

BOARD'S REPORT

Your Directors have pleasure in presenting their 56th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2021.

FINANCIAL RESULTS

	For the Year ended 31.03.2021 ₹ in lakhs Separate	For the Year ended 31.03.2020 ₹ in lakhs Separate
Total Revenue (net of duties and taxes)	1,04,952	87,973
Operating Profit : Profit before Interest, Depreciation and Tax (PBIDT)	19,753	12,655
Less : Interest	949	1,460
Profit before Depreciation and Tax (PBDT)	18,804	11,195
Less : Depreciation	2,762	2,577
Add : Exceptional items	-	506
Net Profit/ Loss before Tax (PBT)	16,042	9,124
Less: Provision for Taxation - Current	4,541	1,698
Deferred	423	874
Net Profit / Loss after Tax (PAT)	11,078	6,552
Other Comprehensive Income for the year (Net of Tax)	1,429	(640)
Total Comprehensive Income for the year (TCI)	12,507	5,912
Movement of Retained earnings		
Opening balance of Retained earning	26,674	22,059
Add: Profit for the year	11,078	6,552
Less: Dividend paid during the year	(867)	(867)*
Less: Transfer to General Reserve	(1900)	(900)
Less: Transfer as per Ind AS 116	-	(92)
Add : Transfer from FVTOCI Reserve	(2)	(78)
Closing balance of Retained earnings	34,983	26,674

*inclusive of Interim dividend paid in March 2020 for the year 2019-20.

SHARE CAPITAL

The paid-up capital of the Company is ₹ 8,66,63,060/- consisting of 8,66,63,060 shares of ₹ 1/- each. There has been no change in the capital structure of the Company during the year under review. The Company does not have any scheme for issue of sweat equity to the employees or Directors of the Company.

DIVIDEND

Your Directors at the Board Meeting held on 12-03-2021 have approved payment of Interim Dividend of ₹ 1.00/- per share on the Equity Capital of the Company. Your Directors recommend this to be the total dividend for the year. The total dividend for the year amounted to ₹ 8.66 crores.

For the previous year, the Company had paid a dividend of ₹ 0.50 per share which amounts to ₹ 433.32 lacs. The above recommendation of the dividend by the Directors is in accordance with the "Dividend Distribution Policy" of the company. The Policy is available on the website of the Company under the weblink - <https://www.ramcoindltd.com/file/DividendDistributionPolicy.pdf>

The Dividend Distribution Policy forms part of this report.

TAXATION

An amount of ₹ 45.41 crore (P.Y ₹ 16.98 crore) towards Current Tax, ₹ 4.23 crore (P.Y ₹ 8.74 crore) towards Deferred tax has been provided for the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Macroeconomic Review

Global Economy

The global growth contraction for 2020 is estimated at -3.5% as against 2.9% growth in 2019. Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Advanced economies contracted 4.9% in 2020 but are expected to grow at 4.3% in 2021. Emerging markets witnessed lower economic impact than advanced economies in 2020 at 2.4% contraction and higher expected growth at 6.3% in 2021. The sizeable fiscal support and additional policy measures announced at the end of 2020 – notably in the United States and Japan – are expected to provide support to the global economy. Amid exceptional uncertainty, the global economy is projected to grow 5.5% in 2021 and 4.2% in 2022. Multiple vaccine approvals and the successful vaccination drive carried out in most countries in early 2021 have raised hopes of an eventual end to the pandemic.¹

Indian Economy

The Indian economy was negatively impacted by an unprecedented health crisis in 2020-21 with the highly contagious corona virus (Covid-19) spreading across the country. In response to the pandemic, Government had taken several proactive preventive and mitigating measures including imposing of nationwide lockdown with subsequent extensions and relaxations, to contain the spread of Covid-19 while ramping up the health infrastructure in the country. The lockdown measures taken by the government, imposed to contain the spread of Covid-19 pandemic in India, ubiquitously affected employment, business, trade, manufacturing, and services activities. Though the threat of the pandemic continues to hover around, social distancing continues to be the most effective tool to combat the pandemic as activity levels continue to rise in the economy boosted by the rapidly escalating inoculation drive.

Monetary policy remained accommodative during 2020. The policy rates were kept unchanged in further meetings, but the liquidity support was significantly enhanced.

After a 7.8% pandemic driven contraction in the ongoing fiscal, India’s real GDP is projected to record an expansion of 10.1% in FY 2022. Nominal GDP is expected to expand by 14.0% in FY 2022, the highest in the current-series

Agriculture sector continues to show robust growth and is instrumental in strengthening rural demand along with MGNREGS that has created 3.5 billion person days of employment in 11 months of FY 2020-21, 41.6% higher than in the previous year. The forecast of a normal monsoon by the India Meteorological Department (IMD) for 2021 sowing season augurs well for agriculture output and farm incomes.

Aided by rising rural incomes and growing preference for private transport, strong signs of recovery in automobile sales are expected. Reassuring of a demand resumption in automobiles sector is further strengthened by softening of inflation to a 16-month low of 4.1% in January 2021. Rapid production and deployment of vaccination will be critical to taking forward the health stimulus deep into FY 2021-22.

As a result of recovering investor sentiment, recovery in manufacturing and construction, investment focused Government spending and massive vaccination drive undertaken by the Government, India’s GDP growth is likely to rebound sharply to 12.6% in FY 2021-22 supported by strong fiscal and quasi-fiscal measures, making it the fastest-growing economy in the world, as per Organization for Economic Co-operation and Development (OECD).²

The economic activity is expected to recover gradually from the second half of the year 2021-22.

Review of Operations and Current Trends

A. BUILDING PRODUCTS DIVISION:

PRODUCT	PRODUCTION Qty. in M.T.		SALES Qty. in M.T.		TURNOVER ₹ in Lakhs	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Fibre Cement Sheets	6,10,925	5,66,436	6,22,731	5,44,414	71,361	54,097
Fibre Cement Boards	68,032	69,468	75,387	72,770	13,166	13,774

(a) Fibre Cement (FC) Sheets:

During the year under review, the Sales quantity of FC Sheets grew by around 14% compared to previous year and the Industry reportedly grew by 11% for the year. Specific Markets in East and West registered a strong growth.

New geographical markets for sales are being explored amid stiff competition.

Realisation growth was 16% compared to previous year. There was a robust demand for AC sheets throughout the year largely due to strong rural demand for housing of returned migrant labour in their home towns and re-starting of halted projects, post Covid wave 1 lock down.

Depreciation of Rupee also affected the raw material's cost. Consistent and Judicious usage of raw materials and supplier negotiations helped to partially mitigate the impact.

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

Greencor, Non-Asbestos roofing sheets have been well accepted in the market and sales has been in encouraging state.

(b) Fibre Cement Boards :

Efforts are taken to increase Production and Sales during the year under review. New variants with superior features were well received in the Market. New vertical created for penetration into plywood counters. Marketing initiatives such as TV Commercials done to create awareness of the various product range. There has been increase in production compared to last year, Sales picked up from the second half and overall there has been marginal increase compared to last year. Export Markets picked up in Hilux with a growth of almost 150%, due to higher specifications and better quality against Chinese brands which are less preferred in the international markets.

There were a quite a few large volume orders which remained unexecuted due to very steep increase in freight costs, and also due to acute shortage in container availability. Steady increase in demand for Greencor is seen from Nepal, Oman & UAE.

Sale of Boards has increased by 16% in Volume & by 18% in Value terms. 5 New Export markets have been added and Export Sales has been very positive during the last financial Year. Further growth is expected in the coming quarters as new markets are being added.

Smart Build Operations offering complete solutions in Green Dry Construction to customers, was started in September 2017 and turnkey projects with an approximate value of ₹ 10 Crores are under execution which is promising venture and approximately ₹ 15 Crores of business is expected in the year 2021-2022.

New products like G I Frames and Accessories used in Dry wall Partition and False Ceiling, Sandwich Panels, Mineral Fibre Tiles & Shingles are planned and sourced in the RAMCO brand, adding to the basket of offerings to the customers.

In this year Smart Build Team and R&D are Jointly working in the Development of Prefab Dry Wall Panels and Factory Engineered Buildings.

(c) Fibre Cement Pressure Pipes:

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

B. WIND MILLS:

During the Financial Year 2020-21, the Wind energy was moderate with decrease of 7% 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	: 239 Lakh Units (P.Y: 257 Lakh Units)
Income earned (by generation/sale of power)	: ₹ 1456 Lakhs (P.Y: ₹ 1559 Lakhs)

C. COTTON YARN DIVISION - SRI RAMCO SPINNERS :

Production and Sales :

During the year 2020-21, the Unit had produced 25.03 Lakh Kgs. of Cotton Yarn as compared to 25.00 Lakh Kgs. produced during the previous year.

The Unit had sold Yarn at 33.28 Lakh Kgs. (including traded yarn) during the year under review as against 30.31 Lakh Kgs. during the year 2019-20.

During the year under review, the performance of the Cotton yarn division increased when compared to previous year. Increase of yarn selling price, reduction in power cost, due to implementation of energy savings measures and decrease of manpower cost on account of Automation of machineries in the second half year, contributed for growth in the performance of the Company and savings in the operating cost during the year 2020-21.

Expecting the same Level of moderation in cotton prices & stability in yarn prices, your Directors are hopeful in achieving good results during the year 2021-22.

The Company was able to overcome the challenges posed by pandemic by continuous engagement with the Customers and none of the sales contracts was cancelled during this challenging period, though there was some deferment in the delivery schedule, which has been subsequently shipped successfully.

The yarn market in India has bounced back after witnessing a slowdown in last 2 years. Due to geopolitical factors like trade war between US and China and diversion of sourcing textile products by many top global garment brands from China to India boosted the demand for textile products including yarn manufactured in India.

The Company is taking various steps to expand its market presence both in domestic and international markets and hope to achieve higher volume of sales in value added yarns in the forthcoming years.

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

There was increase in sales during the last year.

At a Consolidated level of both the Companies, the Net Sales were SLR 58,135 lakhs (INR 22,934 lakhs) as against SLR 41,533 lakhs (INR 16,414 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 ₹ 1900 lakhs to the General Reserves. An amount of ₹ 34,983 lakhs is proposed to be retained in the statement of Profit and Loss.

The Company has no material subsidiaries.

CONSOLIDATED FINANCIAL STATEMENTS :

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

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

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

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

The consolidated net profit after tax of the Company amounted to ₹ 115.93 crores for the year ended 31st March, 2021 as compared to ₹ 68.93 crores of the previous year.

The Consolidated Total Comprehensive Income for the year under review is ₹ 289.29 crores as against ₹ 165.92 crores of the previous year.

Key Financial Ratios

Pursuant to Schedule V (B) of LODR, the Key Financial Ratios for the year 2020-21 are given below :

Sl. No.	Particulars	Ratios		variation	Formula Adopted	Reasons where the variance is over 25%
		FY20-21	FY19-20			
1.	Debtors turnover ratio (days)	30	38	-21%	365 days/ (Net Revenue / Average Trade Receivables)	
2.	Inventory turnover ratio (days)	118	125	-6%	365 days/ (Net Revenue / Average Inventories)	

Sl. No.	Particulars	Ratios		variation	Formula Adopted	Reasons where the variance is over 25%
		FY20-21	FY19-20			
3.	Interest coverage ratio (Times)	16.71	6.42	160%	(Operating Profit Before Tax+Interest)/(Interest+ Interest Capitalised)	Reduced borrowing and improvement in operational margins
4.	Current ratio (Times)	1.35	1.18	14%	Total Current Assets/Total Current Liabilities	
5.	Debt-equity ratio (Times)	0.17	0.30	-43%	Total Debt/Total Equity	Reduced Borrowings and increased profits
6.	Operating Profit margin	16%	10%	60%	Operating Profit Before Tax/ Net Revenue	Improvement in Operational margin
7.	Net Profit margin	11%	8%	38%	Net Profit/Net Revenue	Improvement in Operational margin
8.	Return on Net worth	17%	10%	70%	Total Comprehensive Income + Interest/ Average Net worth	Improvement in Operational margin
9.	Total Debt/EBITDA (Times)	0.77	1.88	-59%	Total Debt/EBITDA	Reduced borrowing and improvement in operational margins
10.	Return on Capital Employed	13%	8%	63%	Total Comprehensive Income + Interest/ (Average of Equity plus Total Debt)	Reduced borrowing and improvement in operational margins
11.	Price Earnings Ratio (Times)	20.08	15.11	33%	Market Price per share as at 31 st March/ Earning per share	Increase in Market price

a. EBITDA denotes Operating Profit Before Tax + Interest + Depreciation

DIRECTORS:

Shri K T Ramachandran (DIN 00351334) had resigned from Board on 31.08.2020 and Shri Subramanian Suresh (DIN 02070440) who has been appointed as an Additional Director under Independent category on 20.09.2020 resigned from Board on 30.05.2021. Shri. Ajay Bhaskar Baliga (DIN 00030743) has been co-opted on 27-07-2021 as an Additional Director under Independent Category. He will hold the office till the date of the forthcoming Annual General Meeting. It is proposed to appoint Shri. Ajay Bhaskar Baliga as a Director under Independent Director category at the Annual General Meeting to hold office for 5 consecutive years with effect from 27-07-2021, without being subject to retirement by rotation.

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

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Shri S S Ramachandra Raja (DIN 00331491), Director, retires at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The Independent Directors hold office for a fixed term of 5 years and are not liable to retire by rotation. The Company has received necessary declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

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

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

The Audit Committee has four members, out of which three are Independent Directors. Consequent to the resignation of Shri K T Ramachandran as Director, Shri V.Santhanaraman, Independent Director has been inducted as member of Audit Committee and Nomination and Remuneration Committee. Pursuant to Section 177(8) of the Companies Act, 2013 it is reported that there has not been an occasion, where the Board had not accepted any recommendation of the Audit Committee.

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

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

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that -

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

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

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

As required under Regulation 25(7) of SEBI (LODR) Regulations, the Company has programmes for Familiarisation for the 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)(i) 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 https://www.ramcoindltd.com/file/Investors/Board_of_Directors/2020-2021/DIRECTORS%20FAMILIARISATION%20PROGRAMME%202020-21.pdf

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

BOARD EVALUATION

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

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

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

Pursuant to Regulation 4(2)(f)(ii)(9) of LODR, the Board of Directors have reviewed and observed that the evaluation framework of the Board of Directors was adequate and effective.

The Board's observations on the evaluations for the year under review were similar to their observations for the previous year. No specific actions have been warranted based on current year observations. The Company would continue to familiarise its Directors on the industry, technology and statutory developments, which have a bearing on the Company and the industry, so that Directors would be effective in discharging their expected duties.

MEETINGS

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

SECRETARIAL STANDARDS

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

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

PUBLIC DEPOSITS

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

ORDERS PASSED BY THE REGULATORS

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

INTERNAL FINANCIAL CONTROLS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186(4) of the Companies Act, 2013 the details of Loans, Guarantees and Investments along with the purposes are provided under Note Nos. 08, 09, 39 and 43 of Notes to the separate Financial Statements.

AUDITS**STATUTORY AUDIT**

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

The report of the Statutory Auditors for the year ended 31st March, 2021 does not contain any qualification, reservation or adverse remark. No fraud has been reported by the Company's Auditors.

COST AUDIT

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

The Board of Directors at their meeting held on 24.05.2021, as recommended by Audit Committee, had approved the appointment of M/s N.Sivashankaran & Co, Cost Accountants as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of Fibre Cement Products (FCP & CSB) and Cotton Yarn for the year 2021-22 at a remuneration of ₹ 2,50,000/- (Rupees Two lakhs fifty thousand only) exclusive of GST and out of pocket expenses.

The remuneration of the cost auditor is required to be ratified by the members in accordance with the provisions of Section 148(3) of the 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 56th Annual General Meeting scheduled to be held on 19th August, 2021, for ratification by the Members.

The Cost Audit Report for the financial year 2019-20 due to be filed with Ministry of Corporate Affairs by 30.09.2020 had been filed on 02.09.2020. The Cost Audit Report for the financial year 2020-21 due to be submitted by the Cost Auditor within 180 days from the closure of the financial year will be filed with the Ministry of Corporate Affairs, within 30 days thereof.

SECRETARIAL AUDIT

M/s S. Krishnamurthy & Co., Company Secretaries, has been appointed to conduct the Secretarial Audit of the Company. Pursuant to the provisions of Section 204 (1) of the Companies Act, 2013 the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31st March, 2021 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 for the year ended 31st March, 2021, is attached herewith as **Annexure - 3**

In accordance with Clause 22 of Secretarial Standard on Report of the Board of Directors (SS 4), a copy of the Annual Return in Form MGT -7 for the year ended 31st March 2020 has been placed on the website of the Company and the web link of such Annual Return is - https://www.ramcoindltd.com/file/Investors/Annual_Returns/2019-2020/AnnualReturns20192020.pdf

CORPORATE GOVERNANCE

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

No complaints had been received pertaining to sexual harassment, during the year under review. The relevant statutory disclosure pertaining to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, are available at Point No: 10(l) of Corporate Governance Report.

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

As required under Regulation 34(3) read with Schedule V Para C (10)(i) of LODR, Certificate from the Secretarial Auditor that none of the Company's Directors have been debarred or disqualified from being appointed or continuing as directors of Companies, is enclosed as **Annexure - 5A**.

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 2020-21 is ₹ 149.53 lakhs. As against this, the Company has spent ₹ 165.63 lakhs on CSR. CSR Committee recommended to carry forward and set off the excess amount spent to the tune of ₹ 16.10 lakhs to the financial year 2021-22. Also the Company had spent a sum of ₹ 73.05 lakhs on other social causes which do not qualify under the classifications listed out in Schedule VII of the Companies Act, 2013.

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

RISK MANAGEMENT POLICY

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

RELATED PARTY TRANSACTIONS

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

No transaction with the related party is material in nature except transaction with Raja Charity Trust which was approved by Shareholders at 51st Annual General Meeting held on 04.08.2016, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of LODR. Further it is proposed to shareholders for their approval for the transaction with Raja Charity Trust, a related party, which is material in nature for another 5 years by resolution in the Notice of the 56th Annual General Meeting.

In accordance with Ind AS-24, the details of transactions with the related parties are set out in the Disclosures forming part of Financial Statements.

As required under Regulation 46 (2) (g) of LODR, the Related Party Transaction Policy is disclosed in the Company's Website and its weblink is - https://www.ramcoindltd.com/file/Investors/Policies/RELATED_PARTY_TRANSACTION_POLICY_RIL_29012020.pdf

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

MATERIAL CHANGES SINCE 1ST APRIL 2021

There have been no other material changes affecting the financial position of the company between the end of the financial year and till the date of this report.

FUTURE OUTLOOK

As the country is now going through the second wave of the COVID pandemic, with a huge surge in fresh cases, put a squeeze on health care system. Compared to the 1st Covid wave, this has hit the rural pockets of country. All key markets are completely closed due to imposition of lock down in several provinces by respective State Government and all the construction related activity have been halted. Anticipation of severe backlash on employment due to lock down and spiraling spread of Covid, Migrant labour are once again started reverse migrating to their hometowns and hence there is an acute shortage of skilled labour, coupled with work stoppage in most major projects. State Governments monitoring and managing migration of labour. This trend is expected to continue until the close of 2nd quarter of the year, and hence business outlook seems to be largely on a reduced scale.

New construction activity which started off promisingly in the rural markets post Covid wave 1, largely because of good harvest and migrant population moving post Covid 1 wave to their home towns, seeking larger home space for their families, put on hold due to COVID 2.

The construction industry is set to hit a decadal high volume growth of 13% in FY 2021-22 aided by an expected revival in demand from the infrastructure and urban housing sectors in line with 26% increase in budgetary allocation for infrastructure in the Union Budget 2021-22. In addition to these sectors, rural demand is also expected to sustain on the back of higher rural incomes witnessed in FY 2020-21 and by positive farm sentiment with timely rabi sowing and favourable groundwater and reservoir levels, which are likely to boost rabi yields. With favorable monsoon in 2020 in most parts of the country the outlook for Kharif crop too looks promising. PMAY-G is expected to sustain momentum as it utilizes its potential to engage rural workforce and drive rural employment. Sufficient cash inflow in the rural economy could commensurate in rural infrastructure creation thus augmenting cement demand.

As we are well positioned in the rural markets, we expect to reap the benefit of demand growth there. The Union Budget for the year 2021-22 focused on uplifting of the rural economy, strengthening of the agriculture sector, annual cash incentive for small farmers, infrastructure creation and MSME Sector which would augur well for the industry, subject to tapering of the Covid wave.

Goods and Services Tax (GST), a single tax to replace the erstwhile Central and State multi taxes and levies, is stabilized and moderated.

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

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

Pursuant to Section 134(3) (m) of the Companies Act, 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 the information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **Annexure -8**

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

INDUSTRIAL RELATIONS & PERSONNEL

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

CREDIT RATING

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

SHARES

The Company’s shares are listed in BSE Limited and National Stock Exchange of India Limited and the Annual Listing Fees have been paid for the F.Y. 2021-22 respectively.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Dividend amount remaining unclaimed/unpaid for a period of over 7 years was transferred to IEPF as detailed below:

Dividend Details	Amount Transferred - ₹	Date of Transfer to IEPF
Final Dividend for the year 2012-2013	82,372	26-08-2020

Shares corresponding to the said dividend were transferred to IEPF, as detailed below:

No. of Shares	Date of Transfer to IEPF
4,850	Oct. /Nov. 2020

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

Year	Type of Dividend	Date of Declaration of Dividend	Last Date for Claiming Unpaid Dividend	Due Date for Transfer to IEP Fund	No. of Shares of ₹ 1/- each	Amount of unclaimed / unpaid Dividend as on 31-03-2021
2013-14	Dividend	28-07-2014	27-07-2021	25-08-2021	5,10,522	1,27,630.50
2014-15	Dividend	23-09-2015	22-09-2022	20-10-2022	4,89,097	1,46,729.10
2015-16	Dividend	11-03-2016	10-03-2023	08-04-2023	4,78,644	2,39,322.00
2016-17	Dividend	04-08-2017	03-08-2024	01-09-2024	4,18,263	2,09,131.50
2017-18	Dividend	03-08-2018	02-08-2025	31-08-2025	3,04,567	1,52,283.50
2018-19	Dividend	08-08-2019	07-08-2026	06-09-2026	2,51,188	1,25,594.00
2019-20	Dividend	03-03-2020	02-03-2027	01-04-2027	3,96,258	1,98,129.00
2020-21	Interim Dividend	12-03-2021	11-03-2028	10-04-2028	64,74,249	64,74,249.00

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, 2021;
- (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, 2021 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; and
- (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
P.R. VENKETRAMA RAJA
CHAIRMAN

Place : Chennai
Date : 27th July, 2021

- 1. Source: IMF - World Economic Outlook January 2021
- 2. Source: National Statistics Office; OECD