	11.70	-
Fair value recognition and measurement of Corporate Guarantees	-	1.37	(41.93)
Impact on accounting of Forward Contract on MTM	J	(260.92)	215.81
Fair value gain/reversal of provision of diminution in investments at FVTOCI	D	(374.80)	2,410.24
Fair value gain on Mutual funds measured at FVTPL	D	(1.89)	17.44
Dividend and its tax accounted upon approval by shareholders	H	-	312.92
Government grant for create of infra stature facilities recognized as income over useful life of PPE		-	-197.62
Impact of componentization of property, plant and equipment	-	-	(18.00)
Fair Value recognition and measurement of loans and advances	-	(26.58)	37.11
Deferred Tax Credit on Ind AS adjustments	A,K	64.89	(63.60)
Total Ind AS Adjustments after Tax	-	**1,791.22**	**2,672.37**
Total Equity as per Ind AS		**52,383.59**	**50,347.04**

T. ***Reconciliation of Statement of Cash flows for the year ended 31-3-2016*** ₹ in Lakhs

Particulars	Notes	Previous GAAP	Transition Adjustments	Ind AS
Cash flow from operating activities	-	2,467.05	(199.11)	2,267.94
Cash flow from investing activities	-	2,746.29	123.94	2,870.23
Cash flow from financing activities	Q	(4,971.15)	75.17	(4,895.98)
Increase/(decrease) in cash and cash equivalents	-	242.19	-	242.19
Cash and cash equivalents as at 1-4-2015	U	728.90	-	728.90
Cash and cash equivalents as at 31-3-2016	U	971.09	-	971.09

U. ***Changes in Cash and Cash equivalents for the purpose of cash flows under Ind AS*** ₹ in Lakhs

Particulars	Notes	31-3-2016	1-4-2015
Cash and Cash equivalents as per previous GAAP	-	971.09	728.90
Less: Cash Credit	Q	-	-
Cash and Cash equivalents for Statement of cash flow	T	971.09	728.90

For the purpose of Statement of cash flows, cash and cash equivalents include cash and cash equivalents and Bank Balances other than cash and cash equivalents as presented in the Balance sheet.

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

49. SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

₹ in lakhs

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 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016
1. Revenue/Income from operations										
External Customers	64,994.22	64,826.31	11,461.56	11,663.74	1,728.14	1,197.25	1,874.20	1,793.67	80,058.12	79,480.97
Inter-segment	-	-	-	-	-1,527.92	-979.61	-	-	-1,527.92	-979.61
Total Revenue	64,994.22	64,826.31	11,461.56	11,663.74	200.22	217.64	1,874.20	1,793.67	78,530.20	78,501.36
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	1,322.55	-728.78	1,570.24	928.71	1,219.77	737.19	3,357.49	2,067.64	7,470.05	3,004.76
Interest expenses									3,353.60	3,977.61
Interest Income/ Dividend income									3,798.64	3,122.21
Income Tax - Current (MAT)									1,342.21	138.63
- Deferred									863.91	-772.06
- MAT credit entitlement									-880.52	-
Profit from Ordinary activities									6,589.49	2,782.79
Extraordinary Profit/Loss										
Net Profit									6,589.49	2,782.79
3. Other Information										
Segment Assets	58,677.91	56,845.83	13,152.57	10,248.48	1,901.02	2,067.67	33,200.88	30,723.04	1,06,932.38	99,885.02
Unallocated corporate assets										
Total Assets	58,677.91	56,845.83	13,152.57	10,248.48	1,901.02	2,067.67	33,200.88	30,723.04	1,06,932.38	99,885.02
Segment Liabilities	56,018.69	55,622.96	12,017.87	10,147.40	742.63	1,362.21	-16,553.66	-14,163.66	52,225.53	52,968.91
Unallocated corporate liabilities										
Total Liabilities	56,018.69	55,622.96	12,017.87	10,147.40	742.63	1,362.21	-16,553.66	-14,163.66	52,225.53	52,968.91
Capital Expenditure	3,159.98	2,106.34	440.37	451.94	-	-	582.11	440.88	4,182.46	2,999.16
Depreciation	1,645.49	1,430.30	383.35	338.67	114.30	114.89	4.98	5.38	2,148.12	1,889.24
Non - cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-

NOTES ACCOMPANYING FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

50 There are no dues to Micro and Small Enterprises as at 31.03.2017 (Previous Year : ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties having been identified on the basis of information available with the company

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

For M/s.M.S. JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

CONSOLIDATED FINANCIAL STATEMENTS OF RAMCO INDUSTRIES LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT

To the Members of Ramco Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements drawn in accordance with the Indian Accounting Standards ("the Consolidated Financial Statements") of Ramco Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and the share of profit / loss of its associates. These Consolidated Financial Statements comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year ended 31st March 2017 and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013, ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated statement of changes in equity and Consolidated cash flow of the Group including its associates in accordance with the accounting principles generally accepted in India and including the Indian Accounting Standards specified under Section 133 of the Act, read with applicable Rules there under. The respective Board of Directors of the Companies included in the Group and its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

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 including the Indian Accounting Standards, of the Consolidated state of affairs(financial position) of the Group including the effect of share in the profit of its associates as at 31st March 2017, and their Consolidated profit(financial performance including other comprehensive income)including the share in the profit of its associates, Consolidated statement of changes in equity and their Consolidated cash flows for the year ended on 31st March 2017.

Other Matters

The statement reflects the Group's share of total assets of ₹ 12288.41 Lakhs as at 31st March 2017, the total revenue of ₹ Nil Lakhs and net cash outflow of ₹ 1.00 Lakhs for the year ended 31st March 2017 of the subsidiary, which was audited by one of us.

The Statement reflect the Group's share of total assets of ₹ 13181.86 Lakhs as at 31st March 2017, total revenue of ₹ 18743.59 Lakhs for the year ended 31st March 2017 and total cash inflow of ₹ 577.66 Lakhs for the year ended 31st March 2017 of the overseas subsidiary which was not audited by us. These financial statements and other financial information have been audited by other Independent Auditor whose report has been furnished to us by the Management and our opinion on the Statement is based solely on the report of the other Independent Auditor.

The Statement includes share of total comprehensive income of ₹ -5.49 Lakhs for the year ended 31st March 2017 of an associate company which was not audited us. These financial statements and other financial information have been audited by other Independent Auditor whose report has been furnished to us by the Management and our opinion on the Statement is based solely on the report of the other Independent Auditor.

The Statement includes share of total comprehensive income of ₹ 191.76 lakhs for the year ended 31st March 2017 of an associate company, which is based on unaudited financial statement certified by the Management and furnished to us and our opinion on the Consolidated financial results, in so far as it relates to aforesaid associate is solely based on the accounts certified by the Management.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

1. 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.
2. In our opinion, proper books of accounts 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.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity 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.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
5. On the basis of the written representations received from the Directors of the Holding Company as on 31st March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditor of the subsidiary companies and associate company, and Management Certification in the case of the unaudited associate company, none of the Directors of the Group and its associate companies is disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
6. We have enclosed our separate report in "Annexure A" with respect to the adequacy of the internal financial controls over financial reporting of the entities in the Group and associate companies and the operating effectiveness of such controls. We have relied on the management certification in respect of the unaudited associate company with respect to the adequacy of internal financial controls over financial reporting. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of entities in the Group and the associate companies.
7. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
   - i. The details of the pending litigations and its impact on the Financial Statements have been disclosed in the Standalone Financial Statements of the respective entities in the Group and by the associates.
   - ii. The Group and associate companies 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 entities in the Group and its associates.
   - iv. The Companies comprising the Group and associate companies have provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Group and the Associate Companies.
   - v. In reaching conclusions commented upon in items i) to iv) above, we have relied on our audit of the Holding Company, the audit of the subsidiary company by one of us, audit of subsidiary and associate company by some other Independent Auditors and Management Certification in the case of an associate which are unaudited.

For M/s M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

For M/s. CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S

C.N.GANGADARAN
Partner
Membership No.: 011205

Place : Chennai
Date : 30th May, 2017

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS DRAWN IN ACCORDANCE WITH 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 Ramco Industries Limited, its subsidiary and its associates ("the Group") as of 31st March 2017 in conjunction with our audit of the Consolidated Financial Statements of the Holding Company for the year ended on 31st March 2017.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary and its associate companies, are responsible for establishing and maintaining internal financial controls based on 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 ('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 Group'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") issued by ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Group's internal financial controls system over financial reporting.

Other Matters

We have relied on a) our audit of the Holding Company, b) the audit of the subsidiary company by one of us, c) audit of subsidiary company by some other Independent Auditors, d) audit of associate company by some other Independent Auditors and e) Management Certification in the case of associate company which is unaudited.

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, to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary and associate companies have, 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 31st March 2017, based on the internal control over financial reporting criteria established by the Group and its associates 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 M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

For M/s. CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S

C.N.GANGADARAN
Partner
Membership No.: 011205

Place : Chennai
Date : 30th May, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

	Note No.	31.03.2017	As at 31.03.2016 ₹ In Lakhs	01.04.2015
I ASSETS				
NON CURRENT ASSETS				
Property Plant & Equipment	7	41,831.67	40,575.84	40,466.66
Capital Work in Progress	7	1,101.88	2,234.61	959.62
Intangible Assets	7	546.16	156.49	50.87
Investment in Property	8	43.94	53.66	120.96
Investment in Subsidiary & Associates	9	2,24,185.04	2,10,751.44	1,98,052.82
Financial Assets				
Other Investment	9	2,807.83	2,071.25	2,447.38
Other Financial Assets	10	652.31	635.34	478.21
Other Non Current Assets	11	191.82	388.89	809.82
		2,71,360.65	2,56,867.52	2,43,386.34
CURRENT ASSETS				
Inventories	12	34,185.71	29,359.24	29,023.35
Financial Assets				
Trade Receivables	13	7,166.24	7,217.54	7,129.88
Cash and Cash Equivalents	14	5,516.65	6,450.77	3,673.93
Other Financial Assets	15	522.73	566.43	716.97
Current Tax Assets	16	4,359.48	2,123.07	1,804.73
Other Current Assets	17	3,233.80	3,335.79	5,205.44
		54,984.61	49,052.84	47,554.30
Total		3,26,345.26	3,05,920.36	2,90,940.64
II EQUITY AND LIABILITIES				
Share Holders Fund				
Share Capital	18	866.63	866.63	866.63
Other Equity	18	2,70,734.40	2,51,443.49	2,34,847.69
Total Equity		2,71,601.03	2,52,310.12	2,35,714.32
NON CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	19	6,452.49	13,565.91	11,058.35
Deferred Tax Liabilities (Net)	20	1,411.44	456.47	1,256.65
Deferred Government Grants	21	162.53	174.23	185.92
		8,026.46	14,196.61	12,500.92
CURRENT LIABILITIES				
Financial Liabilities				
Borrowings	22	23,410.82	17,451.47	20,667.27
Trade Payables	23	6,200.20	7,214.70	4,118.68
Other Financial Liabilities	24	11,134.93	11,630.62	15,391.70
Deferred Government Grants		11.70	11.70	11.70
Other Current Liabilities	25	2,856.55	2,399.12	2,157.48
Provisions	26	3,103.57	706.02	378.57
		46,717.77	39,413.63	42,725.40
Total		3,26,345.26	3,05,920.36	2,90,940.64
Significant Accounting Policies, Judgements & Estimates	1-6			
See accompanying notes to the Financial Statements	37-48			

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

Place: Chennai
Date : 30th May, 2017

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

₹ In Lakhs

	Note No.	2016-17	2015-16
INCOME			
Revenue from operations	27	95,399.59	94,220.82
Other Income	28	397.32	2,632.85
Other Financial Income	29	712.62	490.63
Total Revenue		96,509.53	97,344.30
EXPENDITURE			
Cost of materials consumed	30	48,463.48	51,804.76
Cost of Resale materials		131.08	324.42
Change in inventories of Finished Goods and Work in Progress	31	156.52	862.48
Excise Duty on Sale of Goods	32	7,324.44	7,762.25
Employee benefit expenses	33	7,679.82	6,877.83
Finance costs	34	3,414.11	4,034.16
Depreciation and amortisation expenses	7	2,633.11	2,493.36
Other expenses	35	19,930.26	18,671.04
Total Expenses		89,732.82	**92,830.30**
Profit before exceptional and extraordinary items and tax		6,776.71	4,514.00
Exceptional items - (Refer Note 4 (3))	36	1,168.48	1,232.92
Profit / Loss before tax		7,945.19	**5,746.92**
Income Tax Expenses			
Current Tax		2,319.56	771.35
Deferred Tax		974.91	(772.06)
Mat Credit		(880.52)	-
Total Tax Expenses		2,413.95	**(0.71)**
Profit / (Loss) for the year		5,531.24	5,747.63
Add: Share of Profit / (Loss) of Associate		14,944.72	13,496.11
Profit for the year		20,475.96	19,243.74
Other Comprehensive Income			-
Other Comprehensive income not to be reclassified to profit / (loss) in subsequent periods:			
Actuarial Gain /(Loss) on defined benefit obligation (net)		(131.20)	(175.26)
Fair value gain/(loss) on Equity Instruments through OCI		733.38	(374.80)
Total Comprehensive Income for the year before share of OCI of Associates net of tax		602.18	(550.06)
Share of Associate Companies OCI		(41.12)	(61.71)
Total Comprehensive Income for the year net of tax		561.06	(611.77)
Total Comprehensive Income for the year attributable to the Owners' of Parent		21,037.02	**18,631.97**
Earnings per equity share - Basic & Diluted (in ₹)		31.32	29.44
Face Value of Equity share		₹ 1	₹ 1
Significant Accounting Policies, Judgements, Estimates	1-6		
See accompanying notes to the financial statements	37-48		

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

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Partner
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Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

Place: Chennai
Date : 30th May, 2017

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

		2017-16 ₹ in lakhs		2016-17 ₹ in lakhs	
A	**Cash flow from operating activities**				
	Net profit after Tax		21,037.02		18,631.97
	Adjusted for				
	Deferred tax	954.97		(800.18)	
	Loss on sale of assets	5.91		73.48	
	Depreciation	2,633.12		2,493.39	
	Impairment of Assets	-		30.19	
	Fair value Loss / (Gain) on Investments	(15,355.64)		(12,686.21)	
	Dividend Income	(38.68)		(2,417.77)	
	Profit on sale of assets	(89.16)		(220.18)	
	Profit on Sale of Shares	(1,090.82)		(1,049.35)	
	Interest income	(712.62)		(490.63)	
	Effects on Exchange rate	(735.30)		-	
	Interest paid	3,588.21		4243.38	
			(10,839.99)		(10,823.88)
	Operating profit before working capital changes		10,197.02		7,808.09
	Adjusted for				
	Increase in Trade & Other Payables	(1,014.50)		3,096.01	
	Increase in Other Current Assets	(3,604.30)		693.79	
	Increase in Other Current Liabilities	2,359.29		(3,562.23)	
	Increase in Trade & Other Receivables	51.30		(87.64)	
	Increase / (Decrease) in Inventories	(4,826.47)		(335.89)	
			(7,034.68)		(195.96)
	Cash (used in) / generated from operations		3,162.35		7,612.14
	Taxes paid		1,513.58		308.06
	Net cash (used in) / generated from operating activities		4,675.93		7,920.19
B	**Cash flow from Investing activities**				
	Purchase of fixed assets	(4,308.46)		(3,073.08)	
	Sale of fixed assets	117.93		319.10	
	Adjustment in Fixed Assets	(4.87)		131.70	
	Proceeds from Sale of Shares	1,265.47		1,224.00	
	Interest income	712.62		490.63	
	Dividend income	38.68		2,417.77	
	Changes in CWIP	1,132.73		(1,274.99)	
	Advances for long term purpose	189.82		331.10	
	Investment subsidy	-		-	
	Purchase of Investment	-		-	
	Net cash (used in) / from Investing activities		(856.08)		566.24

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017 Contd...

		2016-17 ₹ in lakhs		2015-16 ₹ in lakhs	
C	**Cash flow from financing activities**				
	Proceeds from long term borrowing	(7,113.42)		2,507.56	
	Proceeds from other Long term Liabilities	(11.70)		(11.69)	
	Proceeds from short term borrowings	5,959.35		(3,215.80)	
	Dividend paid	-		(746.25)	
	Finance cost	(3,588.21)		(4,243.38)	
	Net cash from / (used in) Financing activities		(4,753.98)		(5,709.56)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		(934.12)		2,776.84
	Cash and cash equivalents as at the beginning of the year		6,450.77		3,673.93
	Cash and Cash equivalents as at the end of the year		5,516.65		6,450.77

The accompanying notes form an integral part of the financial statements

As per our Report Annexed

For M/s.M.S. JAGANNATHAN & N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
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C.N.GANGADARAN
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For and on behalf of the Board

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K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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" P.S.K Nagar, Rajapalayam - 626 108, Tamilnadu. 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 Fiber Cement (FC) sheets and Calcium Silicate Boards (CSBs), 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 30-05-2017.

2. Basis of Preparation of Consolidated Financial Statements (CFS)

2.1 The CFS for the period up to 31-03-2016 were prepared in accordance with Accounting Standards notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Pursuant to the mandatory requirement for adoption of Ind AS as notified by MCA, the Company has prepared its financial statements for the year ended 31-03-2017 in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time. The comparative figures in the financial statements with respect to the previous year have been restated in accordance with Ind AS requirements. While preparing these financials statements, the Company has first prepared its opening Balance sheet as at 01-04-2015, the date of transition to Ind AS.

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 standalone 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		
	31.03.2017	31.03.2016	01.04.2015
Sudharsanam Investments Ltd	100	100	100
Sri Ramco Lanka Pvt Ltd	99.99	99.99	99.99
Sri Ramco Roofings Lanka (Private) Ltd *	1.27	1.27	1.27
*Stepdown subsidiary			
Sri Ramco Lanka Private Limited holding in Sri Ramco Roofing (pvt) ltd Srilanka	98.73	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		
		31-3-2017	31-3-2016	1-4-2015
The Ramco Cements Limited	India	20.71	20.71	20.71
Ramco Systems Limited	India	17.98	18.23	22.40
Rajapalayam Mills Limited	India	1.73	6.61	11.49
Ramco Wind Form Limited	India	2.65	3.25	3.25
Ontime Industrial Service Limited	India	17.77	17.77	17.77
Madurai Trans Carrier Limited	India	17.17	17.17	-
Lynks Logistics Limited	India	2.71	19.00	-

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, 2017

2.4 The significant accounting policies used in preparing the financial statements are set out in Note No.5

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 polices 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 standalone 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

3. First time adoption of Ind AS

The CFS for the year ended 31-03-2017 are the first financial statements prepared in accordance with Ind AS. The Reconciliation and description of the effect of transition from previous GAAP to Ind AS on Equity, Statement of Profit and Loss and Cash flow are provided in Note 57. The Balance sheet as on the date of transition has been prepared in accordance with Ind AS 101 - First time adoption of Indian Accounting Standards (Ind AS). All applicable Ind AS were applied consistently and retrospectively in preparation of the first Ind AS Financial Statements with certain mandatory exceptions and voluntary exemptions for the specific cases as provided under Ind AS 101.

Estimates

The estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP unless there is objective evidence that those estimates were in error. Accordingly, the Company has not made any changes to estimates made in accordance with previous GAAP.

The mandatory exceptions to the retrospective application under Ind AS 101 that are applicable to the Company are as below:

Mandatory Exceptions under Ind AS 101	Compliance
Derecognition of previously recognised financial assets/financial liabilities	
An entity shall apply the derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.	The Company has applied the de-recognition requirements prospectively.
Hedge accounting	
At the date of transition to Ind AS, an entity shall measure all derivatives at fair value and eliminate all deferred losses and gains arising on derivatives that were reported in accordance with previous GAAP as if they were assets or liabilities. An entity shall not reflect in its opening Ind AS Balance Sheet a hedging relationship that does not qualify for hedge accounting in accordance with Ind AS 109.	The Company has measured derivatives at fair value through profit and loss. The Company does not have any hedging relationship that meets the qualifying criteria for Hedge accounting.
Classification and measurement of financial assets	
Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS.	The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.
Impairment of Financial Assets	
Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort.	The Company has applied impairment requirements retrospectively.

The voluntary exemptions to the retrospective application under Ind AS 101 that are applicable to the Company are as below:

Voluntary Exemption under Ind AS 101	Option exercised
Deemed Cost	
An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of property, plant and equipment, intangibles by applying Ind AS retrospectively or use the carrying amount under Previous GAAP on the date of transition as deemed cost.	The Company has opted to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Business Combinations	
A first-time adaptor may elect not to apply Ind AS 103 retrospectively to past Business Combinations (business combinations that occurred before the date of transition to Ind AS). However, if a first-time adopter restates any business combination to comply with Ind AS 103, it shall restate all later business combinations and shall also apply Ind AS 110 from that same date. The exemption for past business combinations also applies to past acquisitions of investments in associates, interests in joint ventures and interests in joint operations in which the activity of the joint operation constitutes a business, as defined in Ind AS 103. Furthermore, the date selected for paragraph C1 applies equally for all such acquisitions.	The Company elects to apply Ind AS 103 retrospectively for the past acquisition of investment in associates with effect from 01.04.2015
Designation of previously recognised financial instruments	
An entity may designate in investment in an equity instrument as at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS	The Company has designated all equity instruments in companies other than subsidiaries / associates at FVTOCI, based on the assessment made on the date of transition to Ind AS.
Investments in Subsidiary and Associates	
An entity is required to account for its investments in subsidiaries, joint ventures and associates either (a) at cost; or (b) in accordance with Ind AS 109. Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date.	The Company has opted to measure its investment in subsidiaries / associates as per the previous GAAP carrying amount as at the date of transition to Ind AS.
Designation of previously recognised financial instruments	
An entity may designate an investment in an equity instrument as at fair value through other comprehensive income (FVTOCI) in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.	The Company has designated all equity instruments in companies other than subsidiaries / associates at FVTOCI, based on the assessment made on the date of transition to Ind AS.

4 Basis of Measurement

The financial statements have been prepared on accrual basis under historical cost convention except for certain financial instruments (Refer Note 5.18 - Accounting Policy for Financial Instruments) and defined benefit plan assets which are measured at fair value.

5. Significant Accounting Policies

5.1 Inventories

5.1.1 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.

5.1.2 Process stock is valued at 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.

5.1.3 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 including excise duty.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

5.2 Cash Flow Statement

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.3 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 is recognised directly in Equity.

5.4 Income Taxes

5.4.1 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.

5.4.2 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.

5.4.3 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.

5.4.4 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.

5.4.5 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.

5.4.6 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.

5.4.7 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.

5.5 Property, plant and equipments (PPE)

5.5.1. PPEs are stated at cost of acquisition or construction (net of CENVAT / VAT 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

5.5.2 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.

5.5.3 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.

5.5.4 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, except for process control systems whose residual value is considered as Nil.

5.5.5 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.

5.5.6 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

5.5.7 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.

5.6 Leases

5.6.1 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.

5.6.2 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.

5.6.3 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.

5.7 Revenue Recognition

5.7.1 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.

5.7.2 **Revenue from Operations**

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 and after deducting discounts, volume rebates and applicable taxes on sale. It also excludes value of self-consumption.

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 captivity 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 excluding applicable taxes on sale.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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.

5.7.3 **Other Income**

a. Interest income is recognised using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

b. Dividend income is recognised when the Company's right to receive dividend is established.

c. Rental income from operating lease on investment properties is recognised on a straight line basis over the term of the relevant lease.

d. Value of Carbon credits are recognised when the Company's right to receive the same is established.

5.8 Employee Benefits

5.8.1 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.

5.8.2 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.

5.8.3 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.

5.8.4 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.

5.8.5 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, including for its employees in subsidiary Company, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method.

5.8.6 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.

5.8.7 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.

5.9 Government Grants

5.9.1 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". 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".

5.10 Foreign currency transactions

5.10.1 The financial statements are presented in Indian Rupees, which is also the Company's functional currency.

5.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency exchange rates prevailing on that date.

5.10.3 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction.

5.10.5 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 Exchange Fluctuation Reserve.

5.11 Borrowing Costs

5.11.1 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.

5.11.2 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 borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Company capitalises during the period 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.

5.12 Earnings per Share

5.12.1 Net profit after tax is divided by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year, after deducting treasury shares which represents holding of its own shares indirectly through associates by way of reciprocal interests.

5.12.2 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.

5.12.3 The Company do not have any potential equity shares.

5.13 Impairment of Non-financial Assets

5.13.1 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.

5.13.2 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.

5.13.3 An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

5.13.4 An impairment loss is reversed when there is an indication that the impairment loss may no longer exist or may have decreased.

5.14 Provisions, Contingent Liabilities and Contingent Assets

5.14.1 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.

5.14.2 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.

5.14.3 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.

5.14.4 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.15 Intangible Assets

5.15.1 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.

5.15.2 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.

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

5.16 Investment Properties

5.16.1 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.

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

5.16.3 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.

5.16.4 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.

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

5.17 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, 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.

5.18 Financial Instruments

5.18.1 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.

5.18.2 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.

5.18.3 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Financial Assets

5.18.4 Financial assets comprises of investments in equity and mutual funds, trade receivables, cash and cash equivalents and other financial assets.

5.18.5 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.

5.18.6 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.

5.18.7 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 retainment of its rights and obligations of financial asset. The Company has applied the de-recognition requirements prospectively.

5.18.8 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.

5.18.9 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

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

5.18.11 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.

5.18.12 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.

5.18.13 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.

5.18.14 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.

5.19 Fair value measurement

5.19.1 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.

5.19.2 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.

5.19.3 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

5.19.4 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.

5.19.5 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.

5.19.6 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.

6. 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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

7 PLANT, PROPERTY AND EQUIPMENT

₹ in lakhs

Particulars	Year	Gross block				Depreciation				NET BLOCK	
		As At 01-APR-2016	Additions	Withdrawals/ Adjustments	As At 31-MAR-2017	As At 01-APR-2016	For the year 2016-17	Withdrawals/ Adjustments	As At 31-MAR-2017	As At 31-03-2017	As at 31-Mar-2016
Tangible Assets											
Land - Free Hold	2016-17	1,679.00	-	-	1,679.00	-	-	-	-	1,679.00	1,679.00
	2015-16	1,721.24	-	42.24	1,679.00	-	-		-	1,679.00	1,721.24
Land - Lease Hold	2016-17	1,405.80	-	-	1,405.80	64.15	15.73	0.06	79.82	1,325.98	1,341.65
	2015-16	1,362.96	65.20	15.08	1,413.08	55.69	15.74		71.43	1,341.65	1,307.27
Buildings	2016-17	17,873.12	267.92	-	18,141.04	5,043.13	515.94	5.12	5,553.95	12,587.09	12,829.99
	2015-16	17,990.84	125.76	249.93	17,866.67	4,733.92	538.62	235.86	5,036.68	12,829.99	13,256.92
Railway sidings	2016-17	20.68	-	-	20.68	19.65	-	-	19.65	1.03	1.03
	2015-16	20.68	-	-	20.68	19.65	-		19.65	1.03	1.03
Plant and Machinery	2016-17	50,551.57	2,523.90	259.23	52,816.24	29,790.97	1,388.50	251.74	30,927.73	21,888.51	20,760.60
	2015-16	48,994.43	2,339.35	783.31	50,550.47	29,104.03	1,273.95	588.11	29,789.87	20,760.60	19,890.40
Electrical Machinery	2016-17	6,898.76	1,015.15	-	7,913.91	3,456.29	565.43	-	4,021.72	3,892.19	3,442.47
	2015-16	6,921.35	325.15	342.60	6,903.90	3,209.63	540.29	288.49	3,461.43	3,442.47	3,711.72
Furniture & Office Equipments	2016-17	673.24	31.69	-	704.93	390.80	50.95	-	441.75	263.18	282.44
	2015-16	726.12	26.25	78.27	674.10	378.16	72.48	58.98	391.66	282.44	347.96
Vehicles	2016-17	709.51	10.85	11.98	708.38	470.85	54.76	11.92	513.69	194.69	238.66
	2015-16	676.84	81.35	51.62	706.57	446.72	51.38	30.19	467.91	238.66	230.12
Total - Tangible Assets	2016-17	79,811.68	3,849.51	271.21	83,389.98	39,235.84	2,591.30	268.84	41,558.31	41,831.67	40,575.84
	2015-16	78,414.46	2,963.06	1,563.05	79,814.47	37,947.80	2,492.46	1,201.63	39,238.63	40,575.84	40,466.66
Capital work in progress	2016-17	2,234.61	2,744.22	3,876.95	1,101.88	-	-	-	-	1,101.88	2,234.61
	2015-16	959.62	4,557.62	3,282.63	2,234.61	-	-	-	-	2,234.61	959.62
Intangible Assets											
Computer software	2016-17	707.13	431.48	-	1,138.61	550.64	41.81	-	592.45	546.16	156.49
	2015-16	598.37	106.75	4.95	700.17	547.50	0.90	4.72	543.68	156.49	50.87
Total - Intangible Assets	2016-17	707.13	431.48	-	1138.61	550.64	41.81	-	592.45	546.16	156.49
	2015-16	598.37	106.75	4.95	700.17	547.50	0.90	4.72	543.68	156.49	50.87

(a) The Company has opted to use previous GAAP carrying amount as Deemed cost as at the date of transition to Ind AS (i.e As on 1-4-2015). However, as per the FAQ issued by Accounting Standard Board of ICAI, the above information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP is an additional disclosure and the same is not considered for subsequent recognition and/or measurement purposes.

(b) No Borrowings cost have been capitalised for both current and previous year.

(c) As per Ind AS, the Company reclassify land at Gaziabad, 2 Numbers of commercial properties at Mumbai, a commercial property at Kolkatta and Pipe plant Building at Maksi as investment properties. These amount are adjusted in the opening balance as at 01.04.2015

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
8	**INVESTMENT PROPERTY**			
	Gross Block			
	As at the beginning of the year	277.37	345.07	345.07
	Less: Sold during the period	(9.06)	(67.70)	-
	As at the end of the year	268.31	277.37	345.07
	Depreciation and impairment			
	As at the beginning of the year	223.71	224.11	221.73
	Sold during the year	(4.52)	(2.33)	-
	Depreciation during the year	5.18	1.93	2.38
	As at the end of the year	224.37	223.71	224.11
	Net Block			
	As at the end of the year	43.94	53.66	120.96
	Information regarding income and expenditure of Investment property			
	Rental Income from Investment Properties	20.00	25.00	15.00
	Direct Operating Expenses	4.93	4.95	2.37
	Profit arising from Investment Properties before Depreciation and indirect expenses	15.07	20.05	12.63
	Less: Depreciation	4.98	4.49	8.47
	Profit arising from Investment Properties	10.09	15.56	4.16
	Fair Value of Investment property	268.31	277.37	345.07

a. The Company's investment property consists of a commercial property at Mumbai, a commercial property at Kolkatta and Pipe plant Building at Maksi. Out of these, property at Mumbai was sold on 15.06.2016.

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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

9 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

₹ In Lakhs

Name of the Company	Total face Value ₹	As at 31-03-2017		As at 31-03-2016		AS AT 01-04-2015	
		Number	Amount	Number	Amount	Number	Amount
Quoted Investment - Fully paid Equity shares							
The Ramco Cements Limited	1.00	5,22,95,020	1,86,396.86	5,22,95,020	171,916.13	4,93,12,420	159,499.81
Rajapalayam Mills Limited	1.00	1,27,360	1,056.28	4,87,360	2013.43	8,47,360	2503.95
Ramco System Limited	1.00	54,67,376	35,563.62	48,22,215	35,666.37	48,22,215	35,234.50
Sub-Total (A)			2,23,016.76		2,09,595.93		1,97,238.26
Unquoted Investment - Fully paid Equity shares							
Associate Companies							
Ontime Industrial Services Ltd	10.00	50,000	149.44	50,000	137.90	50,000	125.53
Ramco Windfarms Ltd	1.00	2,65,000	697.32	32,50,000	690.01	32,50,000	689.03
Madurai Trans carrier Ltd	1.00	3,09,00,000	308.42	3,09,00,000	309.00	-	-
Lynks Logistics Limited	1.00	19,00,000	13.11	19,00,000	18.60	-	-
Sub-Total (B)			1,168.29		1,155.51		814.56
Total Investments in Associates C= (A+B)			2,24,185.05		2,10,751.44		1,98,052.82
Aggregate Market Value of Quoted Investments			2,86,982.48		2,33,022.01		1,84,057.56
Other Investment							
Quoted Investment - Fully paid Equity shares (designated at FVTOCI)							
Indian Bank	10.00	1,391	3.87	1,391	1.45	1,391	2.41
HDFC Limited	2.00	1,79,200	2,691.76	1,79,200	1,981.24	1,79,200	2,357.72
HDFC Bank Limited	2.00	5,500	79.34	5,500	58.91	5,500	56.25
DHFL Vysya Housing Finance Limited	10.00	30,000	3.00	30,000	3.00	30,000	3.00
Sub-Total (A)			2,777.97		2,044.60		2,419.40
Investments in Mutual Funds (measured at FVTPL)							
HDFC Mutual Fund	10.00	1,00,000.00	29.32	1,00,000	25.56	1,00,000	27.44
Sub-Total (B)			29.32		25.56		27.44
Unquoted Investment - Fully paid Equity shares							
ARS Energy Private Limited	1	-	-	55000	0.55	-	-
Sub-Total (C)			-		0.55		-
Investments in Government or Trust Securities							
National Savings Certificate			0.52		0.52		0.52
Sub-Total (D)			0.52		0.52		0.52
III. Other Non-Current Investments, Non-Trade - Unquoted							
Ramco Industries Employees Co-op Stores Limited		2,500.00	0.02	2,500.00	0.02	2,500.00	0.02
Sub-Total (E)			0.02		0.02		0.02
Total Other Investments (A+B+C+D+E)			2,807.83		2,071.25		2,447.38

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
10	**LOANS AND OTHER FINANCIAL ASSETS - (Non Current)**			
	Security Deposit with Electricity Board	652.31	635.34	478.21
		652.31	635.34	478.21
11	**OTHER NON CURRENT ASSETS**			
	Secured and considered good			
	Advances Towards Capital Goods	106.42	326.97	751.48
	Others	76.31	38.33	48.36
	Prepaid Expenses	9.09	23.59	9.98
		191.82	388.89	809.82
12	**INVENTORIES**			
	Raw Materials	16,507.44	13,910.75	11,552.89
	Raw Materials in Transit	-	3.96	-
	Work in process	1,934.06	2,067.83	2,231.40
	Finished goods	12,470.67	12,464.81	13,386.29
	Finished goods in Transit	2,090.46	-	1,091.07
	Stores and spares	1,175.97	887.67	761.70
	Assets held for Sale	7.11	24.22	-
		34,185.71	29,359.24	29,023.35

a) Inventories are valued as per the Company Policy {Note No 5.1 of Accounting Policy}

b) The carrying cost of inventories as at the reporting dated has been pledged as security for borrowings

13	**TRADE RECEIVABLES**			
	Trade receivables outstanding for more than 6 months, unsecured considered doubtful	679.31	359.25	311.77
	Trade receivables outstanding for more than 6 months, provision	(679.31)	(359.25)	(311.77)
	Trade receivables outstanding for more than 6 months considered good	259.85	-	-
	Trade receivables, unsecured considered good	6906.39	7,217.54	7,129.88
		7,166.24	7,217.54	7,129.88

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 Borrowings.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
14	**CASH AND CASH EQUIVALENTS**			
	Cash on Hand	10.60	11.28	21.88
	Balance With Bank Current account	1,633.05	4,315.85	2027.66
	Margin Money	9.40	9.40	10.42
	Fixed Deposits	3,846.60	2092.57	1591.34
	Balance with Bank - Unpaid Dividend Warrant Account	17.00	21.67	22.63
		5,516.65	6,450.77	3,673.93
15	**OTHER FINANCIAL ASSETS [Current]**			
	Security Deposit	203.80	173.54	149.06
	Asset - Foreign exchange forward contracts	3.69	-	99.49
	Asset - Interest Rate Swaps	-	-	79.72
	Government Grant Receivable	315.24	392.89	388.70
		522.73	566.43	716.97
	Government Grants receivable include:			
	- Government of West Bengal - ₹ 63.13 lakhs (as at 31.03.2016 - ₹ 213.12 lakhs ; as at 31.03.2015 - ₹ 213.12 Lakhs)			
	- Government of Bihar - ₹ 252.11 lakhs (as at 31.03.2016 - ₹ 179.77 lakhs; as at 31.03.2015 - ₹ 175.58 lakhs)			
16	**CURRENT TAX ASSETS**	4,359.48	2,123.07	1,804.73
		4,359.48	2,123.07	1,804.73
17	**OTHER CURRENT ASSETS**			
	Advance Income Tax & Tax Deducted At Source	798.74	1,018.68	1,111.43
	Tax Credit - Indirect Taxes	1,877.08	1,753.36	1,682.74
	Advance to Suppliers	53.35	87.77	103.94
	Advance to Employees	216.49	192.52	244.48
	Amount Due from Related Party	288.14	283.46	2,062.85
	Other Current Assets	3,233.80	3,335.79	5,205.44

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

18. EQUITY SHARE CAPITAL

Reconciliation of the number of shares outstanding:

Particulars	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Authorised Capital	20,00,00,000	2,000.00	20,00,00,000	2,000.00	20,00,00,000	2,000.00
Issued & Subscribed and Fully paid shares of ₹ 1/- each	8,66,63,060	866.63	8,66,63,060	866.63	8,66,63,060	866.63
Number of Shares at the beginning	8,66,63,060	866.63	8,66,63,060	866.63	8,66,63,060	866.63
Issued during the year - Bonus Issue	-	-	-	-	-	-
Issued during the year - Preferential Issue	-	-	-	-	-	-
Number of Shares at the end	8,66,63,060	866.63	**8,66,63,060**	**866.63**	**8,66,63,060**	**866.63**

The details of Shareholders holding more than 5% shares :

Name of the Shareholder	As at 31-03-2017		As at 31-03-2016		As at 01-04-2015	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
The Ramco Cements Ltd	1,33,72,500	15.43	1,33,72,500	15.43	1,33,72,500	15.43
Rajapalayam Mills Limited	79,20,680	9.14	79,20,680	9.14	79,20,680	9.14
Shri.P.R.Venketrama Raja	55,00,000	6.35	55,00,000	6.35	55,00,000	6.35
Smt.Saradha Deepa	55,00,000	6.35	55,00,000	6.35	55,00,000	6.35
Smt.Nalina Ramalakshmi	55,80,000	6.44	55,80,000	6.44	55,80,000	6.44
	3,78,73,180	43.71	3,78,73,180	43.71	3,78,73,180	43.71

18-A. OTHER EQUITY

For the year ended 31 March 2017

Particulars	Reserves & Surplus				Items of OCI	Total
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI reserve	
As at 1st April 2016	1,77,686.77	209.53	29,515.86	42,030.46	2,000.87	2,51,443.49
Adjustments	(1,010.80)					(1,010.80)
Profit for the period	-	-	20,475.96	-	-	20,475.96
Other comprehensive income	-	-	-	-	561.06	561.06
Total Comprehensive Income	1,76,675.97	209.53	49,991.82	42,030.46	2,561.93	2,71,469.71
Issue of share capital						-
Transfer to general reserve	-	-	(900.00)	900.00	-	-
Share-based payments	-	-	-	-	-	-
Transaction costs	-	-	-	(735.30)	-	(735.30)
Cash dividends	-	-	-	-	-	-
Dividend distribution tax on cash dividend by parent company	-	-	-	-	-	-
As at 31st March 2017	1,76,675.97	209.53	49,091.82	42,195.16	2,561.93	2,70,734.41

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

For the year ended 31st March, 2016

Particulars	Reserves & Surplus				Items of OCI	
	Capital Reserve	Share premium	Retained earnings	General Reserve	FVTOCI reserve	Total
As at 1st April 2015	1,78,575.90	209.53	11,580.07	41,931.46	2,550.93	2,34,847.89
Fair Value of Investments		-		-	-	-
Adjustments	(889.13)					(889.13)
Profit for the period			19,182.04			19,182.04
Other comprehensive income	-	-	-	-	(550.06)	(550.06)
Total Comprehensive Income	1,77,686.77	209.53	30,762.11	41,931.46	2,000.87	2,52,590.74
Issue of share capital	-	-	-	-	-	-
Transfer to general reserve	-	-	(500.00)	500.00		-
Share-based payments	-	-	-			-
Transaction costs	-	-	-	(401.00)		(401.00)
Cash dividends	-	-	(693.31)			(693.31)
Dividend distribution tax on cash dividend by parent company	-	-	(52.94)			(52.94)
As at 31st March 2016	**1,77,686.77**	**209.53**	**29,515.86**	**42,030.46**	**2,000.87**	**2,51,443.49**

Capital Reserve

Capital reserve on consolidation 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.

Securities Premium Reserve

Represents excess of share subscription money reserved over fair value of shares.

General reserve

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer.

Retained earnings

Represents that portion of the net income of the Company that has been retained by the Company.

FVTOCI Reserve

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
19	**BORROWINGS**			
	Secured:			
	Term Loan from Banks {Refer: Note 4 (point no:8 a)}	6,469.55	13,565.91	11,058.35
	Unsecured:			
	Prepaid Loan - Processing Charges	(17.06)	-	-
		6,452.49	13,565.91	11,058.35
	a) Term Loan from Banks 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:			
		2016-17	2015-16	01-04-2015
	2021-22	109.22	-	-
	2020-21	510.87	692.15	156.25
	2019-20	1,990.23	3,103.78	937.29
	2018-19	3,859.23	4,623.41	2,765.74
	2017-18	-	5,184.68	3,393.39
	2016-17	-	-	3,460.19
	Processing charges to be absorbed over the period of loan	(17.06)	(38.11)	(42.52)
		6,452.49	13,565.91	10,670.34
20	**NET DEFERRED TAX LIABAILTY**			
	Deferred Tax Liabilities			
	Tax Effect on difference between book depreciation and depreciation under Income Tax Act 1961			
	Tax effect on Fair Value Measurement			
	Related to Fixed Assets	1,755.14	456.47	1,256.65
	Disallowances under the Income Tax Act, 1961.	(343.70)	-	-
	Net Deferred Tax Liability	1,411.44	456.47	1,256.65
	Reconciliation of Deferred Tax Liabilities (Net)			
	Opening Balance as on 1st April	456.47	1256.65	
	Less: Tax Income /(Expense) during the period recognised in Profit & Loss Account	(954.97)	790.65	
	Deferred tax effect on Componation of Asset	-	(9.53)	
	Conversion rate adopted in Balance Sheet item - Difference MAT Credit Entitlement recognised in Profit and Loss / adjusted against Current Tax	(19.94)	(7.35)	
	Closing Balance as on 31st March	1,411.44	456.47	1,256.65

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
21	**DEFERRED GOVERNMENT GRANTS**			
	Deferred Government Grants	162.53	174.23	185.92
		162.53	174.23	185.92

Industrial Promotion Assistance (IPA) provided by Department of Industries, of Government of Bihar {₹134.31 Lakhs} and from Government of West Bengal {₹150.00 Lakhs} towards creation of infrastructure facilities is recognised as " Industrial Promotion Assistance" over the useful life of the underlying PPE.

22	**BORROWINGS**			
	Secured:			
	Loan from Loan from banks	5,592.47	10,293.17	20,667.27
	Unsecured:			
	Loan from banks	17818.35	7158.30	-
		23,410.82	17,451.47	20,667.27

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

23	**TRADE PAYABLES**			
	Trade Payables	6,200.20	7,214.40	4,118.68

a) Trade Payables are non - interest bearing and are normally settled on 10 to 30 days, except where the credit term as per contractual is more than 30 days

b) There are no dues to micro and small enterprises as at 31.03.2017 (PY: ₹ Nil). This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006, has bee determined to the extent such parties have been identified on the basis of information available with the Company.

24	**OTHER FINANCIAL LIABILITIES**			
	Current Maturities of Long Term Debt - Secured -	3,750.00	5,290.66	9,295.06
	Unpaid dividends	16.84	21.46	22.28
	Financial Guarantee Obligation	40.76	40.56	41.93
	Security Deposit from Customers	2,741.83	2,644.21	2,396.15
	Liability - Foreign exchange forward contracts	378.49	45.11	208.43
	Other Liabilities	4,207.01	3,588.62	3,427.85
		11,134.93	11,630.62	15,391.70

a) Foreign Exchange forward contracts are purchased to mitigage the risk the risk of changes in foreign exchange rates with certain payables/receivables in foreign contracts

b) The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on belhalf of related parties, and the same is recognised as other income over the tenure of the corporate guarantee.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		As at 31.03.2017 ₹ In Lakhs	As at 31.03.2016 ₹ In Lakhs	As at 01.04.2015 ₹ In Lakhs
25	**OTHER CURRENT LIABILITIES**			
	Statutory Duties & Taxes Recovery Repayable	1,380.75	1,248.67	1,351.27
	Advance Received From Customers	1,475.80	1,150.45	806.21
		2,856.55	2,399.12	2,157.48
26	**SHORT TERM PROVISIONS**			
	Provision for Leave encashment	583.63	467.92	378.57
	Provision for Gratuity	347.60	238.10	-
	Provision for Taxation	2,172.34	-	-
		3,103.57	706.02	378.57

a) The Company provides for expense towards compensated absences provided to its employees. The expense is recoginsed at the present value of the amount payable based on an independent external acturial valuation as 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 acturial valuation at the Balance Sheet date, using Projected Unit Credit Method

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
27	**REVENUE FROM OPERATIONS**		
	Sale Revenue	94,363.63	93,375.87
	Industrial promotion assistance	835.74	627.30
	Income from Wind power generation {(Net of inter-divisional transfer of ₹ 1527.92 (Previous Year 979.61)}	200.22	217.65
		95,399.59	94,220.82

a) Sale Revenue include Excise Duty

b) Industrial Promotion Assistance from:

- Government of Bihar - ₹ 824.04 Lakhs [Previous Year ₹ 605.27 Lakhs
- Government of Rajasthan - NIL [Previous Year ₹ 10.33 Lakhs]
- Deferred Grant Recognised as income - ₹ 11.70 Lakhs [Previous Year - ₹ 11.70 Lakhs]

c) Out of 326.07 Lakhs units [Previous Year 222.21 Lakhs units] generated by our Windmills, 54.50 Lakh units[Previous Year 58.19 Lakh units] were sold to concerned State Electricity Board. 237.97 Lakh units [Previous Year 145.94 Lakh Units] were consumed at our plant and 33.60 Lakh units [Previous Year 18.08 Lakh units] remain unadjusted

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
28	**OTHER INCOME**		
	Dividend Income	38.68	2,417.77
	Other Miscellaneous Income	358.64	215.08
		397.32	2,632.85
29	**OTHER FINANCE INCOME**		
	Interest Income	712.62	490.63
		712.62	490.63
30	**COST OF MATERIALS CONSUMED**		
	Chrysotile Fibre	20,394.53	23,676.23
	Cement	14,776.91	13,745.89
	Clinker	1,373.82	2,862.16
	Cotton	6,492.07	7,091.72
	Other Additives	5,426.15	4,428.76
		48,463.48	51,804.76
31	**CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS**		
	Closing Stock of Finished Goods	12,470.67	12,464.81
	Closing Stock of Process Stock	1,934.06	2,067.83
		14,404.73	14,532.64
	Opening Stock of Finished Goods	12,377.00	13,234.65
	Opening Stock of Process Stock	2,155.64	2,383.04
		14,532.64	15,617.69
	(Increase) / Decrease	127.91	1,085.05
	ED on stock variance	28.61	(222.57)
	(Increase) / Decrease	156.52	862.48
32	**EXCISE DUTY PAID**	7,324.44	7,762.25
33	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries and wages	6,541.23	5,921.01
	Contribution to and provision for	-	-
	- Provident Fund	459.69	439.08
	- Gratuity Fund	106.32	83.48
	- Superannuation Fund	27.98	25.16
	- Staff welfare	544.60	409.10
		7,679.82	6,877.83
34	**FINANCE COSTS**		
	Interest on Bank borrowings	2,164.89	3,465.42
	Others	1,065.20	383.27
	Exchange rate variation	184.02	185.47
		3,414.11	4,034.16

Others includes Interest on Security deposit from Customers.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
35	**OTHER EXPENSES**		
	Stores Consumed	1,827.83	1,692.36
	Power & Fuel (net off power from Wind Mills)	4,998.94	5,096.96
	Repairs & Maintenance - Building	184.26	117.51
	Repairs & Maintenance - General	341.93	222.74
	Repairs & Maintenance - Plant & Machinery	2,894.61	2,057.65
	Repairs & Maintenance - Vehicle / Aircraft	349.74	425.22
	Insurance	108.56	96.00
	Travelling expenses	727.86	695.40
	Rates & Taxes	641.02	749.65
	Exchange fluctuation in foreign currency	174.10	209.22
	Rent	205.28	198.91
	Managerial Remuneration	313.07	112.50
	Printing & Stationery	44.43	44.23
	Communication Expenses	104.50	99.36
	Corporate Social Responsibility	83.67	93.58
	Legal & Consultancy Expenses	289.68	338.71
	Profit / (Loss) on Sale of Assets	5.92	73.48
	Impairment Loss on Assets	-	5.97
	Directors Sitting fees	15.51	17.71
	Audit Fees & Expenses	27.03	16.34
	Agency Commission	383.99	373.14
	Advertisement Expenses	754.94	383.25
	Bad and Doubtful Debts	78.66	99.84
	Transportation and Handling Expenses	4,736.19	4,536.65
	Miscellaneous Expenses	638.54	914.66
		19,930.26	18,671.04
	Details of CSR expenditure are furnished in Annexure II of the Director's Report.		
36	**EXCEPTIONAL ITEMS**		
	Profit on Sale of Assets	78.82	183.57
	Profit on Sale of Shares	1,089.66	1,049.35
		1,168.48	1,232.92
	AUDIT FEES AND EXPENSES		
	1. Statutory Auditors:	2016-17	2015-16
	a. for statutory audit	13.47	7.00
	b. for Taxation matters	2.76	1.00
	c. for certification work	1.47	1.39
	d. for reimbursement of expenses	4.33	4.45
	2. Cost Auditor:		
	a. for Cost audit	2.50	2.50
	3. Secretarial Auditor		
	a. for Secretarial Audit	2.50	-
		27.03	16.34

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In Lakhs

37.

Commitments	As at 31-3-2017	As at 31-3-2016	As at 1-4-2015
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	422.57	626.22	914.06

38.

Financial guarantees	As at 31-3-2017	As at 31-3-2016	As at 1-4-2015
Guarantees given to banks to avail loan facilities by Related parties:			
- Thanjavur Spinning Mill Limited	3,500.00	3,500.00	-
- Sri Harini Textiles Limited	4,629.00	4,629.00	3,629.00
- Ramco Systems Limited	-	-	3,550.00

39. As per Ind AS 19, the disclosures pertaining to "Employee Benefits" are given below:

Defined Contribution Plan

Particulars	31-3-2017	31-3-2016
Employer's Contribution to Provident Fund	392.70	370.93
Employer's Contribution to Superannuation Fund	27.98	25.16

Principal Actuarial Assumptions
(Expressed as weighted averages)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Discount Rate	6.90%	7.80%	6.90%	7.80%
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	6.90%	7.80%	0.00%	0.00%

Changes In The Present Value Of The Obligation (PVO)

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
PVO as at the beginning of the period	956.28	756.14	467.92	378.58
Interest Cost	71.76	55.56	34.75	26.80
Current service cost	88.14	77.99	72.45	73.90
Past service cost	-	-	-	-
Benefits paid	-72.49	-114.50	-44.78	-82.84
Actuarial loss/(gain) on obligation (balancing figure)	137.42	181.09	53.30	71.47
PVO as at the end of the period	1,181.12	956.28	583.63	467.92

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Fair value of plan assets as at the beginning of the period	795.65	787.50	-	-
Expected return on plan assets	63.85	60.30	-	-
Contributions	118.31	56.52	44.78	82.84
Benefits paid	-72.49	-114.50	-44.78	-82.84
Actuarial gain/(loss) on plan assets [balancing figure]	6.22	5.83	-	-
Fair value of plan assets as at the end of the period	911.53	795.65	-	-

Actual Return On Plan Assets

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Expected return on plan assets	63.85	60.30	-	-
Actuarial gain (loss) on plan assets	6.22	5.83	-	-
Actual return on plan assets	70.07	66.13	-	-

Actuarial Gains And Losses Recognized

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Actuarial gain (loss) for year - obligation	-137.42	-181.09	-53.30	-71.47
Actuarial gain (loss) for year - plan assets	6.22	5.83	-	-
Subtotal	-131.20	-175.26	-53.30	-71.47
Actuarial (gain) / loss recognized	131.20	175.26	53.30	71.47
Unrecognized actuarial gains (losses) at the end of the period	-	-	-	-

Amounts Recognised In The Balance Sheet And Related Analyses

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Present value of the obligation	1,181.12	956.28	583.63	467.92
Fair value of plan assets	911.53	795.65	-	-
Amount determined under para 63 of Ind AS19	269.59	160.64	-	-
Net Defined Benefit Liability recognized in the balance sheet	269.59	160.64	583.63	467.92
Present value of future reduction in contribution under para 65 of Ind AS 19	-	-	-	-
Net Defined Benefit Asset recognised under para 64 of Ind AS19	-	-	-	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Expenses Recognised In The Statement Of Profit And Loss: ₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Current service cost	88.14	77.99	72.45	73.90
Net Interest on Net Defined Benefit Obligations	7.92	-4.74	34.75	26.80
Net actuarial (gain)/loss recognised during the period	-	-	53.30	71.47
Past service cost	-	-	-	-
Expenses recognized in the statement of profit and loss	96.06	73.25	160.50	172.17

Amount Recognized For The Current Period In The Statement Of Other Comprehensive Income [OCI]

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Actuarial (gain)/loss on Plan Obligations	137.42	181.09	-	-
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	-6.22	-5.83	-	-
Effect of Balance Sheet asset limit	-	-	-	-
Amount recognized in OCI for the current period	131.20	175.26	-	-

Movements In The Liability Recognized In The Balance Sheet

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Opening net liability adjusted for effect of balance sheet limit	160.64	-31.36	467.92	378.58
Amount recognised in Profit and Loss	96.06	73.25	160.50	172.17
Amount recognised in OCI	131.20	175.26	-	-
Contribution paid	-118.31	-56.52	-44.78	-82.84
Closing net liability	269.59	160.64	583.63	467.92

Amount For The Current Period

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Present Value of obligation	1,181.12	956.28	583.63	467.92
Plan Assets	911.53	795.65	-	-
Surplus (Deficit)	-269.59	-160.64	-583.63	-467.92
Experience adjustments on plan liabilities -(loss)/gain	-80.00	-128.47	-23.10	-48.68
Impact of Change in Assumptions on Plan Liabilities-(loss)/gain	-57.42	-52.62	-	-
Experience adjustments on plan assets -(loss)/gain	6.22	5.83	-	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Major Categories Of Plan Assets (As Percentage Of Total Plan Assets) ₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Government of India Securities	0.00%	0.00%	0.00%	0.00%
State Government Securities	0.00%	0.00%	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%	0.00%	0.00%
Property	0.00%	0.00%	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%	0.00%	0.00%
Others (to specify)	0.00%	0.00%	0.00%	0.00%
Total	100.00%	100.00%	0.00%	0.00%

Enterprise'S Best Estimate Of Contribution During Next Year

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Enterprise'S Best Estimate Of Contribution During Next Year	NA	NA	-	-

Sensitivity Analyses

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
A. Discount Rate + 50 BP	7.40%	8.30%	7.40%	8.30%
Defined Benefit Obligation [PVO]	1,148.52	929.39	566.48	454.41
Current Service Cost	100.73	85.04	68.74	59.42
B. Discount Rate - 50 BP	6.40%	7.30%	6.40%	7.30%
Defined Benefit Obligation [PVO]	1,215.59	984.71	601.78	482.20
Current Service Cost	108.33	91.45	73.42	63.40
C. Salary Escalation Rate +50 BP	6.50%	6.50%	6.50%	6.50%
Defined Benefit Obligation [PVO]	1,217.32	986.46	601.86	482.38
Current Service Cost	108.51	91.64	73.43	63.43
D. Salary Escalation Rate -50 BP	5.50%	5.50%	5.50%	5.50%
Defined Benefit Obligation [PVO]	1,146.58	927.50	566.26	454.13
Current Service Cost	100.52	84.84	68.71	59.38

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Expected Contributions in Following Years ₹ In Lakhs

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Year 1	NA	NA	55.13	43.59
Year 2	NA	NA	72.31	55.02
Year 3	NA	NA	54.91	52.71
Year 4	NA	NA	52.39	44.59
Year 5	NA	NA	65.40	43.34
Next 5 Years	NA	NA	238.31	211.26

Expected Benefit Payments in Following Years

Particulars	Gratuity Plan (Funded)		Compensated Absences (Un-funded)	
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
Year 1	123.74	103.34	55.13	43.59
Year 2	313.93	201.37	72.31	55.02
Year 3	105.80	119.49	54.91	52.71
Year 4	116.12	92.08	52.39	44.59
Year 5	121.22	103.69	65.40	43.34
Next 5 Years	491.17	442.13	238.31	211.26

39A. Disclosure of Interests in Subsidiary

Name of the entity	Place of Business / Country of Incorporation	Principal activities of Business
Sudharsanam Investments Ltd	India	Investments in Securities
Sri Ramco Lanka Pvt Ltd (SRL)	Srilanka	Manufacturer of Building materials
Sri Ramco Roofing Lanka Pvt Ltd (SRRL)	Srilanka	Manufacturer of Building materials

Particular	Sudharsanam	SRL	SRRL
As at 31-03-2017			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-
As at 31-03-2016			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-
As at 01-04-2015			
Ownership Interest held by the Group	100.00%	99.99%	1.27%
Non-Controlling Interest (NCI)	-	-	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

Non-controlling interest (NCI)	Sudharsanam	SRL	SRRL
As at 31-03-2017			
Accumulated balance of NCI			
Profit allocated to NCI			
Dividend paid to NCI			
As at 31-03-2016			
Accumulated balance of NCI			
Profit allocated to NCI			
Dividend paid to NCI			
As at 01-04-2015			
Accumulated balance of NCI			
Profit allocated to NCI			
Dividend paid to NCI			

NIL

The Summarised separate financial information of subsidiary is as below

a. Sudharsanam Investments Ltd

₹ in Lakhs

Balance Sheet	As at 31-03-2017	**As at 31-03-2016**	**As at 01-04-2015**
Non -Current Assets	1,286.25	1,286.25	1,286.25
Current assets	2.16	2.09	1.99
Total Assets	1,288.41	1,288.34	1,288.24
Non-current liabilities	511.04	468.79	602.45
Current liabilities	0.03	0.03	0.01
Total Liabilities	511.07	468.82	602.46
Total Equity	777.34	819.52	685.69
Profit and Loss		As at 31-03-2017	As at 31-03-2016
Revenue		0.18	134.22
Profit for the year		(42.36)	133.82
Other comprehensive income		-	-
Total comprehensive income		(42.36)	133.82

b. Sri Ramco lanka Pvt Ltd

₹ in Lakhs

Balance Sheet	As at 31-03-2017	**As at 31-03-2016**	**As at 01-04-2015**
Non -Current Assets	5,666.42	6,085.49	6,477.60
Current assets	2,977.96	6,000.31	5,419.86
Total Assets	8,644.38	12,085.80	11,897.46
Non-current liabilities	242.15	596.70	1,158.86
Current liabilities	1,622.71	2,129.68	1,167.82
Total Liabilities	1,864.86	2,726.38	2,326.68
Total Equity	6,779.52	9,359.42	9,570.78

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

Profit and Loss	As at 31-03-2017	As at 31-03-2016
Revenue	12,204.53	10,577.43
Profit for the year	3,383.16	1,773.95
Other comprehensive income	-	-
Total comprehensive income	3,383.16	1,773.95
Summarised Cash flow	As at 31-03-2017	As at 31-03-2016
Cash flows from operating activities	3,031.38	1,480.44
Cash flows from investing activities	1,733.20	928.04
Cash flows from financing activities	(4,219.43)	(1,422.25)
Net Increase / (Decrease) in cash and cash equivalents	(202.15)	(26.95)

c. Sri Ramco Roofing Lanka Pvt Ltd

₹ in Lakhs

Balance Sheet	As at 31-03-2017	As at 31-03-2016	As at 01-04-2015
Non -Current Assets	2,705.68	3,248.72	3,672.11
Current assets	4,979.58	6,509.35	2,744.80
Total Assets	7,685.26	9,758.07	6,416.91
Non-current liabilities	143.08	-	-
Current liabilities	971.80	2,717.32	409.18
Total Liabilities	1,114.88	2,717.32	409.18
Total Equity	6,570.38	7,040.75	6,007.73
Profit and Loss		As at 31-03-2017	As at 31-03-2016
Revenue		8,720.82	10,639.12
Profit for the year		1,794.57	1,895.08
Other comprehensive income		-	-
Total comprehensive income		1,794.57	1,895.08
Summarised Cash flow		As at 31-03-2017	As at 31-03-2016
Cash flows from operating activities		1,726.89	2,301.92
Cash flows from investing activities		246.88	(6.31)
Cash flows from financing activities		(1,855.50)	(486.41)
Net Increase / (Decrease) in cash and cash equivalents		38.96	1,766.45

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

39B. Disclosure of Interests in Associates under equity methods

₹ in Lakhs

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
Ontime Industrial Service ltd	India	Goods transport service

Name of the Associates	% of ownership interest		
	31-03-2017	31-03-2016	01-04-2015
The Ramco Cements Limited (TRCL)	20.71	20.71	20.71
Ramco Systems Limited	17.98	18.23	22.40
Rajapalayam Mills Limited	1.73	6.61	11.49
Madurai Trans Carrier Limited	17.17	17.17	-
Lynks Logistics Limited (LLL)	2.71	19.00	-
Ontime Industrial Service ltd	17.77	17.77	17.77
Ramco Windfarm Limited	2.65	3.25	3.25

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 31.03.2017						
The Ramco Cements Limited	546,481.00	18,392.00	142,178.00	124,763.00	202,548.00	379,740.00
Ramco Systems Limited	40,217.50	110.90	27,923.30	1,571.30	12,606.60	54,073.80
Rajapalayam Mills Limited	33,648.45	129,279.54	21,031.44	10,709.09	24,426.41	148,823.93
As at 31.03.2016						
The Ramco Cements Limited	544,022.00	16,989.00	133,418.00	177,720.00	203,325.00	313,384.00
Ramco Systems Limited	35,234.30	95.90	30,682.80	1,945.40	12,549.00	51,518.60
Rajapalayam Mills Limited	34,654.64	118,235.22	17,133.54	13,959.24	21,801.32	134,262.84
As at 31.03.2015						
The Ramco Cements Limited	549,646.00	16,836.00	127,502.00	242,972.00	178,953.00	272,059.00
Ramco Systems Limited	30,313.40	55.60	24,731.50	23,040.90	16,890.70	15,168.90
Rajapalayam Mills Limited	35,227.02	110,483.35	16,461.21	14,007.74	23,532.58	124,631.26

Note: The above financial information is amended to determine the share of interest in associates.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

Profit and Loss	TRCL		RSL		RML	
	31-3-2017	31-3-2016	31-3-2017	31-3-2016	31-3-2017	31-3-2016
Total Revenue	4,62,125	4,21,488	45,632	44,340	41,457	39,955
Profit before tax	85,691	66,292	(3,060)	3,267	3,785	1,488
Tax expenses	20,270	13,166	(4,132)	890	250	589
Profit after tax	65,421	53,126	1,072	2,377	3,535	899
Share of profit in Associate	977	1,406	15	40	10,984	9,354
OCI	(42)	(300)	(55)	(45)	(12)	(128)
TCI	66,356	54,232	1,032	2,372	14,507	10,125

OCI: Other Comprehensive Income; TCI: Total Comprehensive Income.

Share of contingent liabilities in respect of associates

₹ in Lakhs

Name of the Associates	31-03-2017	31-03-2016	01-04-2015
The Ramco Cements Limited	22,659.23	20,579.73	20,023.26
Ramco Systems Limited	684.01	655.55	12.19
Rajapalayam Mills Limited	96.52	75.96	16.65
Guarantees given by the bankers on behalf of company	402.20	456.08	374.09
Demands / Claims not acknowledged as Debts in respect of matters in appeals relating to -			
Income Tax	2,658.08	5,453.52	3,971.06
VAT & Input Tax Credit, CST	412.73	455.62	428.20
Excise Duty, CENVAT Credit	52.55	59.17	66.40
Other demands (EB)	365.82	365.82	379.76

40. Earnings per Share

Particulars	31-3-2017	**31-3-2016**
Net profit after tax (A)	20,475.96	19,243.74
Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Lakhs]	653.70	653.70
Nominal value per equity share (in ₹)	1	1
Basic & Diluted Earnings per share (A)/(B) in ₹	31.32	29.44

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 2017:

(a) Associates

Name of the Company	**Country of Incorporation**	**% of Shareholding as at**		
		31-3-2017	**31-3-2016**	**1-4-2015**
The Ramco Cements Limited	India	20.71	20.71	20.71
Ramco Systems Limited	India	17.98	18.23	22.40
Rajapalayam Mills Limited	India	1.73	6.61	11.49
Ramco wind form Limited	India	2.65	3.25	3.25
Ontime Industrial Service Limited	India	17.77	17.77	17.77
Madurai Trans Carrier Limited	India	17.17	17.17	-
Lynks Logistics Limited	India	2.71	19.00	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(b) Key Management Personnel (Including KMP under Companies Act, 2013)

Name of the Key Management Personnel	Designation
P.R. Ramasubrahmaneya Rajha	Chairman
P.R. Venketrama Raja	Vice Chairman and Managing Director
Prem G Shanker	Chief Executive Officer
K. Sankaranarayanan	Chief Financial Officer
S. Balamurugasundaram	Company Secretary
S.S. Ramachandra Raja	Independent Director
K.T. Ramachandran	Independent Director
N.K. Shrikantan Raja	Independent Director
R.S. Agarwal	Independent Director
V. Santhanaraman	Independent Director
Smt. Justice Chitra Venkataraman (Retd.)	Independent Director

(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 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	Rajapalaiyam Mills Ltd
The Ramaraju Surgical Cotton Mills Ltd	Sri Vishnu Shankar Mills Ltd
Sandhya Spinning Mill Ltd	Rajapalayam Textile Ltd
Ramco Systems Limited	Lynks Logistics Limited

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

(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 Sethuramammal Charity Trust	PACR Sethuramammal Charities
Ramco Welfare Trust	PAC Ramasamy Raja Education Charity Trust
Raja Charity Trust	Rajapalayam Rotary Trust
Shri Abhinava Vidya Theertha Seva Trust	Ramco Debate And Research Educational And Charitable Trust
Sastra Prakasika Trust	PAC Ramasamy Raja Centenary Trust
Thangavilas Estate	

42. 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	31-3-2017	31-3-2016
1	**Sale of Goods**		
	Associates		
	The Ramco Cements Limited	32.72	25.79
	Rajapalayam Mills Limited	159.98	329.45
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	479.80	590.34
	The Ramaraju Surgical Cotton Mills Limited	178.82	175.50
	Sri Vishnu Shankar Mill Limited	254.70	424.36
	Sandhya Spinning Mill Limited	9.73	-
	Thanjavur Spinning Mill Limited	219.16	-
	Sri Harini Textiles Limited	92.09	-
	Other entities over which there is a significant influence		
	Raja Charity Trust	6.05	-
	Total	1,433.05	1,545.44
2	**Sale of Goods - Cement**		
	Associates		
	The Ramco Cement Limited (CGU, Kharagpur)	3,545.10	-
	Total	3,545.10	-
3	**Purchase of Goods - Clinker**		
	Associates		
	The Ramco Cement Limited (CGU, Kharagpur)	1,732.75	-
	Total	1732.75	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-3-2017	31-3-2016
4	**Purchase of Goods**		
	Associates		
	The Ramco Cement Limited	1,269.01	524.75
	Rajapalayam Mills Limited	461.40	332.88
	Ramco Wind Farms Limited	152.76	97.09
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	149.75	164.82
	The Ramaraju Surgical Cotton Mills Limited	137.61	386.54
	Sri Vishnu Shankar Mill Limited	336.12	237.07
	Sandhya Spinning Mill Limited	410.78	463.52
	Thanjavur Spinning Mill Limited	134.86	498.18
	Other entities over which there is a significant influence		
	PACR Sethurammal Charity Trust	12.01	9.43
	Total	3,064.30	2,714.28
5	**Receiving of Services**		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	The Ramaraju Surgical Cotton Mills Limited	1.44	-
	Sri Vishnu Shankar Mill Limited	4.06	0.29
	Sandhya Spinning Mill Limited	0.21	-
	Other entities over which there is a significant influence		
	Raja Charity Trust	384.02	373.14
	Total	389.73	373.43
6	**Services Rendered**		
	Associates		
	Rajapalayam Mills Limited	1.12	0.17
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Rajapalayam Textile Limited	0.47	0.23
	The Ramaraju Surgical Cotton Mills Limited	1.90	-
	Sri Vishnu Shankar Mill Limited	1.23	0.92
	Sandhya Spinning Mill Limited	5.96	-
	Thanjavur Spinning Mill Limited	2.28	-
	Total	12.96	1.32
7	**Receiving of Services - Software Related Services**		
	Associates		
	Ramco Systems Limited	625.49	52.07
	Total	625.49	52.07
8	**Receiving of Services - Advertisement**		
	Companies over which KMP / Relatives of KMP exercise significant influence		
	Shri Harini Media Limited	4.55	4.90
	Total	4.55	4.90

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-3-2017	31-3-2016
9	**Receiving of Services - Manpower Supply**		
	Other entities over which there is a significant influence		
	Raja Charity Trust	103.42	130.88
	Total	103.42	130.88
10	**Leasing Arrangements - Rent Received**		
	Associates		
	The Ramco Cement limited	0.42	-
	Other entities over which there is a significant influence		
	Sri Abhinava Vidhaytheertha Seva Trust	0.03	0.03
	Total	0.45	0.03
11	**Dividend received**		
	Associates		
	The Ramco Cement Limited	-	2,219.06
	Rajapalayam Mills Limited	-	35.80
	Total	-	2,254.86
12	**Dividend Paid**		
	Key Management Personnel		
	P.R. Ramasubrahmaneya Rajha	-	23.06
	P.R. Venketrama Raja	-	44.00
	Prem G Shanker	-	0.05
	Associates		
	The Ramco Cements Limited	-	106.98
	Rajapalayam Mills Limited	-	63.37
	Total	-	237.41
13	**Remuneration to Key Management Personnel (Other than Sitting Fees)**		
	P.R. Venkerama Raja, Vice Chairman and Managing Director	313.07	112.50
	Prem G Shanker, Chief Executive Officer	137.60	121.49
	K. Sankaranarayanan, Chief Financial Officer	54.35	49.11
	S. Balamurugasundaram, Company Secretary	21.69	17.09
	Total	526.71	300.19
14	**Directors' Sitting Fees**		
	Key Management Personnel		
	P.R. Ramasubrahmaneya Rajha	1.50	1.50
	S.S. Ramachandra Raja	0.75	1.25
	N.K. Shrikantan Raja	1.75	1.75
	K.T. Ramachandran	2.75	3.00
	R.S. Agarwal	3.25	3.75
	V. Santhanarman	1.25	1.50
	Smt. Justice Chitra Venkataraman (Retd.)	2.25	2.75
	Total	13.50	15.50

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ in Lakhs

S.No.	Nature of Transaction, Name of the Related Party and Relationship	31-3-2017	31-3-2016
15	**Sale of Fixed Assets**		
	Associates		
	Rajapalayam Mills Limited	-	10.24
	Total	-	10.24
16	**Contribution to Superannuation Fund / Gratuity Fund**		
	Employee Benefit Funds where Control Exists		
	Ramco Industries Limited Officers' Superannuation Fund	27.98	25.16
	Ramco Industries Limited Employees' Gratuity Fund	227.26	248.51
	Total	255.24	273.67
17	**Investment in Equity Shares during the year**		
	Associates		
	Lynks Logistics Limited	-	19.00
	Madurai Trans Carrier Limited	-	309.00
	Total	-	328.00
18	**Sale of Share during the year**		
	Key Management Personnel		
	P.R. Venketrama Raja	1,263.05	1,219.97
	Total	1,263.05	1,219.97

b. **Outstanding balances including commitments**

S.No	Nature of Outstanding Balances, Name of the Related Party and Relationship	31-3-2017	31-3-2016	1-4-2015
1	**Payables**			
	Other entities over which there is a significant influence			
	Raja Charity Trust	15.22	3.56	5.44
	Total	15.22	**3.56**	**5.44**
2	**Loans and Advances**			
	Associates			
	The Ramco Cement Limited	0.29	-	-
	Total	0.29	**-**	**-**
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	3,500.00	-
	Sri Harini Textiles Limited	4,629.00	4,629.00	3,629.00
	Total	8,129.00	**8,129.00**	**3,629.00**

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	31-3-2017	31-3-2016
Short - Term Benefits (1)		
Defined Contribution Plan (2)	526.72	307.96
Defined Benefit Plan / Other Long-term benefits(3)		
Total	526.72	**307.96**

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.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

43. 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 **₹ in Lakhs**

Particulars	Amortised Cost	FVTPL	FVTOCI	Carrying Amount	Fair Value
As at 31-3-2017					
Financial Assets					
Other Investments	2,070.70	3.75	733.38	2,807.83	2,807.83
Loans and Advances	-	-	-	-	-
Trade Receivables	7,166.24	-	-	7,166.24	7,166.24
Cash and Bank Balances	5,516.65	-	-	5,516.65	5,516.65
Other Financial Assets	1,175.04	-	-	1,175.04	1,175.04
Financial Liabilities					
Borrowings	29,863.31	-	-	29,863.31	29,863.31
Trade Payables	6,200.22	-	-	6,200.22	6,200.22
Other Financial Liabilities	11,134.93	-	-	11,134.93	11,134.93
As at 31-3-2016					
Financial Assets					
Other Investments	2,447.94	1.89	374.80	2,071.25	2,071.25
Loans and Advances	-	-	-	-	-
Trade Receivables	7,217.54	-	-	7,217.54	7,217.54
Cash and Bank Balances	6,450.77	-	-	6,450.77	6,450.77
Other Financial Assets	1,201.77	-	-	1,201.77	1,201.77
Financial Liabilities					
Borrowings	31,017.38	-	-	31,017.38	31,017.38
Trade Payables	7,214.70	-	-	7,214.70	7,214.70
Other Financial Liabilities	11,630.62	-	-	11,630.62	11,630.62
As at 1-4-2015					
Financial Assets					
Other Investments	19.69	17.44	2,410.24	2,447.37	2,447.37
Loans and Advances	-	-	-	-	-
Trade Receivables	7,129.88	-	-	7,129.88	7,129.88
Cash and Bank Balances	3,673.93	-	-	3,673.93	3,673.93
Other Financial Assets	1,195.18	-	-	1,195.18	1,195.18
Financial Liabilities					
Borrowings	31,725.62	-	-	31,725.62	31,725.62
Trade Payables	4,118.67	-	-	4,118.67	4,118.67
Other Financial Liabilities	15,391.70	-	-	15,391.70	15,391.70

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 31-3-2017	733.38	-	-	733.38
As at 31-3-2016	-374.80	-	-	-374.80
As at 1-4-2015	2,410.24	-	-	2,410.24
Actuarial Values				
As at 31-3-2017	-	-	-131.20	-131.20
As at 31-3-2016	-	-	175.26	175.26
As at 1-4-2015	-	-	140.69	140.69
Financial Instruments at FVTPL				
Investment in mutual funds				
As at 31-3-2017	-3.76	-	-	-3.76
As at 31-3-2016	2.66	-	-	2.66
As at 1-4-2015	17.44	-	-	17.44
Foreign exchange forward contracts				
As at 31-3-2017	-	-	-	-
As at 31-3-2016	-	159.03	-	159.03
As at 1-4-2015	-	142.28	-	142.28

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 31st 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

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

44. 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:

₹ In Lakhs

As at 31-3-2017	Fiber Cement Board	Calcium Silicate Board	Windmill	Total
Gross carrying amount	3279.30	1,213.58	105.17	4,598.05
Expected Loss Rate	4.00%	5.00%	70.00%	79.00%
Expected Credit Losses	131.17	60.68	73.77	265.62
Carrying amount of trade receivables net of impairment	3,148.13	1,152.90	31.40	4,332.43

Note: Provision amount of receivables relating to legal case ₹ 46.54 lakhs

Other disputed ₹ 27.23 lakhs

Total ₹ 73.77 lakhs

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In Lakhs

As at 31-3-2016	Fiber Cement Board	Calcium Silicate Board	Windmill	Total
Gross carrying amount	3,129.71	982.32	73.77	4,185.80
Expected Loss Rate	4.00%	5.00%	100.00%	109.00%
Expected Credit Losses	125.19	49.12	73.77	248.08
Carrying amount of trade receivables net of impairment	3,004.52	933.20	-	3,937.72

₹ In Lakhs

As at 1-4-2015	Fiber Cement Board	Calcium Silicate Board	Windmill	Total
Gross carrying amount	2,993.99	660.10	77.09	3,731.18
Expected Loss Rate	4.00%	5.00%	84.00%	93.00%
Expected Credit Losses	119.76	33.01	64.65	217.42
Carrying amount of trade receivables net of impairment	2,874.23	627.09	12.44	3,513.76

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	31-3-2017	31-3-2016	1-4-2015
Expiring within one year			
Bank Overdraft and other facilities	25,585.00	19,549.00	11,535.00
Term Loans	7,063.00	1,409.00	7,816.00
Expiring beyond year			
Term Loans	-	-	-

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Maturities of Financial Liabilities **₹ in Lakhs**

Nature of Financial Liability	< 1 Year	1 - 5 Years	>5 years	Total
As at 31-3-2017				
Borrowings from Banks	27,166.11	6,469.55	-	33,635.66
Trade payables	5,112.21	-	-	5,112.21
Security Deposits payable	2,741.83	-	-	2,741.83
Other Financial Liabilities (Incl. Interest)	10,616.45	-	-	10,616.45
As at 31-3-2016				
Borrowings from Banks	22,361.59	13,604.02	-	35,965.61
Trade payables	3,840.27	-	-	3,840.27
Security Deposits payable	2,556.25	-	-	2,556.25
Other Financial Liabilities	10,563.90	-	-	10,563.90
As at 1-4-2015				
Borrowings from Banks	29,474.20	10,907.45	-	40,381.65
Trade payables	3,694.98	-	-	3,694.98
Security Deposits payable	2,396.15	-	-	2,396.15
Other Financial Liabilities	14,531.36	-	-	14,531.36

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 31-3-2017	3.52	-	-	1.33
As at 31-3-2016	2.38	0.60	-	0.01
As at 1-4-2015	0.60	-	-	0.06
LKR in Million				
As at 31-3-2017	-	112.40	-	-
As at 31-3-2016	-	110.82	-	-
As at 1-4-2015	-	87.47	-	-

Risk sensitivity on foreign currency fluctuation

Foreign Currency	31-3-2017		31-3-2016	
	1 % Increase	1% decrease	1% increase	1% decrease
USD	(-) 33.51	33.51	(-) 19.82	19.82
LKR	(-) 5.01	5.01	(-) 5.31	5.31

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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	**31-3-2017**	**31-3-2016**	**1-4-2015**
Variable rate borrowings	15,347.31	23,065.66	31,881.65
Fixed rate borrowings	18,288.35	12,900.00	8,500.00

The Company does not have any interest rate swap contracts.

Sensitivity on Interest rate fluctuation **₹ in Lakhs**

Total Interest Cost works out to	**31-3-2017**	**31-3-2016**
1% Increase in Interest Rate	250.30	288.82
1% Decrease in Interest Rate	(250.30)	(288.82)

45. 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	**31-03-2017**	**31-03-2016**	**01-04-2015**
Long Term Borrowings	6,452.49	13,565.91	10,670.34
Current maturities of Long term borrowings	10,616.45	10,563.90	14,531.36
Short Term Borrowings	23,410.82	17,451.47	20,667.27
Less: Cash and Cash Equivalents	5,516.65	6,450.77	3,673.93
Net Debt (A)	**39,925.96**	**40,610.19**	**45,140.07**
Equity Share Capital	866.63	866.63	866.63
Other Equity	2,70,734.40	2,51,443.49	2,34,847.69
Total Equity (B)	**2,71,601.03**	**2,52,310.12**	**2,35,714.32**
Total Capital Employed (C) = (A) + (B)	**3,06,564.14**	2,87,440.63	2,77,909.36
Capital Gearing Ratio (A) / (C)	**11.40%**	**12.22%**	**15.18%**

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 31-03-2017 and 31-03-2016.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

46. Disclosures as required by Ind AS 101 First time adoption of Indian Accounting Standards

Reconciliation of Balance Sheet as at the date of transition (1-4-2015) — ₹ in Lakhs

Particulars	Notes	Previous GAAP	Transition Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	B,C	40,615.60	-148.94	40,466.66
Capital Work -in- Progress	-	959.62	-	959.62
Intangible Assets	-	50.87	-	50.87
Investment Property	C		120.96	120.96
Investment in Subsidiaries and Associates	-	26,121.42	1,71,931.40	1,98,052.82
Financials Assets	-		-	
Other Investments	C,D	19.70	2,427.68	2,447.38
Loans and Advances	-	1,378.75	-1,378.75	0
Other Financial Assets	-		478.21	478.21
Other Non-Current Assets	B	311.62	498.20	809.82
		69,457.58	**1,73,928.76**	**2,43,386.34**
Current Assets				
Inventories	-	29,023.34	-	29,023.34
Financial Assets	-		-	
Trade Receivables	-	7,134.61	-4.73	7,129.88
Cash and Cash Equivalents	-	3,673.93	-	3,673.93
Other Financial Assets	-	-	716.97	716.97
Short term Loans and Advances	-	3,924.41	-3,924.41	-
Current Tax Assets	B,J		1,804.73	1,804.73
Other Current Assets	-	3,231.47	1,973.97	5,205.44
		46,987.76	**566.53**	**47,554.29**
Total Assets		1,16,445.34	1,74,495.29	2,90,940.63
EQUITY & LIABILITIES				
Equity				
SHARE HOLDERS' FUND	-			
Equity Share Capital	-	866.63	-	866.63
Other Equity	S	60,243.92	1,74,603.77	2,34,847.69
Total Equity		**61,110.55**	**1,74,603.77**	**2,35,714.32**
Non-Current Liabilities				
Financial Liabilities				
Borrowings	I	11,295.46	-237.11	11,058.35
Deferred Tax Liability (Net)	G,K	1,193.05	63.60	1,256.65
Other Long Term Liabilities	-	2,396.15	-2,396.15	-
Deferred Government Grants	-		185.92	185.92
Provisions	-	341.02	-341.02	-
		15,225.68	**-2,724.76**	**12,500.92**
Current Liabilities	-			
Financial Liabilities	-			
Borrowings	F,J,L	20,715.24	-47.97	20,667.27
Trade Payables	-	4,123.38	-4.71	4,118.67
Other Financial Liabilities	-	14,549.33	842.37	15,391.70
Deferred Government Grants	-		11.70	11.70
Other Current liabilities	-	-	2,157.48	2,157.48
Provisions	-	721.16	-342.59	378.57
		40,109.11	**2,616.28**	**42,725.39**
Total Equity and Liabilities		**1,16,445.34**	**1,74,495.29**	**2,90,940.63**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconciliation of Balance Sheet as at 31-3-2016 **₹ in Lakhs**

Particulars	Notes	Previous GAAP	Transition Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, Plant and Equipments	B,C	40,639.04	-63.20	40,575.84
Capital Work -in- Progress	-	2,234.61	-	2,234.61
Intangible Assets	-	156.49	-	156.49
Investment Property	C		53.66	53.66
Investment in Subsidiaries and Associates	-	38,544.36	1,72,207.08	2,10,751.44
Financials Assets	-		-	
Other Investments	C,D	20.25	2,051.00	2,071.25
Loans and Advances	-	1,116.53	-1,116.53	0
Other Financial Assets	-		635.34	635.34
Other Non-Current Assets	B	304.59	84.30	388.89
		83,015.87	**1,73,851.65**	**2,56,867.52**
Current Assets				
Inventories	-	29,359.24	-	29,359.24
Financial Assets	-		-	
Trade Receivables	-	7,217.52	0.02	7,217.54
Cash and Cash Equivalents	-	6,450.77	-	6,450.77
Other Financial Assets	-	-	566.43	566.43
Short term Loans and Advances	-	4,165.01	-4,165.01	-
Current Tax Assets	-		2,123.07	2,123.07
Other Current Assets	B,J	1,481.41	1,854.38	3,335.79
		48,673.95	**378.89**	**49,052.84**
Total Assets		**1,31,689.82**	**1,74,230.54**	**3,05,920.36**
EQUITY & LIABILITIES				
Equity				
SHARE HOLDERS' FUND	-			
Equity Share Capital	-	866.63	-	866.63
Other Equity	S	77,445.12	1,73,998.37	2,51,443.49
Total Equity		**78,311.75**	**1,73,998.37**	**2,52,310.12**
Non-Current Liabilities				
Financial Liabilities				
Borrowings	I	13,604.02	-38.11	13,565.91
Deferred Tax Liability (Net)	G,K	457.76	-1.29	456.47
Other Long Term Liabilities	F,J,L	2,556.25	-2,556.25	-
Deferred Government Grants	-	-	174.23	174.23
Provisions	-	493.77	-493.77	-
		17,111.80	**-2,915.19**	**14,196.61**
Current Liabilities				
Financial Liabilities				
Borrowings	I	17,451.47	-	17,451.47
Trade Payables	-	7,214.73	-0.03	7,214.70
Other Financial Liabilities	F,J,L	11,548.46	82.16	11,630.62
Deferred Government Grants	-		11.70	11.70
Other Current liabilities	-	-	2,399.12	2,399.12
Provisions	-	51.61	654.41	706.02
		36,266.27	**3,147.36**	**39,413.63**
Total Equity and Liabilities		**1,31,689.82**	**1,74,230.54**	**3,05,920.36**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Reconciliation of Statement of Profit and Loss for the year ended 31-3-2016 **₹ in Lakhs**

Particulars	Note No.	Previous GAAP	Transition adjustments	Ind AS
INCOME				
Revenue from operations	N,O	90,211.67	4,009.15	94,220.82
Other Income	F	3,040.61	-407.76	2,632.85
Other Finance Income	-	-	490.63	490.63
Total Revenue		**93,252.28**	**4,092.02**	**97,344.30**
EXPENDITURE				
Cost of materials consumed	-	51,804.76	-	51,804.76
Cost of Resale materials	-	324.42	-	324.42
Change in inventories of Finished Goods and Work in Progress	-	862.48	-	862.48
Excise duty on sale of goods	N		7,762.25	7,762.25
Employee benefit expenses	P	7,053.08	-175.25	6,877.83
Finance costs	I	3,853.41	180.75	4,034.16
Depreciation and amortisation expenses	A,B	2,493.82	-0.46	2,493.36
Other expenses	B,D,F,J,O	22,245.25	-3,574.21	18,671.04
Total Expenses		**88,637.22**	**4,193.08**	**92,830.30**
Profit/(Loss) before exceptional items and tax		4,615.06	-101.06	4,514.00
Exceptional Items	-	1,232.92	-	1,232.92
Profit / (Loss) before Tax		**5,847.98**	**-101.06**	**5,746.92**
Income Tax expenses			-	
Current Tax		782.59	-11.24	771.35
Deferred Tax	K	-718.41	-53.65	-772.06
Profit / (Loss) for the year		**64.18**	**(64.89)**	**(0.71)**
Add: Share of Profit / (Loss) of Associate		5,783.80	(36.17)	5,747.63
Profit for the year		12,269.59	1,226.52	13,496.11
Other Comprehensive income		**18,053.39**	**1,190.35**	**19,243.74**
Other Comprehensive income not to be reclassified to profit / (loss) in subsequent periods:				
Actuarial Gain/(loss) on defined benefit obligation(net)		-	-175.26	-175.26
Fai value gain/(loss) on Equity instruments through OCI		**-**	**-374.80**	**(374.80)**
Total Comprehensive income for the year, net of Tax		**-**	**-550.06**	**(550.06)**
Share of Associate Companies OCI		-	-61.71	-61.71
Total Comprehensive Income for the year net of tax		**-**	**-611.77**	**-611.77**
Total Comprehensive Income for the year attributable to the Owners' of Parent	**P**	**18,053.39**	**578.58**	**18,631.97**

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this disclosure.

Explanatory Notes on preparation and presentation of financial statements upon transition to Ind AS

In preparing these financial statements, the Company's Opening Balance Sheet was prepared as at 1-4-2015, which is the Company's date of transition to Ind AS. The following note explains the nature of adjustments made by the Company read with Note No. 3 in restating its previous GAAP Financial Statements including its Balance Sheet as at 1-4-2015 and the financial statements as at and for the year ended 31-3-2016.

A. ***Depreciation and Amortization expense***

Under previous GAAP, the carrying value of significant components of Property, Plant and Equipment which have completed their useful life, have been charged off against opening balance of Retained Earnings for the financial year 2015-16 as permitted by Schedule II to the Companies Act, 2013. However, under Ind AS, this has been taken through profit and loss for the year ended 31-3-2016 as it not a GAAP difference.

B. ***Leasehold Land***

Lease prepayments made for Leasehold land were classified as Leasehold Land under previous GAAP. However, under Ind AS, prepayments made for leasehold land should be classified as lease prepayments under operating lease and the same should

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

be amortized over the tenure of the lease. Accordingly, lease prepayments as at 1-4-2015 are reclassified from Property, Plant and Equipment into Prepaid expenses. The subsequent amortization of lease prepayments for the year ended 31-3-2016 is recognized as 'Rent' under classification of 'Other Expenses' in the Statement of Profit and Loss.

C. Investment Properties

Under previous GAAP as well as Ind AS, Investment Properties are required to be stated at cost net of accumulated depreciation and impairment loss, if any. Under previous GAAP, it was grouped under fixed assets whereas under Ind AS, the same is required to be disclosed as a separate line item in the Balance Sheet. Accordingly, investment properties are reclassified.

D. Investments

Under previous GAAP, investments in mutual funds were measured at the lower of cost or fair value. Under Ind AS, the Company is required to measure the investments in mutual funds at fair value through profit & loss and accordingly recognized the fair value gain/loss in Opening Equity or in the Statement of Profit and Loss for the year ended 31-3-2016. Under previous GAAP, long term equity instruments were measured at cost less provision for permanent diminution. In respect of investments in companies other than in Subsidiary and Associates, the Company is required to designate such investments necessarily at fair value. Therefore, the Company has designated such investments as FVTOCI Investments. At the date of transition to Ind AS, the excess /deficit of fair value of equity instruments over the previous GAAP carrying amount is recognised as fair value gain/loss, in the FVTOCI reserve/Other Comprehensive Income for the year ended 31-3-2016.

E. Classification of Financial Instruments

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/financial liabilities. Accordingly, bifurcation of assets/liabilities as financial/Non-financial is identified and reclassified. However, this reclassification is not presented as transition adjustments.

F. Financial Guarantee Contracts

The Company has issued Corporate Guarantee to Banks for the loans availed by Subsidiary, Associates and other related parties. Where guarantees in relation to loans are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment if the loan is given to Associate/Subsidiary, and recognized as Other expenses if the loan is given to other related parties. The carrying amount of financial guarantee obligation is recognized as other income over the tenure of the corporate guarantee.

G. Presentation of MAT Credit Entitlement as 'Deferred Tax Assets'

Under previous GAAP, MAT credit entitlement was presented under the head 'Loans and advances' since there being a convincing evidence of realization of the asset. As per Ind AS 12 on Income Taxes, Deferred Tax Assets include the amounts of income taxes recoverable in future periods in respect of the carry forward of unused tax credits. Accordingly, MAT Credit Entitlement classified as Loans and Advances under previous GAAP, are netted against Deferred Tax Liability under Ind AS.

H. Dividend

Under previous GAAP, dividends proposed by the Board of Directors are recognized as proposed dividend in the financial statements even though it is approved by the shareholders in the AGM. However, under Ind AS, dividend has to be recognized upon approval by the shareholders in the Annual General Meeting. Accordingly, Proposed Dividend (including Dividend Distribution Tax recognized as liability in the financial year 2014-15 as per previous GAAP has been reversed with corresponding credit to Equity as at the date of transition i.e. 1-4-2015 and recognized in the Equity during the year ended 31-3-2016 as declared and paid.

I. Transaction cost on Borrowings

Under previous GAAP, transaction costs (loan processing fees) incurred in connection with borrowings is charged to profit or loss up front. Under Ind AS, transaction cost is to be included in the initial recognition and charged to profit or loss using the effective interest method. Accordingly, transaction cost on borrowings is reversed to Equity, for the loans outstanding as at 1-4-2015 and additional interest expense is recognized in the Opening Equity for the period upto 1-4-2015, using Effective Interest Rate method (EIR). For the year ended 31-3-2016, the Company has reversed the transaction cost pertaining to the Borrowings availed during the year 2015-16 and the additional Interest impact computed using EIR method is recognized as Finance cost.

J. Recognition and Measurement of Forward Contracts on Mark To Market (MTM)

Under previous GAAP, in respect of forward contracts, the difference between the forward rate and the exchange rate at the inception of the forward exchange contract is recognized as income/expenses over the tenure of such contract. Under Ind AS, the fair value of forward foreign exchange contracts has to be recognized. Accordingly, the assets and liabilities related to forward contracts recognized under previous GAAP are reversed and Mark to Market (MTM) gain/loss is recognized as other expenses in the Statement of Profit and Loss.

K. Deferred Tax

Deferred tax is accounted using income statement approach by computing the differences between taxable profits and accounting profits for the period under previous GAAP. As per Ind AS 12, the deferred tax is to be computed using the balance sheet approach, which is based on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax adjustments are recognized either in retained earnings or a separate component of equity.

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

L. ***Security Deposits from Customers & Service Providers***

The company has presented the Security deposits from Customers & Service providers as Non-current liability under previous GAAP as per the FAQ on Schedule III to the Companies Act 2013 issued by ICAI based on the fact that company's past record shows that these deposits are not generally claimed and hence it was appropriate to treat it as non-current liability. However, as per Educational material issued by ICAI on Ind AS 1 Presentation of Financial Statements, such deposits have to be classified under Current Financial Liability only in view of the fact that the Company does not have the unconditional right to defer settlement of the liability. Accordingly, the Company has reclassified Security Deposits from Customers/Service providers from non-current liability to other current financial liabilities.

M. ***Defined Benefit Plan***

Under previous GAAP, actuarial gains and losses are charged to profit or loss. Under Ind AS re-measurements of net defined benefit asset/liability comprising of actuarial gains or losses are arising from experience adjustments and changes in actuarial assumption are charged/credited to other comprehensive income. There is no impact on the total equity as at 31-3-2016. However for the period upto the date of transition, the Company has transferred all re-measurement costs recognized in the past periods within accumulated profits or loss (a component of equity), in accordance with provisions of Para 122 of Ind AS 19.

N. ***Excise Duty***

Under previous GAAP, Sale of goods and scraps was presented as net of excise duty. However, under Ind AS, sale of goods and scraps includes excise duty. Excise duty on sale of goods and scraps is separately shown as a line item in the Statement of Profit and Loss as part of expenses. However, there is no impact on the total equity and profit.

O. ***Dealer Awards***

Under previous GAAP, Dealer awards were recognized as part of Sales Promotion Expenses. However, under Ind AS, the same has to be netted against Revenue. Accordingly, dealer awards have been netted against Revenue from Operations in the Statement of Profit and Loss.

P. ***Other Comprehensive Income (OCI)***

This is a new classification under Ind AS. Any income or expense that are not required to be recognized in profit or loss are shown under a new category namely OCI in the Statement of Profit and Loss namely re-measurements of defined benefit plans, gains and losses from investments in equity instruments designated at fair value through other comprehensive income, gains and losses on financial assets measured at fair value through other comprehensive income, gain or loss on financial instruments that qualify for hedge accounting, changes in revaluation surplus and gains and losses arising from translating the financial statements of a foreign operation.

Q. ***Bank Overdraft***

Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in the same were shown as part of financing activities. Under Ind AS, Bank overdrafts repayable on demand are to be treated as an integral part of the cash management process. Accordingly, Bank overdraft is included in Cash and Cash equivalents for the purpose of presentation of Statement of Cash Flows.

R. **Reconciliation of total comprehensive income for the year ended 31-3-2016** **₹ in Lakhs**

Particulars	Notes	31-3-2016
Profit after tax as per previous GAAP		18,053.39
Adjustments on account of transition to Ind AS - Credit		
Impact on recognition and measurement of Government Grant	-	11.70
Fair value recognition and measurement of Financial Guarantee contracts	F	1.37
Impact of measurement of Forward contracts on MTM	J	(260.92)
Actuarial loss reclassified to OCI	P	175.26
Deferred tax impact on Ind AS Adjustments	A,K	64.89
Adjustments on account of transition to Ind AS - Debit		
Fair value of mutual funds measured at FVTPL	D	(1.89)
Fair value recognition and measurement of loans and advances	-	(26.58)
Profit after tax as per Ind AS		
Other Comprehensive Income		
Remeasurements of defined benefit obligations	M	(175.26)
Fair value of equity instruments designated at FVTOCI	D	3,195.06)
Total Comprehensive Income		21,037.02

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

S. ***Reconciliation of Total Equity as at 31-3-2016 and 1-4-2015*** **₹ In Lakhs**

Particulars	Notes	31-3-2016	1-4-2015
Total Equity (Shareholders funds) as per previous GAAP	**-**	**78,311.75**	**61,110.55**
Carry forward of Ind AS adjustments as at 1-4-2015	-	2,377.45	-
Impact on recognition and measurement of Government Grant	-	11.70	-
Fair value recognition and measurement of Corporate Guarantees	-	1.37	(41.93)
Impact on accounting of Forward Contract on MTM	J	(260.92)	215.81
Fair value gain/reversal of provision of diminution in investments at FVTOCI	D	(374.80)	2,410.24
Fair value gain on Mutual funds measured at FVTPL	D	(1.89)	17.44
Dividend and its tax accounted upon approval by shareholders	H	-	312.92
Government grant for create of infra stature facilities recognized as income over useful life of PPE		-	-197.62
Impact of componentization of property, plant and equipment	-	-	(18.00)
Fair Value recognition and measurement of loans and advances	-	(26.58)	37.11
Fair Value adjustments on investments in associates on transition to Ind AS	-	1,76,594.47	1,75,092.80
Recognition of share of profits/OCI from Associates	-	14,903.60	13,434.40
Deferred Tax Credit on Ind AS adjustments	A,K	64.89	(63.60)
Total Ind AS Adjustments after Tax	**-**	**1,93,289.29**	**1,91,199.57**
Total Equity as per Ind AS		**2,71,601.04**	**2,52,310.12**

T. ***Reconciliation of Statement of Cash flows for the year ended 31-3-2016*** **₹ in Lakhs**

Particulars	Notes	Previous GAAP	Transition Adjustments	Ind AS
Cash flow from operating activities	-	8,766.05	(845.86)	7,920.19
Cash flow from investing activities	-	(594.44)	1,160.68	566.24
Cash flow from financing activities	Q	(5,394.77)	(314.79)	(5,709.56)
Increase/(decrease) in cash and cash equivalents	-	2,776.84	-	2,776.84
Cash and cash equivalents as at 1-4-2015	U	3,673.93	-	3,673.93
Cash and cash equivalents as at 31-3-2016	U	6,450.77	-	6,450.77

U. ***Changes in Cash and Cash equivalents for the purpose of cash flows under Ind AS***

₹ in Lakhs

Particulars	Notes	31-3-2016	1-4-2015
Cash and Cash equivalents as per previous GAAP	-	6,450.77	3,673.93
Less: Cash Credit	Q	-	-
Cash and Cash equivalents for Statement of cash flow	T	6,450.77	3,673.93

Note: *For the purpose of Statement of cash flows, cash and cash equivalents include cash and cash equivalents and Bank Balances other than cash and cash equivalents as presented in the Balance sheet.*

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAR 2017

47. SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED

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

Particulars	Building Products		Textiles		Windmill		Others		Consolidated	
	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016	Year Ended 31.3.2017	Year Ended 31.3.2016
1. Revenue/Income from operations										
External Customers	81,833.78	80,545.77	11,461.56	11,663.74	1,728.14	1,197.25	1,904.03	1,793.67	96,927.51	95,200.43
Inter-segment	-	-	-	-	(1,527.92)	(979.61)			(1,527.92)	(979.61)
Total Revenue	81,833.78	80,545.77	11,461.56	11,663.74	200.22	217.64	1,904.03	1,793.67	95,399.59	94,220.82
2. Results:										
Segment results										
Unallocated Corporate Expenses										
Operating Profit/ (Loss)	9,133.14	16,442.23	1,570.24	928.71	1,219.77	737.19	14,903.25	2,067.64	26,826.40	20,175.78
Interest expenses									3,414.11	4,090.11
Interest Income/ Dividend income									38.68	2,283.56
Income Tax - Current (MAT)									2,319.56	477.28
- Deferred									974.91	(740.02)
- MAT credit entitlement									(880.52)	0.00
Profit from Ordinary activities									21,037.02	18,631.97
Extraordinary Profit/Loss										
Net Profit									21,037.02	18,631.97
3. Other Information										
Segment Assets	70,002.91	71,482.14	13,152.57	10,248.48	1,901.02	2,067.67	241,288.76	222,122.07	326,345.26	305,920.36
Unallocated corporate assets										
Total Assets	70,002.91	71,482.14	13,152.57	10,248.48	1,901.02	2,067.67	241,288.76	222,122.07	326,345.26	305,920.36
Segment Liabilities	57,625.16	59,227.45	12,017.87	10,147.40	742.63	1,362.21	-16,553.63	-14,163.63	53,832.03	56,573.43
Unallocated corporate liabilities										
Total Liabilities	57,625.16	59,227.45	12,017.87	10,147.40	742.63	1,362.21	(16,553.63)	-14,163.63	53,832.03	56,573.43
Capital Expenditure	3,159.98	2,106.34	440.37	451.94	-	-	582.11	440.88	4,182.46	2,999.16
Depreciation	2,130.48	2,034.42	383.35	338.67	114.30	114.89	4.98	5.38	2,633.11	2,493.36
Non - cash expenses other than depreciation										

NOTES ACCOMPANYING CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

48. There are no dues to Micro and Small Enterprises as at 31.03.2017 (Previous Year : ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties having been identified on the basis of information available with the company

For and on behalf of the Board

P.R. VENKETRAMA RAJA
Vice Chairman & Managing Director

R.S. AGARWAL
Director

PREM.G.SHANKER
Chief Executive Officer

K.SANKARANARAYANAN
Chief Financial Officer

S. BALAMURUGASUNDARAM
Company Secretary & Sr.G.M.(Legal)

For M/s.M.S. JAGANNATHAN &
N. KRISHNASWAMI
Chartered Accountants
Firm's Registration No.: 001208S

K.SRINIVASAN
Partner
Membership No.: 021510

Place: Chennai
Date : 30th May, 2017

For M/s.CNGSN & ASSOCIATES LLP
Chartered Accountants
Firm's Registration No.: 004915S
LLP Registration No. S200036

C.N.GANGADARAN
Partner
Membership No.: 011205

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 52nd Annual general meeting of the company, to be held on the Friday, the 4th August 2017 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	
1	Adoption of Financial Statements for the year ended 31st March 2017
2	Declaration of dividend for the year 2016-2017
3	Reappointment of Shri.P.R.Venketrama Raja, as Director
4	Appointment of M/s.Ramakrishna Raja And Co., Chartered Accountants, and M/s. SRSV & Associates, Chartered Accountants, as Auditors

Please see overleaf for 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 52nd 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 : Friday, the 4th August 2017 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	
5	Appointment of Shri.P.V. Abinav Ramasubramaniam Raja, as Director - Ordinary Resolution
6	Appointment of Shri.P.V. Abinav Ramasubramaniam Raja, as Managing Director - Special Resolution
7	Ratification of fee payable to M/s.Geeyes & Co., Cost Accountants, Cost Auditors of the Company, for the financial year 2017-18 - Ordinary Resolution

Signed this ..... day of 2017

Signature of Shareholder .....

Signature of Proxy holder(s) .....

Affix Revenue Stamp

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.





SAVIO ECO PULSARS – L MULTICONE WITH 90 SPINDLES AUTOMATIC CONEWINDER MACHINE INSTALLED AT OUR TEXTILE DIVISION, SRI RAMCO SPINNERS, RAJAPALAYAM