INNOVATE
DIFFERENTIATE
SUSTAINABLE

# FOR A BETTER TOMORROW


**THE RAMCO CEMENTS LIMITED**
Integrated Annual Report 2022-23

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**Innovation greater than imitation**

04 PAGE

In a crowded cement industry with generic products, Ramco Cements shattered the mould, pioneering innovation to give customers the right products for the right applications.

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We responded with agility to the market demand, running plants at higher utilisation while maintaining a sharp focus on productivity, safety and environmental parameters.

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Our differentiation edge, capacity expansion and improvement projects should translate into market share and improved profitability.

Scan this QR code to download the Integrated Annual Report on your smartphone or tablet.


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As early adopters of sustainable technologies, we are tackling climate change with optimal resource use, embracing circular economy and implementing low-carbon technologies and processes.

## Guided by his values

**Shri P.A.C. Ramasamy Raja**
Founder
1894-1962

## Built by his vision

***"Gurubakthamani"***
**Shri P. R. Ramasubrahmaneya Rajha**
Sridharmarakshakar - Former Chairman
1935-2017

***"The heights by great men reached and kept were not attained by sudden flight, but they, while their companions slept, were toiling upward in the night."***

# Key performance highlights FY 2022-23

**Rs.8,171.97 Crores**
Revenue

**Rs.1,218.65 Crores**
EBITDA

**Rs.343.54 Crores**
PAT

**14.87 MnT**
Cement produced

**11.87 MnT**
Clinker produced

**42.49 Crore Units**
Green energy generated

**24%**
Water recycled

**1,05,326 Tonnes**
Waste recycled and reused

**591 KG/Tonne**
GHG emissions (Scope 1 + Scope 2)

**Rs.18.15 Crores**
CSR spending

**1**
New product introduced

**1**
Integrated cement plant commissioned

# ABOUT THE REPORT

## Basis of Reporting

This is the Company's first integrated annual report, based on the guiding principles and content elements of the International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC) (now a part of the IFRS Foundation).

Through such report, we disclose information beyond the financial capital and the statutory requirements, in line with the expectation of the investor community. The objective of this report is to provide a holistic view on how we create, retain and maximise value for our stakeholders. We provide insights in our value creation process in a given operating context, stakeholders and materiality, risks, governance and the strategy. These disclosures have been provided using six capitals including financial, manufactured, intellectual, human, social & relationship and natural capitals.

We believe such reporting will help improve decision-making through increased transparency in our disclosures. Our goal is to continually enhance our reporting with a more integrated approach to meet the evolving information requirements of our stakeholders.

### Reporting Principle

For a comprehensive understanding of our business and financial results, this report should be read in conjunction with the statutory reports (Pages 64 to 152) and financial statements (Pages 154 to 336).

**These sections comply with the following requirements:**

| | |
|---|---|
| Companies Act, 2013 and its related rules | Indian Accounting Standards |
| SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 | Secretarial Standards issued by the Institute of Company Secretaries of India |

Additionally, we adhere to the principles of the international guidelines such as the IIRC's <IR> framework and the Global Reporting Initiative (GRI) Standards.

## Boundary and Scope of Reporting

The report covers financial and non-financial information and activities of The Ramco Cements Limited for the period from April 1, 2022 to March 31, 2023. It provides an overview of our businesses including the integrated, grinding, ready mix, dry mortar and packing units and windfarms located in various parts of India. We have captured significant material events up to the Board Meeting held on May 18, 2023.

## Board Assurance

The Separate and Consolidated Financial Statements of the Company for the year ended March 31, 2023, forming part of the Integrated Annual Report for 2022-23, have been audited by the Independent Auditors, M/s. Ramakrishna Raja and Co., Chartered Accountants and M/s. SRSV & Associates, Chartered Accountants.

The Company has obtained the following certificates from M/s. S. Krishnamurthy & Co., Company Secretaries, confirming

a. the compliance of conditions of Corporate Governance as stipulated under the SEBI – LODR;

b. the compliance of the provisions of the Companies Act, 2013 and applicable Rules made thereunder;

c. that none of the Company's Directors are disqualified to act as Directors; and

d. the implementation of ESOS Schemes as per SEBI – SBEB & SE Regulations and Special Resolution passed by the Members.

The above certificates form part of this Integrated Annual Report.

To optimise governance oversight and controls, the contents of this Report have been reviewed by the Senior Executives of the Company, including the Key Managerial Personnel. The team accepts responsibility for its accuracy, consistency, clarity and veracity. To the best of their knowledge and understanding, they believe that the report covers all material topics and provides a fair and unbiased representation of the Company's performance.

#### Forward-looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations. Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operating or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

INNOVATE. DIFFERENTIATE. SUSTAINABLE.

## For a Better Tomorrow

# INNOVATION IS GREATER THAN IMITATION

This is one belief that we, at Ramco Cements, have always lived by. In an otherwise crowded commodity industry where supplying generic products and one product for all needs has been a norm, we rather chose to break the mould and be the differentiators.

With a relentless spirit to push beyond, we maintained unwavering focus on R&D to develop a portfolio of innovative and sustainable solutions, specifically suited for different applications and meeting the end-to-end needs of construction. Alongside, we established a dedicated division to provide value-added technical services that help customers get the best value from our products.

It is this interesting value-play, that makes us a standout.

With the markets now evolving in line with customers' shifting expectation from just any to a great value product and the urgency to tackle climate change, we find ourselves in the sweet spot.

We are taking our products to customers with greater agility and expanding our capacities. We are reinforcing our commitment to customer and climate-centric innovations and in sustainability and inclusive growth.

**WE ARE CONFIDENT OF SCALING NEWER PEAKS, WHILE MAXIMISING VALUE AND BUILDING A BETTER TOMORROW FOR ALL.**

ABOUT RAMCO CEMENTS

# Striding ahead with differentiation

We are a leading cement manufacturer in India, with a dominant position in South India. In our rich 60+ years legacy, we have played pivotal role in nation-building with our quality products finding applications in prestigious infrastructure projects and iconic structures.

We differentiate ourselves in our ability to consistently develop innovative and premium products and providing value-added services to optimise their performance while adopting benchmarked Environmental, Social and Governance (ESG) practices. This solidifies our reputation as a reliable brand and positions us to grow sustainably in the long run.

## COMPANY PROFILE

Established in 1961, we are a Chennai-headquartered cement manufacturer reputed for our quality and reliability. Our portfolio includes a diverse range of cement products, ready mix concrete, and dry mortar solutions. We have a strong network of dealers and sub-dealers. We enjoy long-standing relationships with our customers, stakeholders, and supply chain partners.

We are an ISO 9001:2015, ISO 14001:2015, and OHSAS 18001 certified company, which demonstrates our commitment to quality management, environmental responsibility, and health and safety standards.

We are listed on both the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). Our market capitalisation as of March 31, 2023 was Rs.17,880 crores.

## VISION

**Build.**
**Strengthen.**
**Nurture.**

## MISSION

Becoming the most trusted construction solution partner by creating innovative products which are most preferred for each type of application without compromising our commitment to ethics, environment, our people and our society and responsibly building long-term relationships with everyone of our stakeholders.

## VALUES

- Customers' continued satisfaction and the sensitivity to their needs is our source of strength and security. If there is no customer, there is no business.
- We do not look at productivity as a game in numbers. We try to learn from others, be committed to quality and always stay ahead in terms of technology.
- We have strong faith in the innate creative abilities and infinite potential of human resources. We are committed to investing in people development and growth, since this is the foundation for strong and qualitative growth of the organisation.
- Freedom to professional managers, open channels of communication, transparency in whatever we do, participative management, involvement of the workers in their leisure time in community and social work are evidences of our faith in human resources.
- We believe that when the organisation grows, the society and the community around us should also grow.
- Even while continuing to achieve sustained growth through fair, just and ethical means, we strongly believe in respecting others sentiments and values.

## SNAPSHOT OF OUR BUSINESS

**22** Million Tonnes
Cement manufacturing capacity

**9,400+**
No. of dealers

**15** Million Tonnes
Clinker capacity

**22,500+**
No. of sub-dealers

**3,507**
Employee strength

**380.79** Mega Watts
Power capacity

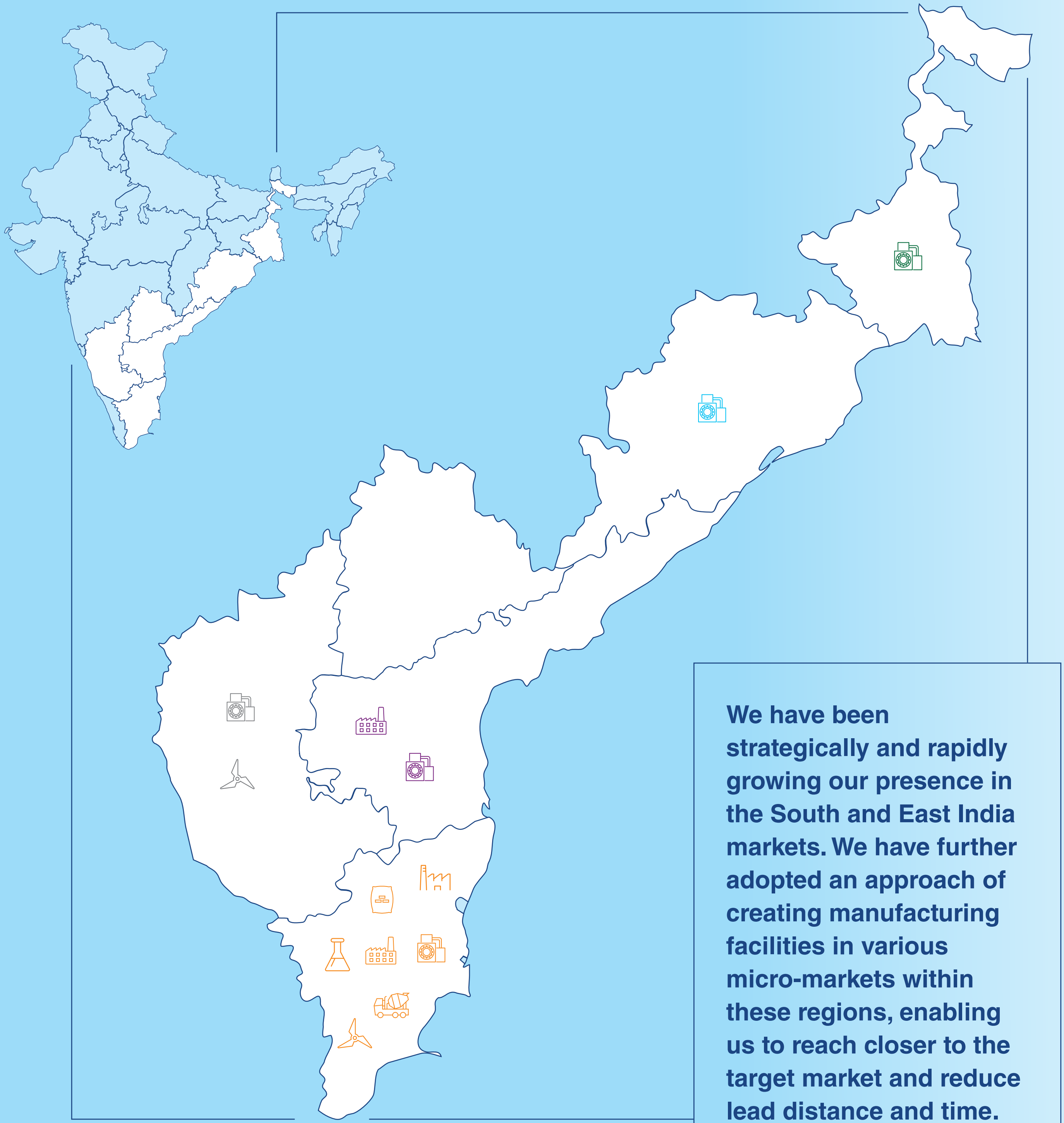
**AA+ (STABLE) BY ICRA FOR LONG-TERM BORROWINGS**

**A1+ BY ICRA AND CRISIL FOR SHORT-TERM BORROWINGS**

Credit rating

GEOGRAPHIC PRESENCE

# A strategic manufacturing footprint



**We have been strategically and rapidly growing our presence in the South and East India markets. We have further adopted an approach of creating manufacturing facilities in various micro-markets within these regions, enabling us to reach closer to the target market and reduce lead distance and time.**

Map not to scale. For illustrative purposes only.

## Tamil Nadu

### Integrated Cement Plants

Ramasamy Raja Nagar, Virudhunagar District

Alathiyur, Cement Nagar, Ariyalur District

Govindapuram Village, Ariyalur District

### Grinding Units

Kattuputhur Village, Uthiramerur, Kancheepuram District

Singhipuram Village, Valapady, Salem District

### Packing Plant

Kumarapuram, Kanyakumari District

### Dry Mortar Plants

F-14, SIPCOT Industrial Park, Sriperumbudur

Singhipuram Village, Valapady, Salem District

Ramasamy Raja Nagar, Virudhunagar District

### Readymix Concrete Plant

Vengaivasal, Chennai

### R&D Centre

Okkiyam, Thuraipakkam, Chennai

### Wind Farms

Thandayarkulam

Veeranam

Muthunaickenpatti

Pushpathur

Udumalpet

## Andhra Pradesh

### Integrated Cement Plants

Jayanthipuram, Kumarasamy Raja Nagar, Krishna District

Kalavatala, Kolimigundla Mandal, Nandyal District

### Grinding Unit

Gobburupalem, Amir Sahib Peta Post, Kasimkota Mandal, Vizag

## West Bengal

### Grinding Unit

Kolaghat, Purba Medinipur District

## Odisha

### Grinding Unit

Haridaspur, Jajpur District

## Karnataka

### Grinding Unit

Mathodu, Hosadurga, Chitradurga District

### Wind Farms

Vani Vilas Sagar

GIM II Hills

### Region-wise cement manufacturing capacity

**South India**

Tamil Nadu
11.65 MTPA

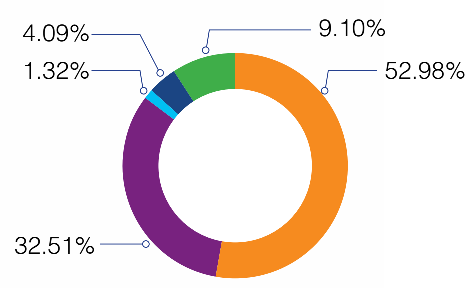
Andhra Pradesh
7.15 MTPA

Karnataka
0.29 MTPA

**East India**

West Bengal
2.00 MTPA

Odisha
0.90 MTPA



PRODUCT PORTFOLIO

# Extensive offering, meeting the right application needs of customers

We offer a diverse range of products catering to the varied needs of multiple customer segments. We consciously strive to make our products sustainable, backed by rigorous R&D and quality focus, to contribute positively to the environment and strengthen our competitive positioning.

## Cement – Blended

### Ramco Super Steel

**Key features**

- High-grade concrete
- High early strength
- Harsh climatic condition durability
- Low heat of hydration

**Applications**

- Construction exposed to harsh natural elements
- Underground construction


### Ramco Superfine EFC

**Key features**

- Highly durable concrete
- Enhanced impermeability
- Sulphate resistant
- Smooth finish

**Applications**

- Building structures close to water bodies

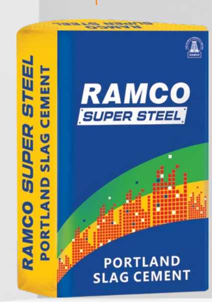
### Ramco Supercrete

**Key features**

- Crack-resistant concrete
- Early hardening
- High strength
- Low heat of hydration

**Applications**

- Housing/commercial construction




### Ramco Supergrade

**Key features**

- Enhanced durability
- Low heat of hydration
- Less lime leaching
- High ultimate strength
- High performance

**Applications**

- Housing/commercial construction
- Infrastructure projects

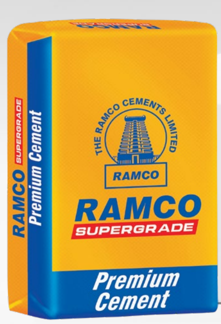

### Ramco Super Fast

**Key features**

- Rapid hardening
- No admixtures needed

**Applications**

- Manufacturing of precast items such as hollow blocks/solid blocks/paving blocks and fly ash bricks, etc.




# Cement – OPC

### Karthic Super Plus

**Key features**
- Low heat of hydration
- High durability

**Applications**
- Producing concrete for canal works


### Ramco Samudra

**Key features**
- Low heat of hydration
- Durable concrete

**Applications**
- Construction requiring high durability


### Ramco Super Coast

**Key features**
- Sulphate resistant
- Low heat of hydration

**Applications**
- Producing concretes for high sulphate concentrated areas


### Ramco Infra 43 Grade

**Key features**
- High strength concrete
- High slump retention

**Applications**
- Government projects such as nuclear power plants


### Ramco 53 Grade

**Key features**
- High early strength concrete

**Applications**
- High rise residential buildings
- Flyovers
- Runways


### Ramco 43 Grade

**Key features**
- High strength concrete
- Long slump retention

**Applications**
- Cement sheet manufacturing
- Government works


### Ramco Infra 53 Grade

**Key features**
- High slump retention

**Applications**
- Infrastructure projects like bridges, flyovers, tunnels, etc.


### Ramco 53 Infra Super

**Key features**
- High early strength
- High slump retention

**Applications**
- Specially developed for Metro Railway Projects

PRODUCT PORTFOLIO

# Dry mix products

### Ramco Super Fine Cement-based Putty

**Key features**
- White cement-based wall putty
- Water repellent
- Crack resistance
- Strong bonding abilities with plaster

**Applications**
- Crack-free walls and ceilings
- Low paint jobs


### Ramco Tile Fix

**Key features**
- Enhanced workability
- Anti-sagging
- Longer life

**Applications**
- For fixing granite/marble/ natural stone/ceramic tiles
- Underwater applications


### Ramco Super Plaster

**Key features**
- Uniform finish
- Easy application
- Improved durability

**Applications**
- General purpose plaster for external and internal application



### Ramco Block Fix

**Key features**
- Self-curing abilities
- Excellent adhesion
- Highly economical and versatile

**Applications**
- Fixing of autoclave aerated concrete/fly ash/concrete blocks


### Ramco Plastering Compound

**Key features**
- Improved adhesion and water retention
- Enhanced strength
- Uniform finish

**Applications**
- External application

### Ramco Eco Plast Self Curing Plaster

**Key features**

- Reduced water consumption
- Cost effective
- Easy application

**Applications**

- Replacement to ordinary cement for plastering and other non-structural applications


### Ramco Water Repellent Plaster

**Key features**

- Ready mix product
- Water repellent

**Applications**

- External and wet areas


### Ramco Tile Grout

**Key features**

- Superior consistency and durability
- Stain/Abrasion/Water resistance
- Ready-to-use packaging

**Applications**

- Internal and exterior wall and floor tiles


# Ready mix concrete

### Ramco Super Concrete

**Key features**

- Convenient
- High performance
- Cost efficient

**Applications**

- Producing customised high-performance concrete

MD's MESSAGE

# Sustaining and differentiating for long-term

P. R. Venketrama Raja

*Managing Director*

## Dear stakeholders,

FY 2022-23 has reiterated the importance of differentiation in a competitive industry. Our focus on creating a wide portfolio to provide right cement for right applications as well as on premiumisation and value-added services, continued to strengthen our brand reputation and kept us busy. I am glad that our team responded with agility to the market demand, running plants at higher utilisation while maintaining a sharp focus on productivity, safety and environmental parameters.

### The Indian market euphoria

Ever since the pandemic the Indian economy has been gaining strength, and repositioned to become a key contributor to global economy growth. FY 2022-23 turned out to be yet another excellent year. Even as global economies were coping with rising inflation and interest rate and aggravated geopolitical tensions, India remained fairly resilient to emerge as the world's fastest growing economies. India's GDP growth was solid at 7.2% in FY 2022-23 as against 8.7% growth in the previous year.

Interestingly, India continued to build on the narrative around strong domestic manufacturing and alternate supply chain destination. This was evident in the composite PMI as on December 2022 increasing to 11-year high of 59.4. India is now in the spotlight, and this is likely to open newer opportunities for investments and infrastructure creation.

### Resilience in cement demand

The positivity in the Indian economy was reflected in the cement sector. Strong demand was experienced from key user segments of individual home buyers, housing segment and infrastructure. As a result, the cement production in India is estimated to have grown by 7-8%, about 380-390 million tonnes in FY 2022-23. Costs though was an area of concern, with prices of pet coke, coal and diesel increasing significantly.

Going forward, there is enough optimism for the industry. The demand for cement and other building materials are expected to remain strong, driven by infrastructure-led investments and mass residential projects. Significant increase in budgetary allocations for housing (Pradhan Mantri Awas Yojana), infrastructure creation and railways are further expected to add to the momentum. It is expected that the country's cement production could grow by 6-8% in FY 2023-24.

## Seizing opportunities cautiously

In consonance with growing market demand, our team moved with agility to seize incremental opportunities. I am happy to report, that we registered a healthy 35% growth in sales volume to 15.02 million tonnes (including Dry Mortar products) with a robust 73% utilisation level. Both our key markets of South and East India performed well. We witnessed healthy gains in the North East markets, where increased infrastructure creation and commercialisation is driving demand.

The year saw us progress on our strategies of right cement for right application and premiumisation which helped improved outcomes. Our tailor-made products, designed to meet the technical requirements of specific construction need be it housing, infrastructure or mega-projects, are gaining wider acceptance as they deliver greater value compared to a commoditised cement. This is reinforcing our brand reputation as a solution provider. Our focus on premiumisation has been a step forward in this direction. I am delighted to note that the share of premium products in the mix has increased to 25% in FY 2022-23, and in turn contributing to higher realisations.

We remain committed to solidifying our industry position through focus on product innovation and delivering exceptional value to our customers.

Steep rise in input costs became a major challenge in FY 2022-23 and hit our margins. We are confident that our efforts around improving productivity, increasing captive power and rationalising usage of alternate fuel and power will see us through.

## Building for long-term

We strive for market share gains in future, and capacity creation and effective market planning will be key to it. We are strategically investing in new capacities across South and East markets as well as focussing on optimising logistics movements. These will ensure effective market reach at sustainable costs.

During the year, we expanded grinding capacity by 13% to 22 MTPA and clinker capacity by 31% to 15 MTPA The grinding capacity will further be increased by 0.9 MTPA in FY 2023-24. WHRS capacity has also been increased to 40 MW which will further increase to 43 MW next year.

## The right way forward with ESG

We seek to grow in ways that foster trustworthy relationships by creating sustainable value for all stakeholders, while also helping mitigate risks and enhance long-term performance.

We are committed to sustainable and responsible ways, and continue to take efforts to minimise the impact on environment. I would specially like to highlight our intent to reduce carbon footprint. We are creating WHRS capacities to reduce energy consumption and optimising logistics to reduce lead distance and emissions. We are also well underway to operationalise railway siding at Kolimigundla Plant by FY 2023-24.

Seeking for inclusive growth, we are taking measures to improve outcomes for people, business partners and communities. Our employee efforts were around better talent management and skill development with structured programmes. World-class manufacturing practices continued to ensure fatality free operations. Business partners are being adequately supported by our MACE team and through various digital platforms. During the year, we also meaningfully touched nearly 1.50 lakh lives with community programmes targeted at improving education, health and sanitation and skill building.

All our actions, are inspired by focus on being a purposeful organisation, and reflects our commitment to ethical and transparent practices. We are proud of our values and their positive impact on the stakeholders. As we navigate the challenges ahead and focus on seizing opportunities, we remain dedicated to driving the success of our ecosystem.

We are grateful for the perseverance and support of all stakeholders in contributing to our continued growth and success. I also thank the government for creating enabling industry as well as my colleagues on Board and employees who help us stand strong. We seek your continued support, to progress together towards a better future.

CEO's MESSAGE

# Positioning for stable, value-accretive growth

A. V. Dharmakrishnan

*Chief Executive Officer*

## Dear stakeholders,

In FY 2022-23, Ramco Cements progressed relentlessly on the objective of improving business fundamentals and expanding capacities to secure long-term growth. We made inroads in the journey of premiumisation and customisation through R&D. An exceptional focus on the productivity side, helped navigate the unprecedented input cost crisis. We also completed key expansion projects that have bolstered our production capacities and market access while supporting sustainability agenda.

Even as the challenges persist, the industry is in better shape with resilience in cement demand and we are confident of meeting it with greater efficiency while being focussed on creating value for all stakeholders.

### Performing in tough macro

FY 2022-23 was an exceptionally challenging year for cement industry. Although the demand was buoyant, input costs rose to all-time highs due to rising fuel and raw material prices against a depreciating rupee. Logistics costs also surged on account of higher diesel prices and Busy Season Surcharge of 15% levied by railway.

Despite this, we could capitalise on the strong demand. We operated plants at higher utilisation of 73% as against 57% in FY 2021-22 and stepped up marketing which resulted in sales volume growth of 35% to 15.02 million tonnes (including Dry Mortar products). Our revenues also reached an all-time high of Rs.8,172 crores in FY 2022-23, growing 36% over Rs.6,011 crores achieved in FY 2021-22. Profitability was impacted due to a steep rise in costs. EBITDA declined by 7% to Rs.1,219 crores and blended EBITDA per tonne was lower by 31% to Rs.823 per tonne. On the positive side, profitability decline bottomed out in Q2 FY 2022-23, and we witnessed healthy improvements since then.

## Setting the right priorities

The resilience demonstrated by us in FY 2022-23 stems from our focus on differentiation, centred around providing right cement for right applications and premiumisation.

We prioritised R&D to develop different types of cement, suited to different applications as per end users' requirement rather than giving them generic commodity. Our MACE division further promotes the right usage of these products, thus ensuring customers get greater value in terms of strength, convenience and durability. We further advanced to developing custom cement, that suits the technical requirements for infrastructure and mega projects as well as introduced other premium products with superior performance.

Our efforts around portfolio creation are already yielding positive results. They are strengthening our brand reputation across markets as a preferred solution provider for the construction industry, and thus assisting a faster-than industry growth and gain market share. Premiumisation is helping improve realisation and to protect profitability. We have successfully enhanced the share of premium portfolio in overall sales mix to 25% in FY 2022-23, as against 22% in the previous year.

## Strengthening operational and financial core

Costs economics is a game changer in the cement industry. At Ramco, we ensure this through usage of alternate fuel and wind power and maintaining prudent fuel mix as per cost scenarios. We have also commissioned 9 MW of WHRS and modernised and digitised plants. These help us better manage costs. Further, a railway siding at our Kolimigundla plant is underway and will help in reducing logistics costs.

We have our sight on conserving financial resources and reducing debt to an optimal level. Long-term borrowings have increased, to meet the capital expenditure for ongoing capacity expansion projects. A judicious approach is adopted for capex programmes to ensure return expectations are met. We also plan to monetise non-core assets, especially landbanks, over the next two years.

> **We prioritised R&D to develop different types and grades of cement, suited to different applications as per end users' requirement rather than giving them generic commodity.**

## Doubling down on capex

During the year, we incurred a capex of Rs.1,765 crores on existing expansion programmes. The greenfield Kolimigundla plant with a 1.5 million tonnes cement grinding capacity along with 9 MW of WHRS has been commissioned. The plant, inaugurated by Honourable Chief Minister of Andhra Pradesh Shri Y.S.Jagan Mohan Reddy, quickly achieved a plant load factor of 83% for clinker during fourth quarter of FY 2022-23. An 18 MW TPP and railway siding are likely to come up during FY 2023-24.

At RR Nagar plant, we completed expansion to take its overall cement capacity to 3 million tonnes, up from 2 million tonnes. To strengthen premium portfolio, two dry mix product units were commissioned during the year in Tamil Nadu, whereas two other units in Andhra Pradesh and Odisha are scheduled for launch by FY 2023-24.

We anticipate significant demand opportunities underway both from individual house builder and infrastructure segments. A good forecast for monsoon and highest ever allocation across PMAY scheme and various infrastructure related projects should ensure demand resilience.

Our capex commitment for the FY 2023-24 includes adding another 0.9 million tonnes grinding capacity at Haridaspur plant in Odisha, at a minimal outlay of Rs.130 crores given other infrastructures are already in place. An estimated sum of Rs.620 crores is earmarked for acquiring land for Bommanalli project, Karnataka. Both these projects will also help in increasing our market share.

## Closing comments

I thank all the stakeholders for believing in us and the Board members for guidance. As we look forward to exciting times ahead, we seek your continued support to make this journey more rewarding. Our differentiation edge, capacity expansion and improvement projects should translate into market share and improved profitability. Thank you.

BUSINESS MODEL

# Our model for sustainable growth and value creation

## INPUTS

### Financial Capital

**Rs.23.63 crores**
Equity

**Rs.6,769.90 crores**
Reserves and Surplus

**Rs.4,487.42 crores**
Borrowings

### Manufactured Capital

**15**
manufacturing plants (details in pages 8 & 9)

**22 MTPA**
installed cement manufacturing capacity

**15 MTPA**
installed clinker manufacturing capacity

**165.79 MW**
windfarm capacity

**40 MW**
WHRS capacity

**Rs.1,765 crores**
capex for expansion

### Intellectual Capital

**1**
R&D Centre

**Rs.7.13 crores**
invested in R&D

**41**
R&D team strength

**344**
MACE team

### Human Capital

**3,507**
employees

**55,744**
hours of training to employees

**1,890**
employees employed for 10+ years

Focus on diversity and inclusion

### Social & Relationship Capital

**Rs.18.15 crores**
CSR spending

**9,400+**
dealers

**22,500+**
sub-dealers

**Rs.6.50 crores**
investment towards in-shop branding of the dealer network

**8,000+**
dedicated trucks plying for us

### Natural Capital

**13%**
Alternate fuel consumption in fuel mix

**18.76 lakhs**
Total tree plantations

**30,57,204 KL**
total water consumed

**81.33 kWh/Tonne**
specific energy consumption

## VALUE CREATION PROCESS

### BUSINESS ACTIVITIES

**Mining**
We use advanced and sustainable technologies to source limestone from our mines in an efficient and environment-friendly manner with non-blasting mining techniques.

**Raw material preparation**
Our Limestone Beneficiation Plants help us to conserve high grade raw material, thus ensuring the longevity of the mines. The modern stacker reclaimers ensure homogenisation and consistent quality of the clinker.

Inbound logistics

**Clinkerisation**
We use dry process technology to manufacture clinker at our integrated plants.

**Cement grinding**
We produce cement by grinding a part of clinker at our integrated units and the rest at our satellite grinding units strategically located near consumption markets and the sources of blending materials

Outbound logistics

**Packing**
We procure packaging materials with focus on sustainability and environmental protection

**Sales, marketing and distribution**
We ensure last mile delivery to B2B and B2C segments through our extensive distribution network

**End use**
This involves end use by the customers, wherein through our MACE Division, we provide on-site technical assistance and conduct various tests to ensure quality and structural durability of construction

**Waste collection and recycling**
We undertake waste traceability assessment for transparent collection and disposal process

### KEY ENABLERS

**R&D**
Our experts focus on developing application-based products for creating value-added and premium portfolio

**Customer Education (MACE)**
A unique effort to help customers choose right products for right application and use them in the right way

## OUTPUTS

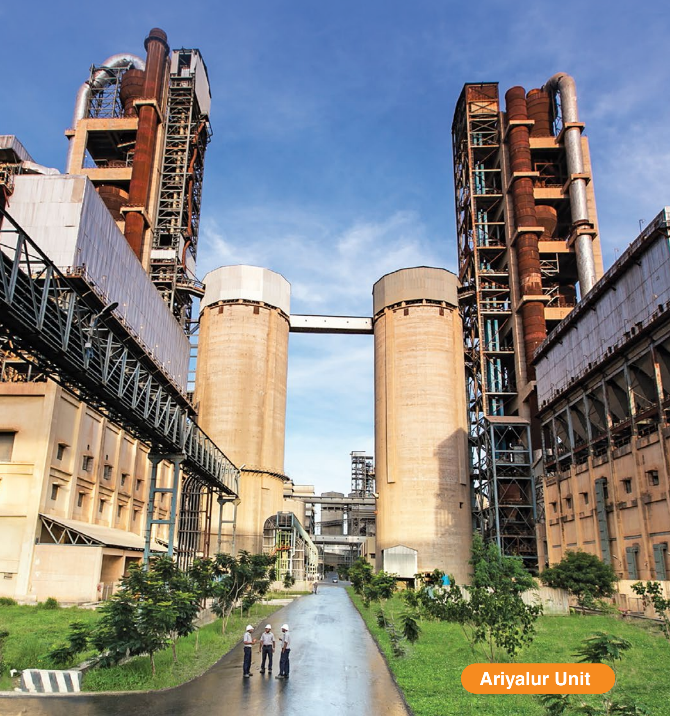
**11.87 MnT**
CLINKER PRODUCTION

**14.87 MnT**
CEMENT PRODUCTION

**0.20 MnT**
DRY MIX PRODUCTION

**26,983 CU.M**
READY-MIX CONCRETE PRODUCTION

**112.55 CRORE UNITS**
POWER PRODUCTION



Ariyalur Unit

## OUTCOMES

### Financial Capital

**Rs.8,171.97 crores** Revenue

**Rs.1,218.65 crores** EBITDA

**Rs.343.54 crores** PAT

**Rs.14.52** EPS

**Rs.6,793.53 crores** Net Worth

**Rs.17,880 crores** Market capitalisation

**3.57x** Net Debt: EBITDA

**33 years** of consistent dividend payment

### Manufactured Capital

**73%** cement capacity utilisation

**2.59 MTPA** cement capacity addition

**88%** clinker capacity utilisation

**25%** of cement sale volume from Eastern market

**70%** Blended cement ratio

### Intellectual Capital

**1** new product introduced

**25%** share of volume from premium products

**41%** increase in sale of blended cement y-o-y

### Human Capital

**Rs.460 crores** paid in salaries and wages

**Rs.13.51 lakhs PBT/Employee** (employee productivity)

Improvement in women and youth representation

**Fatalities**
**Nil**
Employees
**5**
Contract Employees

**94%** employee retention ratio

**658** employees and workers trained on health and safety measures

**1,476** employees and workers trained on skill upgradation

### Social & Relationship Capital

**4,14,630** CSR beneficiaries

**420** new dealers added

**51%** dealers are with us for more than 5 years and **28%** are with us for more than 10 years

**70,000+** customers supported by MACE

### Natural Capital

**22%** energy consumption from WHRS and renewable sources

**2%** reduction in wastes

**591 KG/Tonne** GHG emissions (Scope 1 + Scope 2)

**1,24,832 tonnes** $CO_2$ emissions avoided by using rail transport

**11%** Reduction in water consumption

STAKEHOLDER ENGAGEMENT

# Engaging productively with our stakeholders

We focus on issues that are most material to our stakeholders. We believe in aligning our operations with the priorities of our stakeholders. In FY 21, we have undertaken a detailed stakeholder engagement exercise. The process involved extensive telephonic discussions as well as a large-scale employee survey, across 3,192 persons. The Company's management has reviewed all the material topics in FY 23 and there is no change desired in the same.

## Our key stakeholder groups

**Internal**

Senior Management and Employees of Ramco Cements

**External**

Logistics/Mining Partners, Suppliers, NGOs/Local Community, Dealers, Customers and Industry Associations

The most material topics were identified through robust 5-step methodology as described below:

**STEP 1**

**Universe of Issues**

The first step in materiality assessment is to identify all issues that are material to the organisation and its stakeholders. For this, we referred to secondary sources including industry reports and sustainability reports of peers. A review of trends in the cement industry and issues under discussion helped us to identify topics and also validate broader industry trends that were material to the industry and of relevance to us.

**STEPS 2 & 3**

**Business Objectives and Risk Assessment**

These issues were mapped against Ramco's business risks and objectives. Post this, the identified list of issues were assessed with respect to their ability to contribute to the defined strategic business objectives and risks.

The contribution of each issue with respect to the business objective and risk assessment have been aggregated to frame importance of each material issue to Ramco Cements.

**STEP 4**

**Stakeholder Analysis**

We carried our extensive engagement with the stakeholders to understand the topics and concerns of importance to them. A large-scale survey was conducted with Ramco Cements' employees to learn about their perceptions and opinions.

**STEP 5**

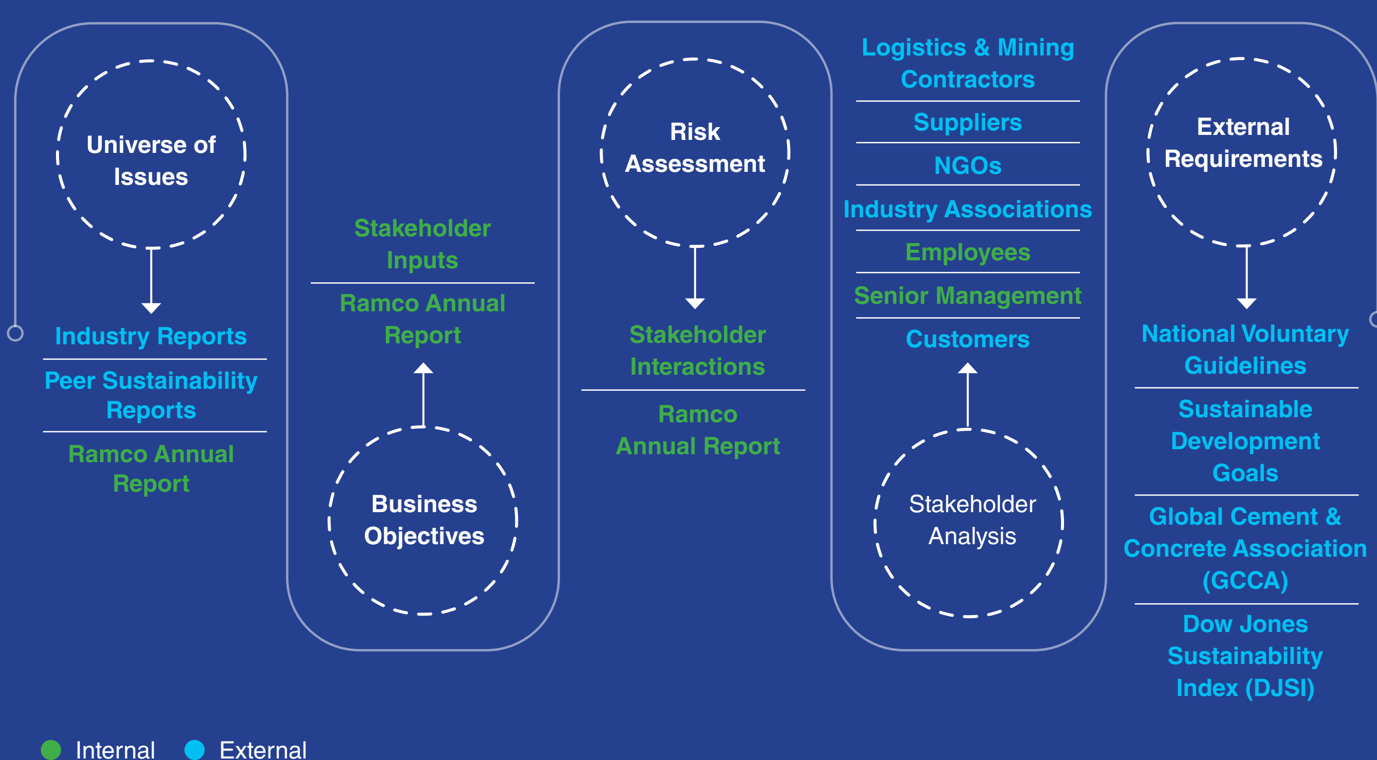
**External Requirements**

In order to incorporate the concerns of a broader stakeholder groups comprising investors, and to enhance the assessment of importance to stakeholders, we took into consideration several external requirements including National Voluntary Guidelines (NVGs), United Nations Sustainability Development Goals (UN SDGs), Global Cement and Concrete Association (GCCA), Dow Jones Sustainability Indices (DJSI).

**Stakeholder identified at Ramco Cements**


**Materiality Analysis**

The feedback from all stakeholder groups was considered in arriving at material issues and in the materiality analysis.



MATERIALITY

# Priority matters impacting our business and stakeholders

We believe in aligning our operations with the priorities of our stakeholders. We do this by analysing and evaluating the impact that various financial and non-financial matters can have on our ability to create economic, environmental and social value for us and the stakeholders. We consider these aspects in our business planning and strategy to become more resilient.

## Key Material Topics

Material issues are those that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental & social value for itself, its stakeholders and society at large. In FY 2022-23, while no fresh materiality exercise was undertaken, we have revalidated the identified matters considering the external macro-environment, industry scenario and mapping our strategy. The materiality matrix was accordingly prepared.

- Product innovation and differentiation
- Water efficiency
- Energy and GHG Emissions
- Reduced impact on biodiversity
- Sustainable supply chain management
- Regulatory compliance
- Occupational health and safety
- Dialogue and communication
- Community engagement & CSR
- Adoption of circular economy

## Materiality matrix

| Importance to Ramco's Stakeholders \ Importance to Ramco | LOW | MEDIUM | HIGH |
|---|---|---|---|
| HIGH | | Market Penetration (Economic)<br>Robust Corporate Governance and Transparency (Economic)<br>Human Rights across value chain (Social) | Sustainable Supply chain management (Environment)<br>Regulatory compliance (Economic)<br>Dialogue and communication (Social)<br>Energy and GHG emissions (Environment)<br>Water efficiency (Environment)<br>Product Innovation & differentiation (Economic)<br>Occupational health and safety (Social)<br>Community engagement and CSR (Social)<br>Adoption of circular economy (Environment)<br>Reduced impact on biodiversity (Environment) |
| MEDIUM | | Customer support and satisfaction (Economic)<br>Talent attraction and retention (Social)<br>Employee training and skill development (Social) | Branding and reputation (Economic)<br>Product safety and quality (Social)<br>Raw material security (Environment)<br>Geographic expansion (Economic)<br>Promotion of diversity and inclusiveness (Social) |
| LOW | | Research and development (Economic) | Operational excellence (Economic) |

Legend:

- Environment
- Economic
- Social

Very high priority for action (HIGH/HIGH); High priority for action (MEDIUM and LOW rows, HIGH column); Medium priority for action (MEDIUM column); Low priority for action (LOW column)

## Addressing matters most relevant

| Pillar | Material matter | Business risks/challenges | Our Approach |
|---|---|---|---|
| **Environment Resource Efficiency** | Sustainable supply chain management | • Brand reputation<br>• Consistent increase in volume<br>• Uninterrupted supply of materials | • Comprehensive support system & de-bottlenecking for improving the supply chain<br>• The vendors are assessed and trained to align with Ramco's commitment |
| | Energy and GHG Emissions | • Coal based captive power plants<br>• Improving the Green energy share | • Installation of WHRB, wheeling wind power for manufacturing<br>• Energy efficient technologies across all units |
| | Water efficiency | • Erratic rainfall pattern due to climate change<br>• Regulatory compliance on water usage | • Implementation of water resource management across all units<br>• Harnessing rainwater through RWH system and scaling up water positivity |
| | Reduced impact on biodiversity | • Impact on land use pattern due to mining<br>• Brand reputation | • Collaborative effort with state governments for increasing the green cover - Pasumai Tamilagam<br>• Restoration and rejuvenation of mined out area and protection of existing biodiversity with local flora and fauna |
| | Adoption of circular economy | • Increased usage of alternate fuel<br>• Reduced recycled content in overall value chain | • Strategic plan to ensure Zero waste to landfill<br>• Use of waste as an alternate material |
| **Economic Responsible Products** | Product innovation and differentiation | • Competitive edge | • Development of Right Products for Right Applications<br>• Investment in R&D |
| | Regulatory compliance | • Dynamic regulatory landscape | • Adherence on all the relevant/ applicable laws |
| **Social People and Communities** | Occupational health and safety | • Health & Safety hazards at Workplace<br>• Workplace Wellness | • Ensure safe working environment for permanent and contract employees<br>• Ensure proper use of PPEs, specific trainings on health and safety, etc. |
| | Dialogue and communication | • Better positioning in the market<br>• Low awareness amongst key stakeholder groups on ESG | • Communicate sustainability stories to stakeholders<br>• Interactive platforms for communication like digital marketing |
| | Community engagement & CSR | • Increased focus on sustainable community development | • Enhance scope of existing programmes<br>• Impact assessment of programmes<br>• Greater reach to communities |

FINANCIAL CAPITAL

# Managing funds prudently to maximise value creation

At Ramco Cements, maintaining a strong financial discipline has always been at the forefront of our focus. In achieving so, we have been sharpening our focus on steady cash flows and strong debt equity coupled with a growing topline and bottomline.

### SDGs contributed

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

### Material issues addressed

- Efficient cash flow management
- Strong financial foundation
- Economic value added
- Capital allocation and funding

## FY 2022-23 financial priorities

### Priorities

- Growing revenues and margins
- Keeping debt in control
- Maintaining liquidity
- Generate returns for investors
- Constant reinvestments in the Company
- Growing market capitalisation

### Outcomes

**8%**
CAGR growth in revenues in the past 10 years

**0.66**
Debt equity ratio in FY 2022-23

**1.18**
Debt equity ratio in FY 2013-14

**3.57**
Net debt to EBITDA in FY 2022-23

**4.45**
Net debt to EBITDA in FY 2013-14

**14%**
Dividend payout ratio in FY 2022-23

**17%**
Dividend payout ratio in FY 2013-14

**5%**
Return on capital employed in FY 2022-23

**6%**
Return on capital employed in FY 2013-14

**13%**
CAGR growth in market capitalisation in the past 10 years

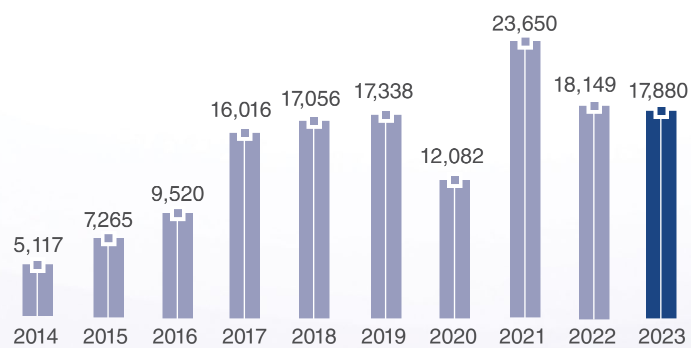

Kolimigundla Unit

## The evolution of Ramco Cements

Since our inception in 1961, we have grown into one of the well-established cement manufacturers in the country. We embarked on our journey with an installed capacity of 200 TPD, which has scaled to 22 MTPA today. The capex investments made by us have been predominantly done through ploughback of profits and external borrowings. We have successfully maintained a strong liquidity position across the years, with a growth in our gross block and a consecutive reduction or sustenance of our debt equity position. This validated the strong financial discipline at Ramco Cements.

At Ramco Cements, we also focussed on making prudent investments and ensuring that we provide dividends to our investors. Our ability of consistently paying dividends to our investors for the past 33 years further reflects our financial discipline. Additionally, we have also provided bonus issue in the ratio of 1:1 to our shareholders thrice over the span of the last 3 decades. We are thankful to the shareholders who have remained continuously invested in the Company, for their unstinted faith in us. We have rewarded our shareholders, by way of consistent appreciation of the value of their investment, dividends and issue of bonus shares. Today, our market capitalisation stands tall at Rs.17,880 crores, growing at a CAGR of 13% over the past 10 years.

**Market capitalisation (Rs. in crores)**

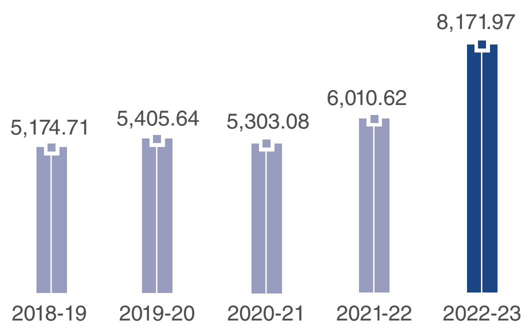



## Value-creation journey validated by results

With our focus on superior value creation, we have been constantly growing over the years across operational and financial indicators on one hand, and improving cost efficiencies and economic value added on the other, which is validated by the following results.

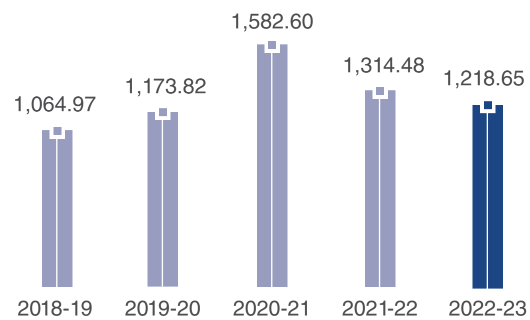
### Profit and loss indicators

Revenue (Rs. in crores)



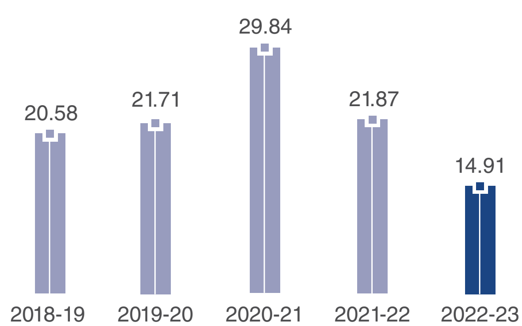

Y-o-Y **36%** | 20-year CAGR **13%**

EBITDA (Rs. in crores)



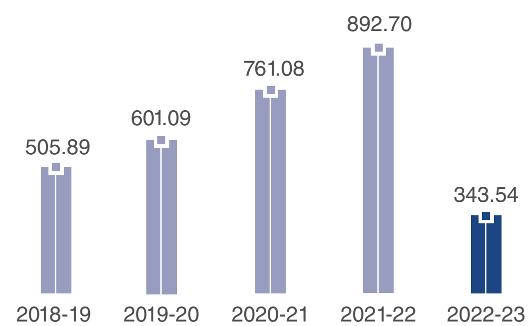

Y-o-Y **(7%)** | 20-year CAGR **10%**

EBITDA margin (%)



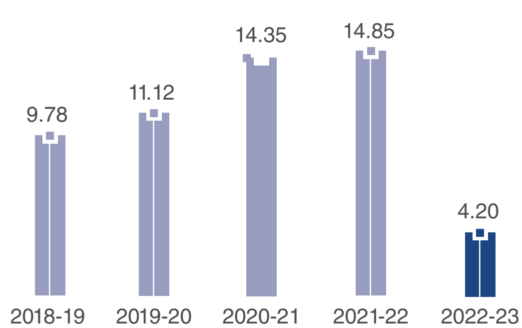

Y-o-Y **(696)** bps

PAT (Rs. in crores)



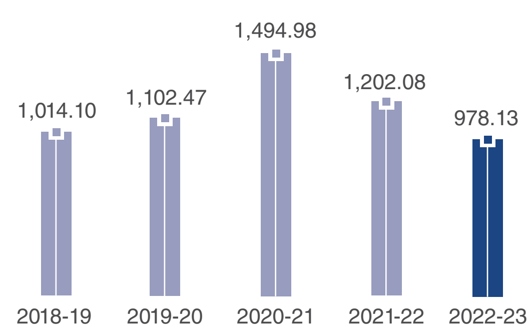

Y-o-Y **(62%)** | 20-year CAGR **12%**

PAT margin (%)




Y-o-Y **(1065)** bps

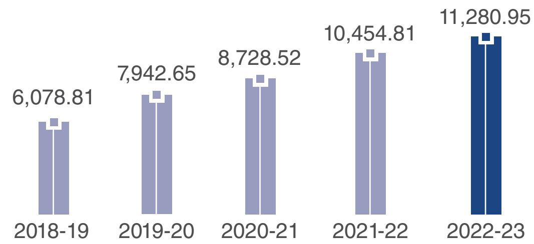
Cash Generation (Rs. in crores)




Y-o-Y **(19%)** I 20-year CAGR **11%**

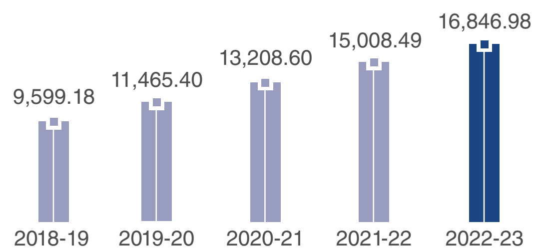
## Balance sheet indicators

Capital employed (Rs. in crores)



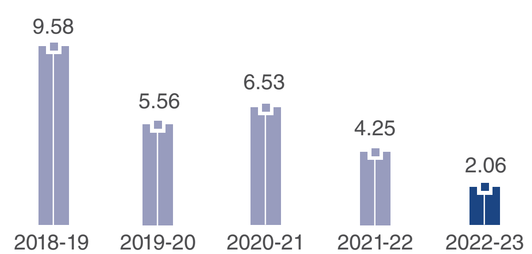

Y-o-Y **8%** | 20-year CAGR **13%**

Gross fixed assets (Rs. in crores)



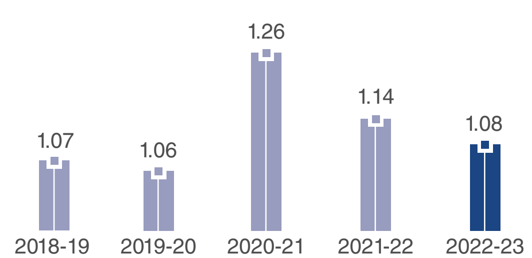

Y-o-Y **12%** | 20-year CAGR **13%**

Interest coverage ratio (X)



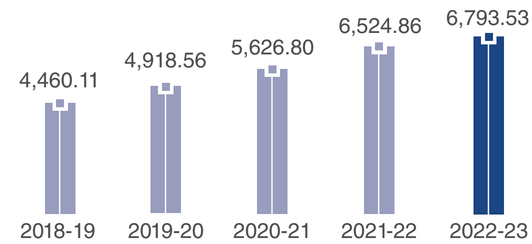

Y-o-Y **(52%)**

Current ratio (X)




Y-o-Y **(5%)**

Net worth (Rs. in crores)

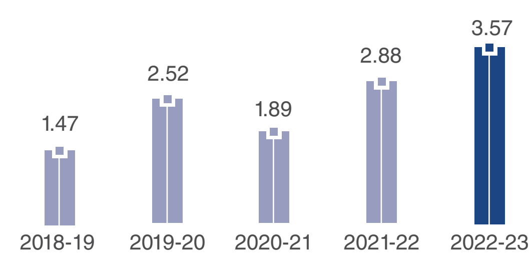



Y-o-Y **4%** | 20-year CAGR **17%**

Debt equity ratio (X)

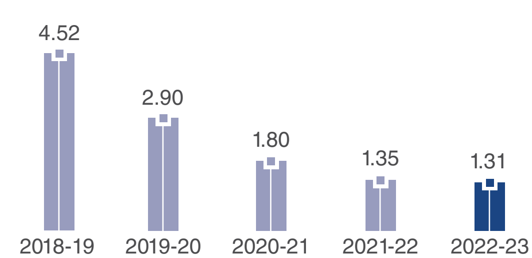

Y-o-Y **10%**

Net debt to EBITDA (X)




Y-o-Y **24%**

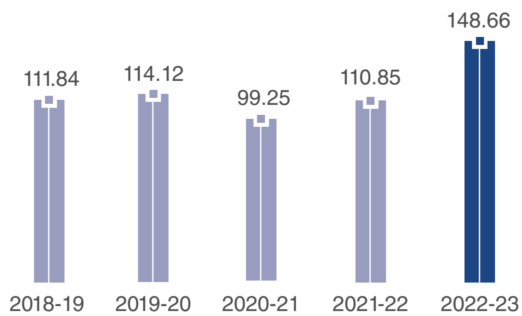
Debt service coverage ratio (X)




Y-o-Y **(3%)**

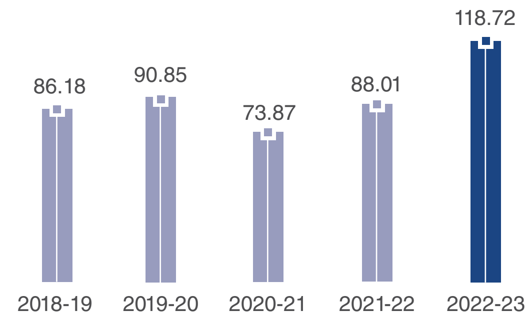
## Operational indicators

Cement production (Lakh tonnes)



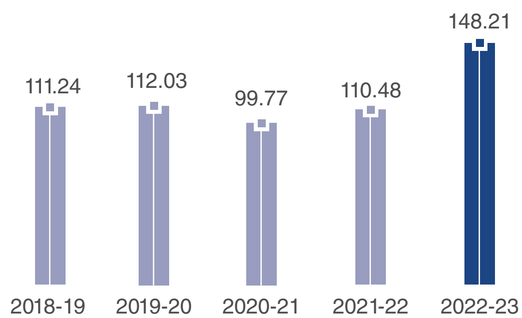

Y-o-Y **34%** | 20-year CAGR **7%**

Clinker production (Lakh tonnes)



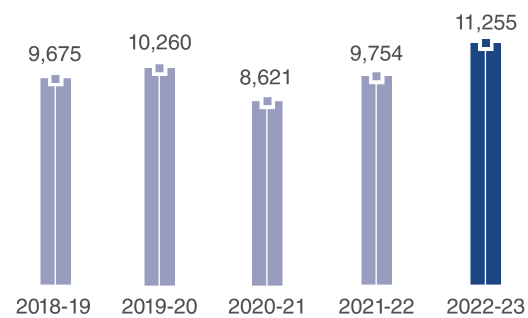

Y-o-Y **35%** | 20-year CAGR **8%**

Cement sales volume (Lakh tonnes)



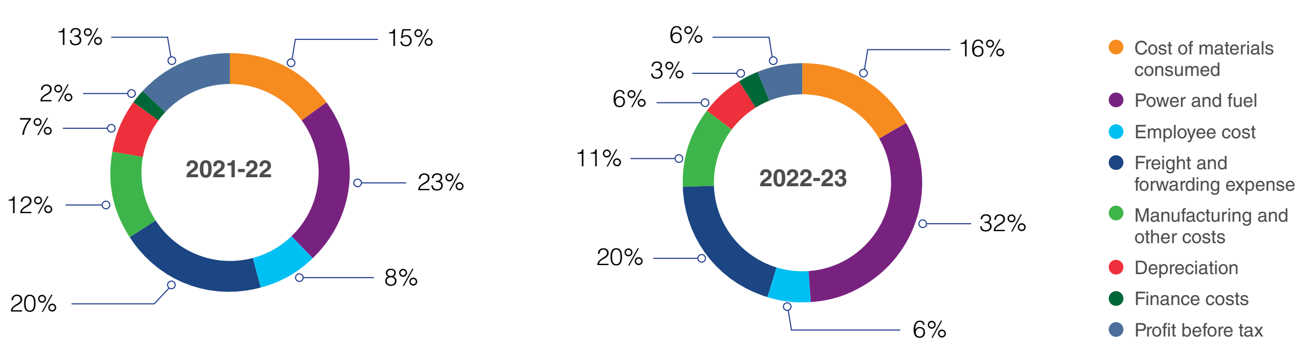

Y-o-Y **34%** | 20-year CAGR **7%**

Total captive power production (Lakh units)




Y-o-Y **15%**

## Cost analysis



## Economic Value Added (EVA)

Rs. in crores

| Particulars | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
|---|---|---|---|---|---|
| 1. Average Debt | 1,365.93 | 2,321.40 | 3,062.91 | 3,515.84 | 4,208.69 |
| 2. Average Equity | 4,251.15 | 4,689.34 | 5,272.68 | 6,075.83 | 6,659.20 |
| 3. Average Capital Employed (1) + (2) | 5,617.08 | 7,010.74 | 8,335.59 | 9,591.67 | 10,867.89 |
| 4. Cost of Debt, post-tax % | 3.81% | 4.32% | 3.99% | 4.57% | 6.16% |
| 5. Cost of Equity % | 10.64% | 12.02% | 13.34% | 13.88% | 4.66% |
| 6. Weighted Average Cost of Capital % (WACC) | 8.98% | 9.47% | 9.90% | 10.47% | 5.24% |
| **7. COCE: (3) x (6)** | **504.41** | **663.92** | **825.22** | **1,004.25** | **569.48** |
| 8. Profit after tax | 505.89 | 601.09 | 761.08 | 892.70 | 343.54 |
| 9. Add: Interest | 50.87 | 71.35 | 87.62 | 112.40 | 240.52 |
| 10. Add: Depreciation | 298.52 | 315.26 | 355.30 | 400.84 | 504.44 |
| **11. Net Operating Profits After Taxes (NOPAT)** | **855.28** | **987.70** | **1,204.00** | **1,405.94** | **1,088.50** |
| **12. EVA: NOPAT – COCE** | **350.87** | **323.78** | **378.78** | **401.69** | **519.02** |

*Notes:*

*NOPAT = Profit after taxes but before depreciation and interest*

*COCE (Cost of Capital Employed) = WACC * Average Capital Employed*

*WACC = (Cost of Debt * Proportion of Debt) + (Cost of Equity * Proportion of Equity)*

*Cost of Debt = Effective rate of interest applicable to the Company, net of taxes*

*Cost of Equity = (Dividend per share/Market price per share) + (1-Dividend Payout Ratio) * Return On Equity*

MANUFACTURED CAPITAL

# Scaling capacities and optimising operational performance

Operating in a capital-intensive sector, we are cognisant of the pivotal role played by our ability to manage our manufacturing assets to keep us ahead of the curve. At Ramco Cements, we are on a constant strive to improve our operational and cost efficiencies, thereby, driving profitability. The fiscal saw us remain committed to driving operational efficiencies to make the most of the tailwinds associated with the cement sector.

## SDGs contributed

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

## Material issues addressed

- Market penetration
- Operational excellence
- Occupational health and safety
- Product safety and quality
- Raw material security
- Geographic expansion

## FY 2022-23 manufacturing priorities

### Priorities

- Driving operational efficiencies
- Improving cost efficiencies
- Optimal utilisation of materials
- Improved utilisation of byproducts
- Captive power generation

### Outcomes

**73%**
Cement capacity utilisation in FY 2022-23

**55%**
Cement capacity utilisation in FY 2013-14

**88%**
Clinker capacity utilisation in FY 2022-23

**71%**
Clinker capacity utilisation in FY 2013-14

**22%**
Share of Green Energy in FY 2022-23

**5%**
Share of Green Energy in FY 2013-14

**Rs.1,796/-**
Power and fuel cost per tonne in FY 2022-23

**Rs.968/-**
Power and fuel cost per tonne in FY 2013-14

## Strengthening our manufacturing prowess

At Ramco Cements, we embarked on our journey with a single cement manufacturing unit based out of Ramasamy Raja Nagar with a capacity of 200 TPD. Today, we stand as one of the frontrunners in the Indian cement manufacturing sector, with a leading position in the Indian markets.

We have reached this juncture on the back of our consistent efforts to scale our capacities, expand across geographies, improve operational excellence and our ability to cater to the ever-changing needs of our customers with diversified product portfolio.

Today, we have an arsenal of five state-of-the-art integrated cement manufacturing plants, six cement grinding units, three dry mortar plants, and one ready mix concrete plant, located strategically across the country. Along with building scale, we have also taken decisive steps to diversify our portfolio, from a single grade of cement in 1961 to 13 different types of cement in 2023. Our manufacturing facilities are not only strategically located but also well connected with the help of railway sidings, ensuring quicker turnaround times and faster deliveries to customers.

Additionally, being equipped with captive thermal power plants across all our integrated facilities minimises our external dependency for power. It reduces power cost per tonne of cement on one hand, while helping in effective utilisation of resources and promoting sustainable operations on the other. The presence of waste heat recovery systems in our plants also helps us reduce power consumptions, making us increasingly self-reliant.

We have been undertaking continuous debottlenecking measures across the years, enabling us to increase operational efficiencies, reduce plant turnaround time, ensure optimal utilisation of resources, and improving quality of products, thereby, driving operational excellence.

*For more information on the location of our plants, please refer pages 8 and 9*

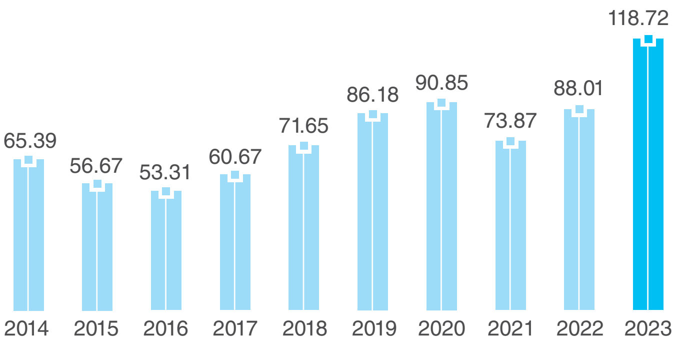
## Numbers validating our growth story

### Clinker

**149.38** Lakh Tonnes
Capacity in FY 2022-23

**91.47** Lakh Tonnes
Capacity in FY 2013-14

**Clinker production (lakh tonnes)**




**88%**
Capacity utilisation in FY 2022-23 (pro-rata basis)

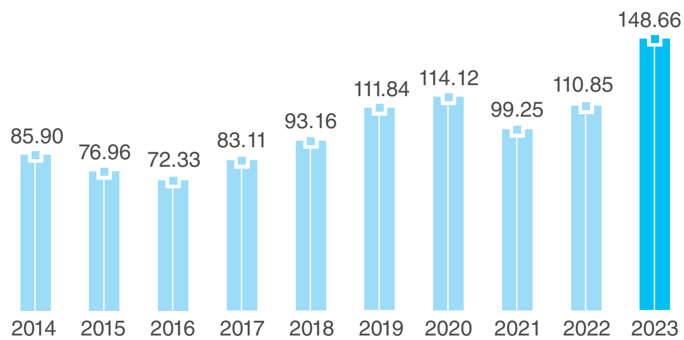
**71%**
Capacity utilisation in FY 2013-14

### Cement

**219.90** Lakh Tonnes
Capacity in FY 2022-23

**155.40** Lakh Tonnes
Capacity in FY 2013-14

**Cement production (lakh tonnes)**




**73%**
Capacity utilisation in FY 2022-23 (pro-rata basis)

**55%**
Capacity utilisation in FY 2013-14

### Waste Heat Recovery System

**40** MW
FY 2022-23

**NIL**
FY 2013-14

Dry Mortar Unit, R R Nagar

INTELLECTUAL CAPITAL – RESEARCH AND DEVELOPMENT

# Driving premiumisation and customer-centric innovation

Innovating to differentiate has always been a priority for Ramco Cements. Shifting away from one product fits all approach, we have invested in R&D to build a unique portfolio designed to meet specific needs across the construction lifecycle. At the same time, we have set-up a MACE division that works closely with customers towards ensuring right products are used for right applications in right way. We are today more than just cement manufacturers. We are a solution provider delivering great value to customers.

### SDGs contributed

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

### Material issues addressed

- Product innovation & differentiation
- Customer support and satisfaction
- Research & development
- Product safety and quality

### FY 2022-23 R&D priorities

**Priorities**

- Continued focus on right products for right applications led by MACE
- Enhancing value-added portfolio with focus on premiumisation and sustainable solutions
- Encouraging the dealership network to become solution providers
- Increased adoption of dry mortar products

**Outcomes**

**70,000+**
Sites across which MACE division provided solutions

**41%**
Increase in sale of blended cement y-o-y

**120%**
Increase in dry mortar products sale

### Differentiating with R&D

Innovation and R&D at Ramco is led by our state-of-the-art Ramco Research and Development Centre (RRDC). With decades of deep knowledge and insights from customer interactions, it has enabled us to continually launch market-defining products that have found great acceptance. Our portfolio comprises 13 products in cement and 8 products in dry mortar, meeting the end-to-end requirements of construction industry, and each having their dedicated end use. We have also developed custom products that meet specific technical requirements for infrastructure projects.

We have a 41-member strong team at RRDC, who are leading various value-added product development projects focussed on premiumisation and sustainability.

### Right Product for Right Application and why Cement vs Ramco Cement?

One of the most important differentiators for Ramco Cement is the ability to transition its offering from mere “cement” (that can be used blindly across any and every application) to a more value-added and need-based brand of cements i.e., the right product for the right application.

At Ramco Cement, depending on the usage, we have created the “right” quality of cement for the right applications. For example, we have different varieties of cement for plastering, masonry work, pointing and concrete for roofs and for laying floors, constructing lintels, beams, stairs, pillars, etc.

Similarly, we have a specific type of cement that can be used where a hard surface is required for the protection of exposed areas of structures against the destructive agents of the weather vis-à-vis cement that has to be used in the preparation of foundations, watertight floors, footpaths, etc.

The right product for the right application places Ramco Cement at the forefront of changing the very nature of cement which is purchased only for its price competitiveness to promoting the rebranding of Cement where value-added application with the “Ramco Cement” brand is sought by users across the value chain. This industry-leading and revolutionary product innovation practice allows us to provide the right cement to the retail customers building their own homes, architects and builders building large buildings and townships and even masons and other users involved in the creation of any structures.

# Right Products for Right Applications

**Cement Products**

**Dry Mortar Products**


RAMCO CEMENT

## Our rich history of R&D

**1998** →
Launched a blended cement - "RAMCO SUPERGRADE" - in the midst of brand war

**2003** →
Introduced dry mortar products including render and wall plastering products and subsequently added products like tile fix, tile grout, plasters, etc. as dedicated solutions for interiors

**2014** →
Introduced Ramco Superfast with quick setting advantage as dedicated product to meet changing industry of shift from clay to hollow bricks

**2018** →
Introduced infra grade OPC products dedicated for such constructions

**2019** →
Introduced Ramco Supercrete, a cement for premium concrete product delivering advantage of quick setting with zero cracks

**2022**
Introduced Ramco 53 Infra Super, a High early strength and High Slump retention cement, specially developed for Metro Railway Projects


### Enabling product acceptance and right usage with MACE

We are not only manufacturing the right cement for the right applications but also promoting the usage through direct support to the end-users.

Our MACE (Mason, Architect, Contractors and Engineers) division is educating and promoting the widespread adoption of Ramco brand of cement and ensuring their right application. Our strong 344-member MACE team offers personalised, on-site technical assistance to our customers, and helps them gain its maximum benefits by advising them of the best practices, product selection, and proper application techniques. From providing engineering solutions to large-scale projects to after-sales support to individual home builders and on-spot mobile technical services, the team has been driving and popularising Ramco Cement's adoption. The team is also a link between customers and our R&D centre, facilitating key insights and thus helping product development.

Ramco Supercrete is one of our most premium products, with superior benefits of fast setting and crack resistance. The product though commands higher prices than industry average, the high price has made the product acceptance difficult in a largely commodity market. Adding to the challenge, was the product's launch during the COVID year with minimal marketing.

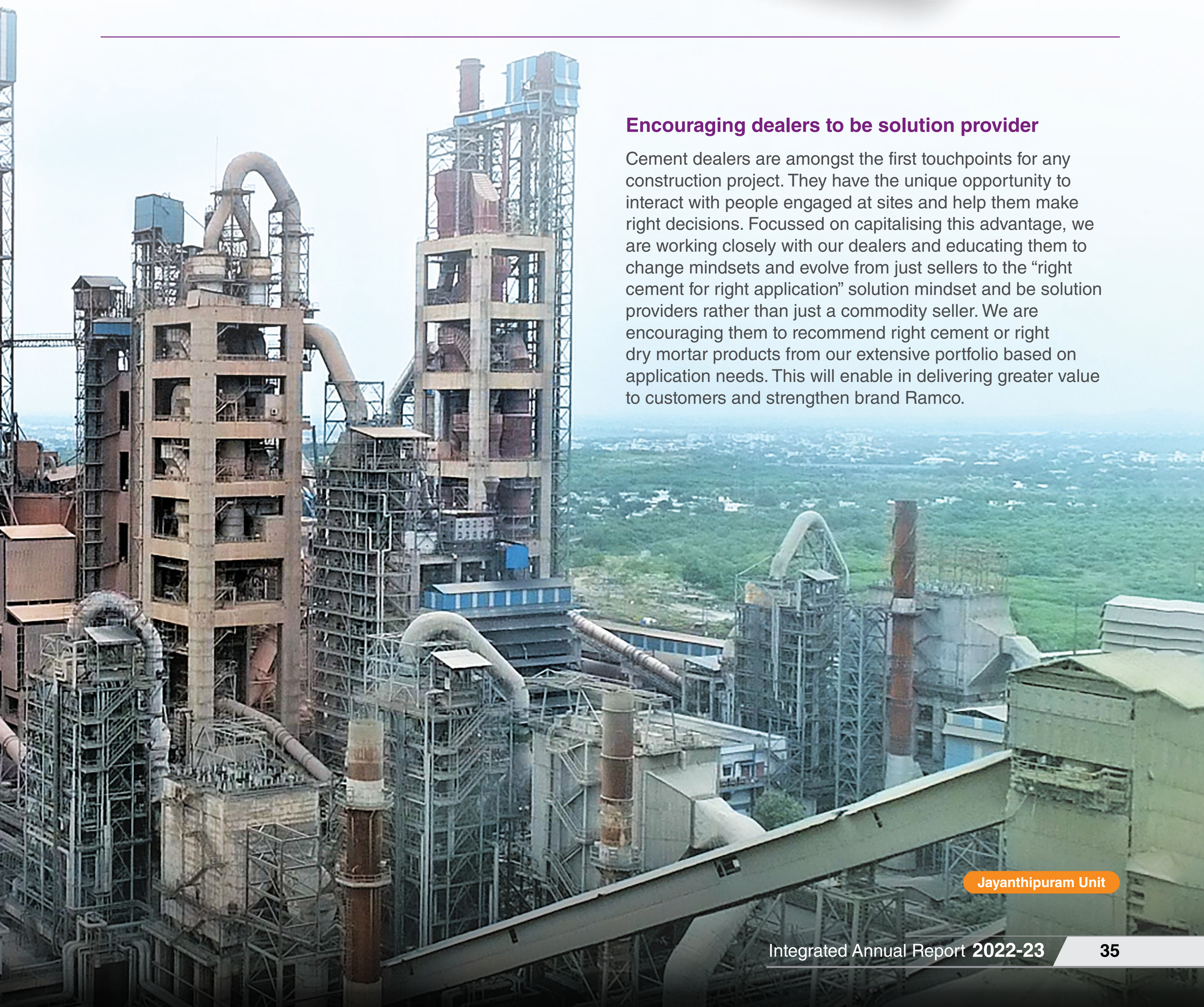
The MACE division conducted exceptional on-site activities to showcase the product's benefits and superiority, driving its adoption.


### The impact

**Ramco Supercrete sale crosses the 1 million tonnes mark to close FY 2022-23 at 1.05 million tonnes.**

### Encouraging dealers to be solution provider

Cement dealers are amongst the first touchpoints for any construction project. They have the unique opportunity to interact with people engaged at sites and help them make right decisions. Focussed on capitalising this advantage, we are working closely with our dealers and educating them to change mindsets and evolve from just sellers to the "right cement for right application" solution mindset and be solution providers rather than just a commodity seller. We are encouraging them to recommend right cement or right dry mortar products from our extensive portfolio based on application needs. This will enable in delivering greater value to customers and strengthen brand Ramco.


Jayanthipuram Unit

INTELLECTUAL CAPITAL – TECHNOLOGY

# Powering business excellence with technology

Technology systems are enabling us to streamline processes and get real-time visibility of operations to make better decisions. It also contributes to delivering better customer experiences. We are accelerating investments in technology to bring vitality to our business and enhance our competitiveness.

### SDGs contributed

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

### Material issues addressed

- Sustainable supply chain management
- Operational excellence
- Market penetration
- Geographic expansion

## FY 2022-23 information technology priorities

| Priorities | Outcomes |
|---|---|
| Automating processes for improved efficiency and reducing costs | • Improved collaboration with vendors and customers by easing their operations through a dedicated portal<br>• Enhanced service delivery, optimised inventory levels and increased end-to-end visibility from Purchase Order to the Final Payments<br>• Facilitated and simplified real-time information and enabled faster decision-making (through WhatsApp Business app) |
| Strengthening cyber security and system reliability | • Improved information security and business continuity management<br>• Improved stakeholder confidence in our information security implementations |
| Enhancing efficiency in supply chain management | • Every shipment is digitally tracked. Improved the efficiency in planning the resources and in their utilisation<br>• Improved the turnaround time of vehicles as they are tracked through GPS and can be tracked on real-time basis<br>• Reduced waiting time at customer place or at depot or at transfer point |
| Improving decision-making | • Migrated from traditional formats of MIS reporting to real-time in-house developed Analytical Interactive Dash Board (AIDB)<br>• Eliminated offline reporting through excel sheets and Power Points in critical internal meetings |

## Scaling business productivity

Technology is vital in driving our business productivity and optimising costs. We are leveraging its power to automate and streamline processes and improve data management. Some of the key initiatives undertaken in FY 2022-23 include:

1 Digitised and streamlined accounts finalisation process by mapping responsibilities for a set of account codes, creating schedule templates for uniformity, and using workflow for review mechanisms to enable seamless iterative process. ERP integration was done for an error-free process and a digital document repository created for future reference. The initiative reduces process time, eliminated travels to corporate office and improve data security.

2 Integrated with bank API to automate customer receipt document creation in the system, saving workload of manually inputting the vast numbers of such receipts

3 Initiated on WhatsApp a real-time information access system for users based on 'YOU ASK, YOU GET' philosophy, resulting in time savings and quicker decisions

4 Introduced automated system to streamline the process of fetching and sharing packaging material requirements with suppliers based on product type and region. The system generates a consolidated approval for procurement and places purchase orders. This has expedited the process while reducing manual errors and instances of non-availability and quality issues

5 Implemented QR coding of product quality certificate content as per National Accreditation Board for Testing and Calibration Laboratories' (NABL) mandate

6 Automated and streamlined the process for cement price updates, reducing man-hours and time spent in this high frequency activity

### Optimising fleet management

Efficient transportation in a cement industry is key to driving profitability. We have harnessed the power of technology to bring efficiency and optimise transport fleet, both at plant and depot ends. GPS is fitted in every truck, and simultaneously ERP and GPS data collated to track their movement and delivery route.

This enabled the plant logistic team to effectively plan despatches, lowering turnaround times by 40-50% and improving truck availability. Depots-in-charge were empowered with real-time truck arrival information, enabling them better plan for the availability of mini trucks for onward transportation to customers or other stock points. This reduced mini truck wait time by over 50% and enhanced overall depot operation efficiency by 50%.

### Empowering business with data-powered decisions

Our in-house team has developed a powerful Business Information Tool to convert massive amounts of data, generated in ERP and other satellite system, into actionable insights. The tool features user-friendly KPI-driven dashboards and customisable snapshots, providing a single view to replace several conventional reports. It is empowering teams to make better and quick decisions and drive business success through analysing trends for improvement areas. Its geospatial capabilities further enhance comparability between different time zones, facilitating comprehensive overview of business operations.

### Strengthening supply chain with technology

Our supply chain is key to our business success and we enable them through better technologies. We completely digitalised request for quote (RFQ) related interactions with suppliers. This upgraded system allows adding quotes on portal, which are directly moved to system for comparison and approval. More than 80% of quotes are processed through it, saving time and reducing lead time. We also undertook an extensive engagement exercise with the suppliers to proliferate its usage. In FY 2022-23, 700+ suppliers started using this portal as against 100+ in FY 2021-22, resulting in increased information transparency.

For the dealers, in addition to the existing customer portal for accessing transaction information, this year, we launched a Dealer Mobile app. It will enable them to get relevant information on the go.

#### Critical infrastructure upgrades in FY 2022-23

- Modernised IT hardware for improving user experience and lowering breakdown costs
- Strengthened security of all servers and endpoints through:
  - Enabling multi-factor authentication (MFA) to prevent unauthorised access
  - Automating the security patch update process
  - Migrating the antivirus software to endpoint detection and response
- Implemented Zero Trust Network Access for secure and seamless access to corporate resources from outside network
- Protected our web application from cross-site scripting, bot attacks and code injection through a Web Application Firewall
- Implemented a system to continuously monitor in real-time online brand attacks including negative news and brand feedback

HUMAN CAPITAL

# Driving a productive and safe workplace

Our employees are key to driving our long-term business sustainability. We strive to provide them fair, open and inclusive work environment supported by policies and programmes. We are also proactively investing in their skilling and safety, for their holistic development.

## SDGs contributed

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

## Material issues addressed

- Employee training and skill development
- Diversity & inclusiveness
- Talent attraction and retention
- Occupational health & safety

## FY 2022-23 human resources priorities

### Priorities

- Developing talent pool (improving technical and behavioural capability, building leadership skills, attracting and retaining talent)
- Work-life balance
- Employee engagements and satisfaction
- Harmonious industrial relations

### Outcomes

**3,507**
Total number of employees

**421**
New hires
(including 16 female)

**94%**
Employee retention ratio

**55,744**
Total training hours

**1,476**
Employees trained for skill upgradation

**658**
Employees trained for health and safety

**Fatalities**

**NIL**
Employees

**5**
Contract Employees

## Effective talent management

We attract and retain best employees through a robust talent management process, participation in campus events and partnering with various institutions. We also provide internships to students to enable them gain right experience and identify future potential hires. A strong focus is on lateral hiring and building skills through structured training programmes.

## Empowering learning and development

We prioritise investing in employees' learning and development to unlock their full potential and foster a professional and skilled workforce. We offer diverse training and workshop opportunities to fill internal skill gaps, aligned to industry trends, and providing people a fair chance to advance careers.

In FY 2022-23, we undertook programmes like 5S, Kaizen, quality control among others to develop the functional and communication skills of the employees and enhance their organisational effectiveness. Emphasising on leadership development, we undertook an 'Elements of Self-Leadership' programme with Flame University for employees and also initiated an 18-month strategic leadership development programme. On the operational side, select engineers were given OEM-led training to build technical skills.

We also undertook 15 internal programmes for developing leadership skills and building next generation of leaders. Conducted through external trainers, nearly 260 officers across locations were trained helping them build the following skills:

- Leading others and team building
- Change management
- Goal setting (SMART Goals)
- Collaboration
- Decision-making
- Instilling accountability and ownership
- Reaching targets
- Management of excuses
- Leaders build leaders
- Never give-up attitude
- Paradigms - the mental map, circles of influence and concern

### Elements of Self-Leadership

This leadership programme was focussed on research-based insights into self-development, teams and organisational culture. It helped the participants to understand the importance of strengths, values, team structure and execution frameworks in success.

### programme approach

- Personal Leadership
- Understanding yourself
- Understanding others
- Influence
- Execution

### Apex – strategic leadership development programme

This 18-month programme was aimed at developing next generation of leaders. It was designed for deeper engagement and gaining expertise across multiple skills.

Split across three phases of six months each, the programme focussed on:

- Developing people and collaborative leadership competencies
- Enabling strategic/change leadership and business management competencies
- Building greater customer focus and entrepreneurial leadership competencies

### The key learning and insights gained included:

- Cross-functional collaboration
- Holistic approach to strategic planning
- Understanding of business management and change-agile business
- Strategic customer relationship management to secure new business to strengthen the trust and bond
- Capitalise on breakthrough ideas

## Focussing on employee engagement

At Ramco Cements, we emphasise on maintaining a positive work environment where employees feel valued, supported and motivated. We ensure this through regular team-building activities, management initiatives and interactions with senior management. Employees are encouraged to participate in external events, plant-level celebrations and through conducting sporting and cultural activities.

## Managing multi-generational workforce

We value workplace diversity, to promote new ideas and perspectives. We have people from diverse backgrounds, ages, ethnicities and experiences. We respect their individuality and strictly prohibit discrimination. We are consciously improving female and youth representation, with encouraging policies.

## Prioritising safety and zero fatalities

Employee health and safety is central to our values, with a robust safety governance framework led by an Apex Committee, and supported by the Working Committee and Sub Committees. A root cause analysis incident management system drive safety performance, while Occupational Health Centre having experienced medical personnel and requisite healthcare infrastructure support this. We also conduct frequent awareness sessions, training initiatives and campaigns.

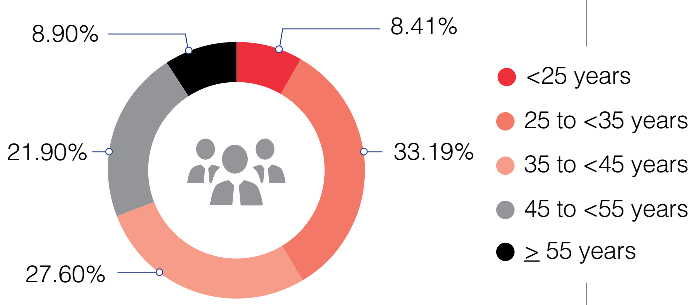
## Key initiatives during FY 2022-23 include

- Health programmes: mental health, managing stress, yoga, family counselling
- Safety programmes: first aid, fire safety, emergency preparedness, road safety

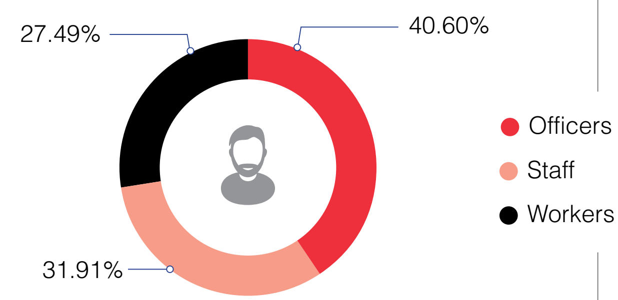
**Our safety track record**

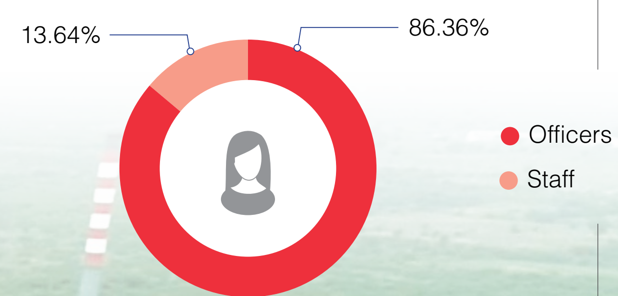
| | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Recordable work-related injuries | 68 | 76 |

### Employee split by age

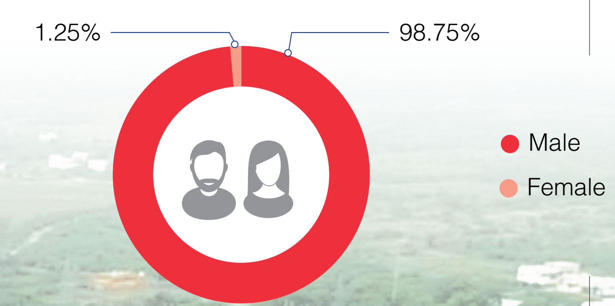



### Employee split by gender




### Male & Female composition




EMPLOYEE TESTIMONIAL

# Together with us - Through Generations

**P. Veerapandian**

Current Position: Senior General Manager - Works

Years of Association : 28

## Supporting our Dreams

I have been associated with Ramco Cements for more than two and half decades and it is more than a job for me. I was brought up in our Ramco culture from my childhood as my father Mr. S. Ponnusamy was an ex-employee of The Ramco Cements Limited, R R Nagar. My father had joined as a sample boy and retired as a fitter. We were residing in Ramco Township.

As a Ramcoite, I have been groomed into a thorough professional which benefits both myself and the Company. From humble beginnings, the first leap was my father's advancement from a Sample Boy when he joined to a Fitter when he retired. My advancement from Trainee Engineer to Senior General Manager, now in charge of the Kolaghat Grinding Unit, was the second and an even more significant leap.

The culture and values of the Company inspire me even today and keep me motivated in all my assignments. I express my sincere gratitude to my organisation for the opportunities and their invaluable support.

**A.K. Ganesh Ram**

Current Position: Senior General Manager - Electrical and Instrumentation

Years of Association : 34

## Bonding like a family

I am presently working at our Ariyalur unit as the head of the Electrical & Instrumentation Department. I have come a long way since the beginning of my career as a Graduate Engineer Trainee – Instrumentation at the Jayanthipuram Plant in 1989. I am also a proud second-generation employee as my father spent his entire career spanning over 30 years in our R R Nagar unit and retired as the head of the Accounts section in 1994.

The fact that I was fully involved in 3 greenfield projects, 3 brownfield projects and various projects across our units in Alathiyur, Ariyalur, Dry Mortar Plant, Jayanthipuram and R R Nagar itself is a testimony to the opportunities offered by the Company.

Apart from a professional career, what binds an employee to such a long-standing association is the sense of belonging to a family. The Company's strong belief that its strength rests in its people and that the society around it must grow along with it is the reason for the emotional bonding of all stakeholders towards the Company, including employees and families, contractors, suppliers, local society, and so on.

**Ramasubramanian V.P.S.**

Current Position: Assistant General Manager - Projects

Years of Association : 19

## Five decades and more as a Ramcoite

I am a second-generation employee from my family as my father worked as a driver for 37 years from 1967 to 2004. I am now Assistant General Manager – Projects at our R R Nagar Plant. Coming from a poor background, Ramco has helped me and my family grow. Ramco is more than just a Company; it is a part of my family.

To focus and concentrate on the job activities, we have been provided with good accommodation with medical facilities and recreation clubs for entertainment, ensuring peaceful work and living environment.

I am thankful for the opportunities that I have been given and look forward to continuing to contribute to the success of the company.

**Praveen Kumar K.**

Current Position: Manager - Mechanical

Years of Association : 9

## Being a part of the growth story at Ramco

My father Mr. K. Venkateswara Rao retired as a welder, after working with Ramco for 34 years, and he always said that it had been a pleasurable experience, being a part of the growth of the organisation.

This Company has provided me with opportunities to grow since my childhood in all aspects from education, extra-curricular activities and development of professional skills. I am thankful for the opportunities that I have been given and look forward to continuing to contribute to the success of this Company with loyalty.

**Samuel Dhinakaran J.**

Current Position: Assistant General Manager - Information Technology

Years of Association : 17

## In the path of my parents

My father Mr. A. Jeyapaul worked as a mechanic at the R R Nagar Factory and my mother Mrs. J. Sarojini (Late) worked as a staff nurse at the same factory. I was born and brought up in our R R Nagar township. Since my childhood, I have seen the Company grow from one plant to multiple plants. My parents used to share their work experiences with me which strongly inspired me to join the Company after completing my engineering.

My career has grown in the right trajectory, and I am now contributing to the Company's digital transformation initiatives.

As a second-generation employee, the Company has not changed its values in providing family welfare and always supported us with medical assistance, schooling and higher education for children… etc.

I am proud to be part of Ramco Cements, especially, as a NextGen Ramcoite.

SOCIAL AND RELATIONSHIP CAPITAL - SUPPLY CHAIN

# Creating a win-win relationship with value chain

Operating in the cement manufacturing sector, we are on a constant endeavour to maintain enduring bonds with not only our dealers, distributors, and suppliers but also masons, contractors, and architects. This helps us build the foundation to a strong supply chain underpinned by a win-win story for all stakeholders involved across the value chain.

## SDGs contributed

8 DECENT WORK AND ECONOMIC GROWTH

## Material issues addressed

- Customer support and satisfaction
- Human Rights across value chain
- Sustainable Supply Chain Management
- Branding & Reputation

## FY 2022-23 supply chain priorities

| Priorities | Outcomes |
|---|---|
| Enduring and longstanding relations with supply chain partners | **5,000+** Supply chain partners associated with us |
| Strong supply chain network with multiple partners | **51%** dealers with us for more than 5 years |
| Helping supply chain partners grow along with the Company | **28%** dealers with us for more than 10 years |

## Strengthening supply chain

At Ramco Cements, we are focussed on constantly engaging with our vendors, dealers and other supply chain partners through telephonic and in-person meetings, dealer meets, engineers meet and masons meet, among others. Additionally, we also incentivise our supply chain partners by swift payment of their obligations, extension of loans and advances, providing mediclaim and accident cover. As a result of these measures, we are not only able to drive our sales, but also reduce dependence on specific vendors or dealers, derisking our business and driving business excellence.

**900+**
Number of transporters associated with us as on March 31, 2023

**9,400+**
Number of dealers associated with us as on March 31, 2023

**1,00,000+**
Number of masons associated with us as on March 31, 2023

**600+**
Number of architects associated with us as on March 31, 2023

**22,500+**
Number of sub-dealers associated with us as on March 31, 2023

**65,000+**
Number of contractors associated with us as on March 31, 2023

Dry Mortar Unit, Salem

SOCIAL AND RELATIONSHIP CAPITAL - CSR

# Striving for inclusive growth

At Ramco Cements, we believe in giving back to the society we operate in. In our strive to emerge as a responsible corporate citizen, we undertake CSR activities under the areas of education, skill development, health and hygiene, community upliftment, women empowerment, disaster management and relief and biodiversity sustenance.

## SDGs contributed


## Material issues addressed

- Human Rights across value chain
- Regulatory Compliance
- Community Engagement & CSR
- Dialogue & Communication

## FY 2022-23 CSR priorities

**Priorities**

- Education and skill development programmes
- Rural healthcare and sanitation
- Community development and women empowerment
- Disaster relief, response and management
- Bio diversity and environmental sustainability

**Outcomes**

**58,535**
Beneficiaries of education and skill development programmes in FY 2022-23

**91,218**
Beneficiaries of rural healthcare and sanitation programmes in FY 2022-23

**2,18,293**
Beneficiaries of community development and women empowerment programmes in FY 2022-23

**8,260**
Beneficiaries of disaster relief, response, and management programmes in FY 2022-23

**30,780**
Beneficiaries of bio-diversity and environmental sustainability programmes in FY 2022-23

## Key projects undertaken during FY 2022-23

### Project Atmaprasara

**Amount spent:** Rs.21.64 lakhs

**Project location:** Rajapalayam

**Implementation partner:** Anna Chandy & Associates

**Objective:** A volunteer-led initiative to provide free and confidential counselling services to people looking for emotional support during difficult times. It creates awareness about the importance of mental health.

50+
Beneficiaries

### Smart toilets

**Amount spent:** Rs.88.51 lakhs

**Project location:** Ameenabad, Nallampathai, M. Puthur and Chinna Nagalur

**Implementation partner:** Gramalaya NGO

**Objective:** Building smart toilets for people and promoting sanitation and hygiene.

100+
FAMILIES
Beneficiaries

### Andhra Mahila Sabha Mitra Mandir

**Amount spent:** Rs.15.14 lakhs

**Project location:** Chennai

**Implementation agency:** Andhra Mahila Sabha Mitra Mandir

**Objective:** Providing shelter, food, care and rehabilitation for adult males with intellectual disabilities at an affordable price, enabling them to live their lives with dignity.


12
RESIDENTS
Beneficiaries

## Medical camps

**Amount spent:** Rs.75.01 lakhs

**Project location:** Virudhunagar, Ariyalur and Salem Districts in Tamil Nadu; Krishna and Kurnool Districts in Andhra Pradesh

**Objective:** Conducting multi-speciality health camps, specialised eye camps and medical camps for children in collaboration with established hospitals to provide special care and referrals. Additionally, providing ambulance to the Red Cross Society and providing various support equipment to the differently-abled.

**3,200+**
Beneficiaries

## Infrastructure support

**Amount spent:** Rs.1.56 crores

**Project location:** Ramco Institute of Technology, Rajapalayam

**Implementation agency:** Raja Charity Trust

**Objective:** Providing the best infrastructure for quality education at the Institute by setting up computer lab for artificial intelligence and data science department, setting up open source lab and cloud computing and cyber security lab, establishing the Yaskawa Educational Cell which is a centre for excellence with a robot.

*Students of Ramco Institute of Technology honing their IT Skills at the Cloud Computing and Cyber Security Laboratory and Open Source Laboratory - Funded under the CSR Programme of the Company*

**1,579**
STUDENTS

**113**
TEACHERS

Beneficiaries

## Project Kalvi 40

**Amount spent:** Rs.10.10 lakhs

**Project location:** Virudhunagar and Ariyalur Districts in Tamil Nadu

**Implementation agency:** Bumbe B Trust (Kalvi 40)

**Objective:** Development and infrastructural support for 40 Adi Dravidar Welfare schools in Virudhunagar and Ariyalur to bridge the learning gap via access to digital education.

**1,442**
STUDENTS

**135**
TEACHERS

Beneficiaries

## Shri Lakshmi Narasimha Swamy Temple

**Amount spent:** Rs.2.29 crores

**Project location:** Kalavatala

**Objective:** Repair and renovation of the ancient Shri Lakshmi Narasimha Swamy Temple.

*Renovation and restoration of ancient Lakshmi Narasimha Swamy Temple at Kalavatala.*

## Belum Caves

**Amount spent:** Rs.67.22 lakhs

**Project location:** Nandyal

**Implementation agency:** Andhra Pradesh Tourism Development Corporation

**Objective:** Facilitate tourism by construction of tourist waiting hall, toilets, and stalls for vendors.

**Tourist footfall:** ~ 1.5 lakh people per year

## Rural Development

**Amount spent:** Rs.9.95 lakhs

**Project location:** Kalvarayan hills, Kallakurichi, Tamil Nadu

**Implementation agency:** EcoPro – Auroville

**Objective:** To effect holistic change in the tribal hamlets of Kalvarayan hills by empowering the communities to take collective action and involving them in the process of farming solutions. The project activities include health camps and nutritional support for the school children, yoga, awareness and support for organic farming, market linkage for the farmers, awareness on sanitation and hygiene and watershed management.

NATURAL CAPITAL

# Progressing to greener and sustainable manufacturing

At Ramco Cements, we recognise our criticality in limiting the climate change and other pressing environmental challenges for a planet positive future. We achieve this through prioritising efficient natural resources and energy consumption, focussing on circular economy and advancing to low-carbon technologies and processes. We also stress on innovation to make our product mix greener.

### SDGs contributed

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

### Material issues addressed

- Energy & GHG emission
- Adoption of circular economy
- Raw material security
- Sustainable supply chain management
- Water efficiency
- Reduced impact on biodiversity

### FY 2022-23 sustainability priorities

**Priorities**

- Reducing carbon emissions and conserving energy
- Enhancing renewable energy
- Minimising the supply chain's carbon footprint
- Circular economy
- Carbon sink through afforestation
- Improving water positivity
- Working towards achieving zero waste mining

**Outcomes**

**9%**
Improved thermal substitution ratio in cement manufacturing

**13%**
Alternate fuel utilised

**22%**
of total power requirement met through WHRS and renewable energy

**1,24,832 tonnes**
$CO_2$ emission avoided by using rail transport

**14%**
Recycled or Re-used material utilised for blended cement manufacturing

**18.76 lakhs**
Total tree plantations made

**11%**
Reduction in water consumption

**13 million litres**
water harvested and recharged

**223.30 million units**
wind energy generated

**1,05,326 tonnes**
Waste recycled and reused

**3.8x**
Water Positive

**98.19 tonnes**
waste disposed

### Addressing climate change

Our Company is committed to reducing climate impact by focussing on energy optimisation and achieving net zero carbon emissions. Our efforts include utilising sustainable sources of energy for manufacturing; transportation through rail resulting in lesser emissions compared to road transport; improving green cover and increasing operational efficiency. In the fiscal year 2022-23, we successfully boosted our installed Waste Heat Recovery System capacity from 31 MW to 40 MW, enhancing the share of waste heat energy to 16.19%. The renewable energy accounting for 26.89 crore units are utilised for cement manufacturing.

We are moving ahead in increasing the green energy share from 22% in FY 23 to 30%+ in FY 24.

As part of our efforts to improve energy efficiency, we implemented various measures in our thermal power plant. These included optimising the air-cooled condenser to reduce steam consumption, installation of energy efficient turbines, installing variable frequency drives for process fans, and using high-efficiency fans to reduce electrical energy usage. Additionally, we installed LED lighting throughout the plant.

The process of afforestation has played a crucial role in establishing a carbon sink. Our organisation during FY 23 has planted 2.25+ lakh trees, which has contributed to a total green cover of 1.88 million trees spread over 810.67 hectares. Additionally, we have also established a self-sustaining Miyawaki forest, covering 14.52 acres.

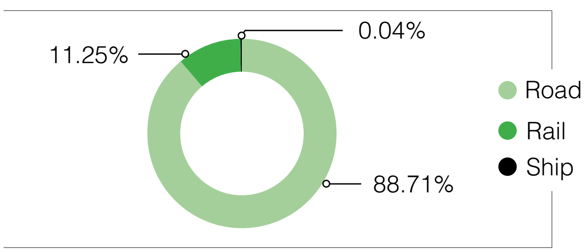
In FY 2022-23, about 11% of total cement despatches were by rail and ship. Almost 75% of total clinker is shipped through rail.

*More details on our emissions can be read in the Business Responsibility and Sustainability Reporting (BRSR) section in pages 143 and 144.*

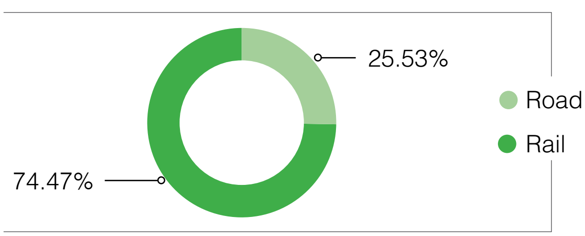
**IN FY 2022-23, WE EARNED 1,24,832 RAILWAY GREEN POINTS FOR EQUIVALENT TONNES OF $CO_2$ SAVED.**

### FY 2022-23 despatches by transportation mode

**Cement**




**Clinker**




### Product stewardship and responsible packaging

We prioritise sustainability throughout our manufacturing process by implementing eco-friendly practices such as sustainable procurement, local sourcing and using alternatives like fly ash and slag in our cement blending.

Our Ramco Supergrade cement is certified by CII Greenpro, demonstrating our commitment to environment-friendly products. Additionally, we ensure that all of our plastic packaging is 100% recyclable and reusable to reduce landfill waste.

In the fiscal year 2022-23, we were able to save 5,144.34 tonnes of plastic packaging by transporting over 27.36 lakh tonnes of cement through bulkers.

Moving forward, we plan to conduct life cycle assessments (LCA) of certain products and register for Extended Producer Responsibility (EPR) to manage plastic packaging waste through third-party agencies.

### Efficiently managing water

Throughout the fiscal year 2022-23, we implemented measures which reduced water consumption across all of our facilities by 11%. These measures included upgrading to water-efficient technologies, augmenting our rainwater harvesting capacity by 13 million litres and providing extensive training to our staff on efficient water usage. Additionally, we treated 1,912 KLD of water and repurposed it for various activities such as process cooling in our cement plant, maintaining our greenbelt and sprinkling roads, which helped in conserving freshwater. At our R R Nagar plant, we conducted a watershed mapping exercise in collaboration with WASH institute to capture maximum rainwater to meet our water requirements. We also actively monitor groundwater table fluctuations using piezometric level monitoring.

### Focussing on circular economy

Our goal is to achieve a circular economy by utilising alternative materials and fuels. During the fiscal year 2022-23, we were able to increase the blended proportion to 70% of our total cement production, which involved utilising 14% of recycled or reused material. Additionally, we source lime sludge, an industrial waste and use the same in our blending process, which would otherwise contaminate the soil.

We have implemented sustainable practices at our kilns by substituting diesel with waste tyre oil and partially replacing fuel with power plant ash and industrial waste as alternative sources of energy. In addition, we have co-processed 16,746 tonnes of Municipal Solid Waste and 30,859 tonnes of Refuse Derived Fuel obtained from Urban Local Bodies, effectively reducing landfill waste and preventing environmental degradation. Furthermore, we have utilised 13% of other materials as alternative fuels.

As part of our efforts to explore alternative fuels, we replaced some of the fuel in our TPP with rubber waste and switched to bio-diesel for our earth moving equipment. We also integrated solar power for our mines dewatering operations.

*More details on waste handling can be read in the BRSR section in pages 144 and 145.*

**Ramco product suite targeted at circular economy**

| Type of cement | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Blended Cement | 70% | 71% |
| OPC | 30% | 29% |

# SUSTAINABLE MINING AT RAMCO

At our mining operations, sustainability is a top priority. Through the use of innovative technologies and methods, we strive to conserve minerals, promote eco-friendly mining practices, and reclaim mined-out areas to achieve our goals.

In our pursuit of achieving zero waste mining, we have incorporated optical sorter technology to segregate low-grade limestone (LS) that was adversely affecting the ore quality. This step has facilitated the efficient utilisation of cement grade LS and allowed for a regulated consumption of subgrades. The outcome has been highly beneficial.

Our commitment to sustainable practices led us to invest in a limestone beneficiation plant at both Alathiyur and the R R Nagar cement plants (currently undergoing commissioning). This plant upgrades low-grade LS, which would otherwise be unsuitable for direct use in the cement process. By doing so, we are able to conserve mineral resources for future generations and minimise waste.

We employ eco-friendly mining techniques by utilising surface miner and xcentric ripper technology, which allows us to recover high quality limestone without the need for blasting. This approach is noiseless and vibration-free, minimising any impact on neighbouring residences.

We also engage in simultaneous backfilling and rehabilitation, specifically afforestation, to reclaim areas where minerals have been fully mined-out.

## OUR SUSTAINABLE MINING IN FY 2022-23

**~11.23 LAKH TONNES**
of limestone treated using Optical Sorter Circuit

**~3.80 LAKH TONNES**
of subgrade limestone upgraded to cement-grade material at beneficiation plant

## 5-STAR RATING

**Melavenkateswarapuram limestone mine (RR Nagar unit) has been awarded the 5-Star Mine by the India Bureau of Mines, Ministry of Mines, Government of India on March 1, 2023. It is the only mine in Tamil Nadu to get this prestigious 5-star rating for adopting the best sustainable practices.**

Hon'ble Union Minister of Mines Shri Pralhad Joshi presenting 5-star rating award to Melavenkateswarapuram limestone mine in presence of Shri Vivek Bharadwaj, IAS, Secretary Mines and Shri Sanjay Lohiya, IAS, Addl. Secretary at the $75^{th}$ Annual Foundation Day of Indian Bureau of Mines held at Nagpur.

## Biodiversity protection

It is a great success that 262 acres of land in Pandalgudi limestone mines have been restored with the help of terracing overburden dumps and planting 1,50,000 native saplings that can withstand low rainfall conditions. The initiative also involved the creation of cycling and walking tracks, periphery plantations and a butterfly garden, resulting in the transformation of the entire area into an ecological park. This endeavour not only improved the flora and fauna but also provided a recreational outlet for visitors. A survey conducted on the fauna revealed the existence of 38 butterfly and 40 bird species, with pea fowl thriving in their natural habitat. This achievement demonstrates our dedication to sustainable and responsible practices, and it serves as a noteworthy accomplishment in environmental rehabilitation, habitat restoration and biodiversity conservation.

As part of our efforts to support biodiversity, we have made contributions to several projects. One such project is a Tamil Nadu Forest department initiative aimed at developing mangrove forests along the coast of Ramanathapuram district. Our contribution of Rs.50 lakhs will help to mitigate coastal erosion, promote the growth of a forest ecosystem and create new opportunities for tourism and livelihoods. We have also donated Rs.14 lakhs towards the development of a squirrel sanctuary for wildlife in Srivilliputhur, Virudhunagar District.

## Improving air quality

At our facilities, we take air quality seriously. We manage emissions such as SOx, NOx, and Particulate Matter (PM) in order to maintain a good ambient air quality. Although our SOx and NOx emissions are minimal, we have implemented highly-efficient bag filters to reduce PM. For more information on our emissions, please refer to the BRSR section on pages 143 and 144.

## Future focus areas

1. Moving towards achieving net zero carbon emissions involves implementing various techniques such as carbon sequestration, carbon credit trading, increasing green cover to enhance carbon sink and offset and reducing energy consumption.

2. Increasing alternate fuel utilisation to avoid landfills of plastic waste and exhaustion of renewable fuels.

3. We are looking into the Science Based Targets initiative (SBTi) to determine the level of Green House Gas emissions and reduce them in order to uphold the goal of limiting global warming to 1.5° C by 2030.

4. The World Resource Institute has developed a water tool that can be used to anticipate potential threats and hazards in water consumption.

5. To promote water positivity and management, we propose to invest in initiatives that focus on reducing consumption and improving equipment efficiency.

6. One way to enhance mineral conservation is through the utilisation of beneficiation techniques, which can upgrade low-grade resources and help preserve non-renewable limestone reserves.

GOVERNANCE

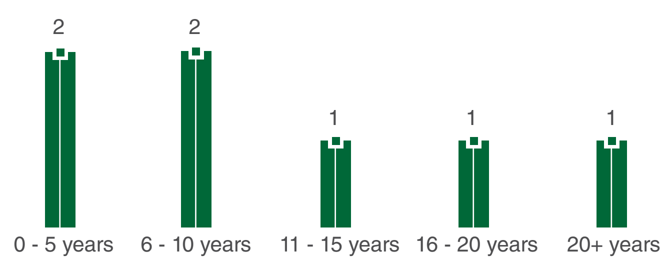
# Powering an organisation with good governance and ethical practices

At Ramco Cements, we have a robust governance framework in place built on the foundation blocks of integrity, ethics, equity, transparency, accountability and awareness. The framework has the Board of Directors sitting at the helm with the Committees of the Board reporting to them on various functions such as risk management, stakeholder relationship and audit, among others. The Board conducts periodic reviews to ensure seamless operations across all levels of the Company.

In our strive to promote transparency and independence among the Board, we have benchmarked not only our Board composition to global standards, but also benchmarked various policies and code of conduct to global standards. In our strive to go beyond regulatory compliances, we have segregated the responsibilities of Chairman and Managing Director, by way of appointing Shri M. F. Farooqui, IAS (Retd.) as the Chairman with effect from June 4, 2022. On the back of this measure, we are confident of empowering transparency and corporate democracy across the organisation on one hand, and strengthen our governance framework on the other.

We have a capable and experienced Board in place comprising seven members, of which, 6 are independent, thereby, validating the focus of the Company on equity and transparency.

### Board demography - Tenure




**13.57** Years
Average tenure of Directors on our Board

**68.43** Years
Average age of Directors on our Board

### Board involvement

**33.33%**
Board attendance in Board meetings mandated by law

**85.71%**
Board attendance of Ramco Cements

**92.50%**
Board committee attendance of Ramco Cements

### Board independence

**33.33%**
Independent Directors on Board mandated by law

**85.71%**
Independent Directors on Board of Ramco Cements

BOARD OF DIRECTORS

# Guiding the path for success and good governance

2

## M. F. Farooqui, IAS (Retd.)

*Chairman, Independent Director*

With a Master's Degree in Physics and Business Administration, he has spent 36 years of his life as a Civil Servant in the Indian Administrative Service. In his tenure of service, he worked in various positions, including as Secretary-Department of Telecom and Heavy Industries, Special Secretary & Additional Secretary-Ministry of Environment and Joint Secretary - Department of Economic Affairs. He joined Ramco Cements as a member of the Board in 2017. He is also on the Board of TVS Electronics Limited.

1
3
4
5

## P. R. Venketrama Raja

*Managing Director*

With a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration (MBA) from University of Michigan, he has been on the Board of The Ramco Cements Limited since 1985. He has a rich experience of more than three decades in textiles, cement and information technology sectors. He is also present on the Board of Ramco Industries Limited, Ramco Systems Limited, Rajapalayam Mills Limited and The Ramaraju Surgical Cotton Mills Limited.

1
2

## R.S. Agarwal

*Independent Director*

With a Bachelor's Degree in Chemical Engineering, he started his career in 1965 in a leading paper mill of Northern India, where he worked at various levels for 9 years. Post this, he joined Industrial Development Bank of India (IDBI), where he served for 28 years, and retired as its Executive Director. He joined Ramco Cements as a member of the Board in 2006. He is also on the Board of Ramco Industries Limited, Ramco Systems Limited and Suryalakshmi Cotton Mills Limited.

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4

## M. B. N. Rao

*Independent Director*

With a graduation in Agriculture, and diplomas in Computer Studies from University of Cambridge and National Centre for Information Technology, United Kingdom and a certificate in Industrial Finance, he started his banking career in 1970 as a Probationary Officer with Indian Bank. Over the years, he worked across various hierarchies before emerging as the Chairman and Managing Director of Indian Bank. He retired as the Chairman & Managing Director of Canara Bank. He joined Ramco Cements as a member of the Board in 2009. He is also on the Board of Taj GVK Hotels and Resorts Limited and Apollo Hospitals Enterprises Limited.

1 2 3 4 5

## M. M. Venkatachalam

*Independent Director*

With a graduation in Agriculture from the University of Agricultural Sciences in Bangalore and MBA from the George Washington University, USA, he was the Vice Chairman of The Planters' Association of Tamil Nadu. He was also the past president of The Employers' Federation of Southern India. He joined Ramco Cements as a member of the Board in 2013. He is also a Director of Coromandel International Limited, E.I.D Parry (India) Limited, Ramco Systems Limited, Coromandel Engineering Company Limited.

2 3 4 5

## Justice Chitra Venkataraman (Retd.)

*Independent Director*

With a graduation in Economics from Ethiraj College, Chennai, and a Bachelor of Law from Law College, Chennai, she started her practice at Madras High Court with a specialisation in Direct and Indirect tax laws. Between the tenure of 1991 and 1995, she was appointed as Government Pleader, following which she was appointed as the standing counsel for Income Tax for another 10 years. In 2005, she was elevated as Judge of Madras High Court, from where she retired in April 2014. She joined Ramco Cements as a member of the Board in 2015. She is also on the Board of Ramco Industries Limited, Lakshmi Machine Works Limited and Super Sales India Limited.

## M. S. Krishnan

*Independent Director*

With a Bachelor's Degree in Mathematics, a Master's Degree in Computer Application, and MS and Ph.D. in Industrial Administration, he is an Associate Dean, Executive Programs, Accenture Professor of Computer Information Systems and Professor of Technology and Operations at the Ross School of Business, University of Michigan. Over the years, his research has spanned across Business Model Innovation, Technology Enabled Personalisation, Ecosystem Innovation, Corporate IT Strategy, Business Value of IT investments, Metrics and Measures for Business Process and Software Quality, Productivity and Customer satisfaction.
In January 2000, American Society for Quality (ASQ) selected him as one of the 21 voices of quality for the twenty first century. He was also selected as one of the top thinkers on Business Technology by Information Week-Optimise magazine in 2004, based on their reader surveys. He joined Ramco Cements as a member of the Board in 2019.

Legends

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Risk Management Committee
5. CSR Committee

Chairman of Committee

Member of Committee

LEADERSHIP TEAM

# A Journey Of Leadership Team Working Together Over 25 Years

The Unbreakable Bond has ensured a Sustained Success

He joined the Company when it was having a single manufacturing unit and grew with it to become the Chief Executive Officer. He is now heading and successfully steering the Company in all its spheres of operations. A great believer of the digital management system, he is responsible for introducing data driven decision-making and management control system across all layers of the organisation.

**A. V. Dharmakrishnan**
*Chief Executive Officer*

**Balaji K Moorthy**
*Executive Director - Marketing*

He heads the marketing functions of the Company. With the rapid expansion in the manufacturing capacity of the Company, he is responsible for creating various new markets in Karnataka, Odisha, West Bengal, etc. He is credited with popularising the various brands of the Company, which are vital for its progress.

**M. Srinivasan**
*Executive Director - Operations*

He heads the manufacturing team and is responsible for production, quality control and research & development activities. His vast knowledge in the chemistry of cement has helped the organisation in the development of various types of cement for specialised applications. He is also heading the project team executing the capacity augmentation projects.

**S. Vaithiyanathan**
*Chief Financial Officer*

He heads the Finance and Accounts teams of the Company. He is responsible for project financial planning, tax planning, internal controls, commercial and logistics operations of the Company. He is also responsible for managing the Company's finances, management of financial risks and other operational risks, maintenance of books of accounts, financial reporting and analysis of data. He assists the Company on all strategic and tactical matters relating to budget management, cost-benefit analysis and forecasting.

**K. Selvanayagam**
*Company Secretary*

He heads the Secretarial and related compliance functions of the Company. He handles meetings, and all in-house share-related matters including connectivity with NSDL and CDSL. He has handled bonus issues, buy-back of shares, etc., and is responsible for introducing paperless Board Meetings. Contributing to in-house management training programmes and the large CSR functions of the Company are his added responsibilities.

SENIOR MANAGEMENT TEAM

# Powered by a passionate execution team

**Ramakrishnan R**
*Senior President – Marketing*

**Ravishankar N**
*Senior President – Manufacturing*

**Hari T R**
*President – Digital Process Solutions*

**Sai Kumar M J**
*Advisor – HR*

**Jayakumar K**
*President – Marketing*

**Ramalingam S**
*President – Manufacturing*

**Ashish Kumar Srivastava**
*President – Manufacturing*

**Reddy Nagaraju**
*President – Projects*

**Santhana Krishnan V**
*Senior Vice President – Works*

**Ramaraj S**
*Senior Vice President – Administration*

**Murthy Rao S V R K**
*Senior Vice President – Works*

**Ravichandran C**
*Senior Vice President – ESG*

**Renjit Jacob Mathews**
*Senior Vice President – Marketing*

**Rajaram K**
*Vice President – HR*

**Meenashi Sundaram R**
*Vice President – Works*

**Murugesan G**
*Vice President – IT*

**Madhusudhan Kulkarni**
*Vice President – Works*

**Sathasivam K K**
*Vice President – Marketing*

**Ajit Kumar Paul**
*Vice President – Works*

AWARDS AND ACCOLADES

# Winning recognitions across platforms

## Corporate Social Responsibility Awards

Ariyalur unit awarded 'CSR BOX - 8th CSR Impact Awards' in the WASH (Water Sanitation & Hygiene) category for our Gramalaya SMART toilet project at Ariyalur


Ariyalur and Alathiyur units awarded 'MCCI CSR Awards 2022' by Madras Chamber of Commerce and Industry (MCCI) in WASH category for Gramalaya SMART toilet projects

Ramasamy Raja Nagar unit awarded 'Health Care and Education Activities for the nearby village people' award in the category of 'Employee volunteering initiatives', by M/s. CSR Box. The unit received this award for the second time


Awarded as Winner in the '9th CSR India Award 2022' by Greentech Foundation for its outstanding achievements in promotion of healthcare

Awarded the 'TN Leadership awards 2022' in involvement in communities & protection of the Environment category for overall initiatives by World CSR Day

Ariyalur unit awarded 'Best CSR Impact Award' by UBS Forums, for its corporate social responsibility in today's changing times, linking CSR with sustainability and development. The unit received this award for the second time.

## Sustainability Awards


Alathiyur unit awarded 'Energy Efficient Unit' at the National Award for Excellence in Energy Management – 2021, conducted by Confederation of Indian Industry (CII). The unit received this award for 18th time

Ariyalur unit awarded Green Champion Award by the District Collector of Ariyalur.


Ariyalur unit awarded 'Gold Award' in the Environment, Health and Safety Excellence Awards, 2022 by CII

## Sustainability Awards

### Alathiyur unit

Awarded 'Gold Medal' and '2nd Runner up' in the India Green Manufacturing Challenge Award conducted by International Research Institute of Management (IRIM), Mumbai. This is the third time the unit is receiving this award

Awarded 'Greentech Environment Award 2022' by Greentech Foundation for outstanding achievement in Environment Protection category. This is the fourth time the unit is receiving the award

Awarded 'Noteworthy Water Efficient Unit' within the Fence category in the national level competition (Excellence in Water Management 2022) conducted by CII-Triveni Water Institute

### RR Nagar Plant

Awarded our project - 'Niskrtih - A Journey of Restoration', as Innovative Environmental Project by CII, under the category of bio-diversity

Awarded as Energy efficient unit by CII at the 23rd National Award for excellence in Energy Management 2022

Awarded by IRIM in National Awards for Manufacturing Competitiveness 2022-23, the following:

1. Gold Medal
2. Diamond Trophy – It is a special award for getting gold medal two times
3. Aatmanirbhar Factory Award – The first cement plant to receive this award in India

### Ariyalur Plant

Awarded Silver Award in Southern Region - Environment, Health & Safety Excellence Award 2020 by CII

### Kolaghat Grinding Unit

Awarded Energy Conservation Award (ENCON) 2022, by CII. The unit received this award for the fourth time

### Jayanthipuram Plant

Awarded 'Best Organisation Supporting Quality Circles Movement' by Quality Circle Forum of India. The unit received this award for the 11th time

### Other Awards

Alathiyur and Ariyalur Plants were awarded 'Platinum Awards' in cement sector under Apex India Occupational Health & Safety Award 2022 by Apex India Foundation

Sivalarpatti limestone mine in Thoothukudi district won first place in state-level; and Reddipalayam limestone mine in Ariyalur district won second place in the non-conventional mines category by the Tamil Nadu Mines Environment and Mineral Conservation Council, under the aegis of the Indian Bureau of Mines

## 15-YEAR HIGHLIGHTS

# A legacy of sustainable performance

| S. No. | Particulars | UOM | Previous GAAP | | | | | | Ind AS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 |
| 1 | Clinker Capacity | Lac Tons | 62.82 | 74.47 | 74.47 | 90.97 | 90.97 | 91.47 | 91.47 | 91.47 | 101.09 | 101.09 | 101.09 | 101.09 | 99.02 | 114.02 | 149.38 |
| 2 | Clinker Production | Lac Tons | 49.49 | 61.23 | 55.73 | 56.02 | 63.23 | 65.39 | 56.67 | 53.31 | 60.67 | 71.65 | 86.18 | 90.85 | 73.87 | 88.01 | 118.72 |
| 3 | Clinker Capacity Utilisation | In % | 79% | 82% | 75% | 62% | 70% | 71% | 62% | 58% | 60% | 71% | 85% | 90% | 75% | 80% | 88% |
| 4 | **Cement Capacity** | | | | | | | | | | | | | | | | |
| | - Integrated Plants | Lac Tons | 99.90 | 104.90 | 104.90 | 104.90 | 124.90 | 124.90 | 124.90 | 124.90 | 124.90 | 124.90 | 124.90 | 124.90 | 122.00 | 122.00 | 147.00 |
| | - Grinding Plants | Lac Tons | - | 19.50 | 19.50 | 19.50 | 30.50 | 30.50 | 40.00 | 40.00 | 40.00 | 42.00 | 42.00 | 63.00 | 72.00 | 72.00 | 72.90 |
| 5 | Total Cement Capacity | Lac Tons | 99.90 | 124.40 | 124.40 | 124.40 | 155.40 | 155.40 | 164.90 | 164.90 | 164.90 | 166.90 | 166.90 | 187.90 | 194.00 | 194.00 | 219.90 |
| 6 | Cement Production | Lac Tons | 65.26 | 80.26 | 73.05 | 75.22 | 84.75 | 85.90 | 76.96 | 72.33 | 83.11 | 93.16 | 111.84 | 114.12 | 99.25 | 110.85 | 148.66 |
| 7 | Cement to Clinker Ratio | In Times | 1.32 | 1.31 | 1.31 | 1.34 | 1.34 | 1.31 | 1.36 | 1.36 | 1.37 | 1.30 | 1.30 | 1.26 | 1.34 | 1.26 | 1.25 |
| 8 | Cement Sales Volume | Lac Tons | 65.28 | 79.54 | 72.48 | 75.04 | 83.60 | 85.97 | 76.68 | 71.99 | 83.48 | 93.12 | 111.24 | 112.03 | 99.77 | 110.48 | 148.21 |
| 9 | **Windfarms** | | | | | | | | | | | | | | | | |
| | - Capacity | In MW | 181.59 | 185.59 | 159.19 | 159.19 | 159.19 | 125.95 | 125.95 | 125.95 | 125.95 | 125.95 | 125.95 | 125.95 | 125.95 | 125.95 | 125.95 |
| | - Generation | Lac Units | 2,611 | 4,116 | 3,572 | 2,855 | 3,247 | 2,667 | 2,106 | 1,643 | 2,747 | 2,624 | 2,426 | 2,268 | 2,141 | 2,325 | 2,233 |
| 10 | Net Revenue | Rs. In Crores | 2,471.23 | 2,821.25 | 2,644.69 | 3,256.58 | 3,872.66 | 3,769.23 | 3,731.77 | 3,661.69 | 3,993.05 | 4,443.00 | 5,174.71 | 5,405.64 | 5,303.08 | 6,010.62 | 8,171.97 |
| 11 | EBITDA | Rs. In Crores | 793.49 | 877.29 | 657.31 | 969.77 | 1,047.30 | 648.76 | 800.12 | 1,160.02 | 1,238.16 | 1,136.07 | 1,064.97 | 1,173.82 | 1,582.60 | 1,314.48 | 1,218.65 |
| 12 | Blended EBITDA per Tonne | In Rs. | 1,216 | 1,103 | 907 | 1,292 | 1,253 | 755 | 1,043 | 1,611 | 1,483 | 1,220 | 957 | 1,048 | 1,586 | 1,190 | 823 |
| 13 | Finance Costs in P & L | Rs. In Crores | 110.01 | 150.87 | 139.28 | 158.45 | 178.51 | 188.13 | 193.81 | 181.86 | 103.52 | 59.21 | 50.87 | 71.35 | 87.62 | 112.40 | 240.52 |
| 14 | Profit before Tax | Rs. In Crores | 545.42 | 530.44 | 297.26 | 557.42 | 588.21 | 154.34 | 356.43 | 673.37 | 850.15 | 784.66 | 715.58 | 787.21 | 1,139.68 | 801.24 | 473.69 |
| 15 | Profit after Tax | Rs. In Crores | 363.52 | 353.68 | 210.98 | 385.11 | 403.65 | 137.70 | 242.35 | 542.19 | 649.29 | 555.66 | 505.89 | 601.09 | 761.08 | 892.70 | 343.54 |
| 16 | Cash generation | Rs. In Crores | 683.14 | 726.53 | 518.03 | 811.32 | 868.79 | 460.63 | 606.31 | 978.16 | 1,134.64 | 1,076.86 | 1,014.10 | 1,102.47 | 1,494.98 | 1,202.08 | 978.13 |
| 17 | No. of Employees | Numbers | 2,447 | 2,583 | 2,593 | 2,626 | 2,787 | 2,937 | 2,883 | 2,846 | 2,883 | 3,034 | 3,188 | 3,327 | 3,374 | 3,326 | 3,507 |
| 18 | Revenue generated per Employee | Rs. In Crores | 1.01 | 1.09 | 1.02 | 1.24 | 1.39 | 1.28 | 1.29 | 1.29 | 1.39 | 1.46 | 1.62 | 1.62 | 1.57 | 1.81 | 2.33 |
| 19 | CSR Expenditure | Rs. In Crores | 4.39 | 4.47 | 4.32 | 9.38 | 32.75 | 16.84 | 7.80 | 6.66 | 7.28 | 10.93 | 17.97 | 14.99 | 18.01 | 18.29 | 18.15 |
| 20 | Contribution to Exchequer | Rs. In Crores | 711.10 | 809.00 | 839.00 | 1,186.00 | 1,423.00 | 1,403.00 | 1,418.00 | 1,550.00 | 1,711.26 | 1,837.49 | 1,951.88 | 1,966.85 | 1,994.90 | 2,177.48 | 2,955.92 |
| 21 | Gross Fixed Assets (including CWIP) | Rs. In Crores | 4,552.96 | 5,128.84 | 5,836.88 | 6,378.74 | 6,770.68 | 7,228.67 | 7,685.40 | 7,915.07 | 8,177.61 | 8,602.98 | 9,599.18 | 11,465.40 | 13,208.60 | 15,008.49 | 16,846.98 |
| 22 | Equity Share Capital | Rs. In Crores | 23.80 | 23.80 | 23.80 | 23.80 | 23.80 | 23.80 | 23.81 | 23.81 | 23.81 | 23.56 | 23.56 | 23.56 | 23.59 | 23.63 | 23.63 |
| 23 | Face Value per Share | In Rs. | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 24 | Debt | Rs. In Crores | 2,463.45 | 2,566.51 | 2,791.17 | 2,710.41 | 2,667.05 | 2,928.80 | 2,711.89 | 2,123.04 | 1,424.81 | 1,113.16 | 1,618.70 | 3,024.09 | 3,101.72 | 3,929.95 | 4,487.42 |
| 25 | Networth | Rs. In Crores | 1,243.74 | 1,536.77 | 1,734.51 | 2,050.38 | 2,370.76 | 2,482.08 | 2,645.19 | 3,093.46 | 3,741.51 | 4,042.18 | 4,460.11 | 4,918.56 | 5,626.80 | 6,524.86 | 6,793.53 |
| 26 | Capital Employed | Rs. In Crores | 3,707.19 | 4,103.28 | 4,525.68 | 4,760.79 | 5,037.81 | 5,410.88 | 5,357.08 | 5,216.50 | 5,166.32 | 5,155.34 | 6,078.81 | 7,942.65 | 8,728.52 | 10,454.81 | 11,280.95 |
| | **Profitability Ratios** | | | | | | | | | | | | | | | | |
| 27 | EBITDA Margin | In % | 32.11% | 31.10% | 24.85% | 29.78% | 27.04% | 17.21% | 21.44% | 31.68% | 31.01% | 25.57% | 20.58% | 21.71% | 29.84% | 21.87% | 14.91% |
| 28 | P B T Margin | In % | 22.07% | 18.80% | 11.24% | 17.12% | 15.19% | 4.09% | 9.55% | 18.39% | 21.29% | 17.66% | 13.83% | 14.56% | 21.49% | 13.33% | 5.80% |
| 29 | P A T Margin | In % | 14.71% | 12.54% | 7.98% | 11.83% | 10.42% | 3.65% | 6.49% | 14.81% | 16.26% | 12.51% | 9.78% | 11.12% | 14.35% | 14.85% | 4.20% |
| 30 | Return on Capital Employed | In % | 15.05% | 12.92% | 8.12% | 11.71% | 11.88% | 6.24% | 8.10% | 13.66% | 14.48% | 11.88% | 9.86% | 9.48% | 10.14% | 10.45% | 5.34% |
| | **Leverage Ratios** | | | | | | | | | | | | | | | | |
| 31 | Net Debt to EBITDA | In Multiples | 3.06 | 2.89 | 4.19 | 2.77 | 2.50 | 4.45 | 3.32 | 1.76 | 1.08 | 0.90 | 1.47 | 2.52 | 1.89 | 2.88 | 3.57 |
| 32 | Debt Equity Ratio | In Multiples | 1.98 | 1.67 | 1.61 | 1.32 | 1.12 | 1.18 | 1.03 | 0.69 | 0.38 | 0.28 | 0.36 | 0.61 | 0.55 | 0.60 | 0.66 |
| 33 | Debt Service Coverage Ratio | In Multiples | 2.89 | 1.53 | 0.46 | 0.65 | 1.13 | 0.66 | 0.77 | 0.56 | 1.30 | 2.23 | 4.52 | 2.90 | 1.80 | 1.35 | 1.31 |
| 34 | Interest Service Coverage Ratio | In Multiples | 3.85 | 4.01 | 2.70 | 3.70 | 3.81 | 1.60 | 2.36 | 4.70 | 9.21 | 13.25 | 9.58 | 5.56 | 6.53 | 4.25 | 2.06 |
| | **Liquidity Ratios** | | | | | | | | | | | | | | | | |
| 35 | Current Ratio | In multiples | 1.52 | 1.97 | 1.47 | 1.14 | 1.34 | 1.23 | 1.21 | 1.24 | 1.27 | 1.13 | 1.07 | 1.06 | 1.26 | 1.14 | 1.08 |
| 36 | Average Receivable days | In Days | 11 | 16 | 23 | 21 | 24 | 29 | 33 | 42 | 47 | 41 | 33 | 34 | 31 | 22 | 18 |
| 37 | Average Inventory days | In Days | 42 | 48 | 56 | 50 | 51 | 62 | 59 | 53 | 51 | 47 | 39 | 41 | 43 | 44 | 39 |
| 38 | Average Payable days | In Days | 16 | 18 | 23 | 17 | 15 | 20 | 24 | 23 | 22 | 21 | 18 | 20 | 24 | 26 | 25 |
| 39 | Cash to Cash Cycle (C2C) | In Days | 37 | 46 | 55 | 54 | 60 | 71 | 69 | 72 | 77 | 66 | 54 | 55 | 50 | 40 | 32 |
| | **Market Ratios** | | | | | | | | | | | | | | | | |
| 40 | Earnings per share | In Rs. | 15 | 15 | 9 | 16 | 17 | 6 | 10 | 23 | 27 | 23 | 21 | 25 | 32 | 38 | 15 |
| 41 | Dividend per share | In Rs. | 2.00 | 2.00 | 1.25 | 2.50 | 3.00 | 1.00 | 1.50 | 3.00 | 3.00 | 3.00 | 3.00 | 2.50 | 3.00 | 3.00 | 2.00 |
| 42 | Dividend Distributed | Rs. In Crores | 47.66 | 47.66 | 29.79 | 59.58 | 71.49 | 23.83 | 35.75 | 71.49 | 70.75 | 70.74 | 70.74 | 58.95 | 70.84 | 70.96 | 47.31 |
| 43 | Dividend payout ratio | In % | 13% | 13% | 14% | 15% | 18% | 17% | 15% | 13% | 11% | 13% | 14% | 10% | 9% | 8% | 14% |
| 44 | PE Ratio | In Multiples | 5 | 8 | 12 | 10 | 15 | 37 | 30 | 18 | 25 | 31 | 34 | 20 | 31 | 20 | 52 |
| 45 | Market price per share | | | | | | | | | | | | | | | | |
| | - High | In Rs. | 198 | 140 | 134 | 169 | 274 | 261 | 380 | 428 | 728 | 831 | 879 | 884 | 1,043 | 1,131 | 824 |
| | - Low | In Rs. | 55 | 70 | 85 | 76 | 134 | 135 | 205 | 279 | 396 | 648 | 547 | 466 | 455 | 691 | 576 |
| | - As at 31st March | In Rs. | 71 | 122 | 102 | 154 | 254 | 215 | 305 | 400 | 673 | 724 | 736 | 513 | 1,003 | 768 | 757 |
| 46 | Market Capitalisation | Rs. In Crores | 1,700 | 2,897 | 2,427 | 3,659 | 6,045 | 5,117 | 7,265 | 9,520 | 16,016 | 17,056 | 17,338 | 12,082 | 23,650 | 18,149 | 17,880 |
| 47 | Networth per share | In Rs. | 52 | 65 | 73 | 86 | 100 | 104 | 111 | 130 | 157 | 172 | 189 | 209 | 239 | 276 | 287 |

*Note: The above details are based on standalone figures.*

# Corporate Information

## Board of Directors

**Shri M.F.Farooqui,** IAS (Retd.)
Chairman (from 04-06-2022)

**Shri P.R.Venketrama Raja,** B.Tech.
Chairman and Managing Director (upto 03-06-2022)
Managing Director (from 04-06-2022)

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

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

**Shri M.M.Venkatachalam**, B.Sc. (Agri.)

**Smt. Justice Chitra Venkataraman** (Retd.)

**Shri M.S.Krishnan**, MS, PhD

## Chief Executive Officer

**Shri A.V.Dharmakrishnan**

## Chief Financial Officer

**Shri S.Vaithiyanathan**

## Secretary

**Shri K.Selvanayagam**

## Corporate Office

98-A, Dr.Radhakrishnan Road, Mylapore
Chennai – 600 004, Tamil Nadu

## Registered Office

"Ramamandiram"
Rajapalayam – 626 117, Tamil Nadu

## Website

www.ramcocements.in

## Corporate Identity Number

L26941TN1957PLC003566

https://www.facebook.com/theramcocementsltd

https://twitter.com/ramcocements

https://www.youtube.com/channel/UCOKHgFbXEdfkWX31eIlxU8A

## Bankers

Axis Bank Limited
Canara Bank
Citi Bank
HDFC Bank Limited
ICICI Bank Limited
IDBI Bank Limited
IDFC First Bank Limited
Kotak Mahindra Bank Limited
RBL Bank Limited
Standard Chartered Bank
The Federal Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
The South Indian Bank Limited

## Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.

## Auditors

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

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

## Cost Auditors

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

## Secretarial Auditors

**M/s. S.Krishnamurthy & Co.**
Company Secretaries
Old No. 17, New No. 16, Pattammal Street
Mandaveli, Chennai – 600 028.

# Notice to the Members

Notice is hereby given that the 65th Annual General Meeting (AGM) of the Company will be held at 10.00 AM on Thursday, the 10th August 2023. This AGM is being conducted through Video Conferencing / Other Audio Visual Means (VC) the details of which are provided in the Notes to this Notice. The following are the businesses that would be transacted at this AGM.

## Ordinary Business

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

   "RESOLVED THAT the Company's Separate and Consolidated Audited Financial Statements for the year ended 31st March 2023, and the Reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."

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

   "RESOLVED THAT a Dividend of Rs. 2/- per Share be and is hereby declared for the year ended 31st March 2023 and the same be paid to those shareholders whose names appear in the Register of Members maintained by the Company and the Register of Beneficial Owners maintained by the Depositories as on 3rd August 2023."

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

   "RESOLVED THAT Shri.P.R.Venketrama Raja (DIN: 00331406), who retires by rotation, be and is hereby reappointed as a Director of the Company."

## Special Business

4. To consider and pass the following Resolution, as a SPECIAL RESOLUTION:

   "RESOLVED that subject to the approval of the Financial Institutions/Banks as may be required and in supersession of the resolution passed at the Annual General Meeting held on 28th July 2014 and pursuant to Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the Board of Directors for borrowing from time to time any sum or sums of money which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the maximum amount of moneys so outstanding, shall not at any time exceed Rs. 10,000 Crores (Rupees Ten thousand crores only)."

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

   "RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rule 14 of Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 6,50,000/- (Rupees Six lakhs fifty thousand only) exclusive of GST and Out-of-pocket expenses, payable to M/s.Geeyes & Co., Cost Accountants (Firm Registration No: 000044) appointed as the Cost Auditors of the Company by the Board of Directors, for the financial year 2023-24 for auditing the Cost Records relating to manufacture of cement and generation of wind energy, be and is hereby ratified."

By Order of the Board,
For **THE RAMCO CEMENTS LIMITED,**

**M.F.FAROOQUI**
Chairman
(DIN : 01910054)

Chennai
18-05-2023

**Notes:**

1. Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of Special Business is annexed hereto.

2. The Company has chosen to conduct the AGM through VC. The AGM would be conducted in accordance with the General Circular No: 10/2022 dated 28th December 2022, issued by Ministry of Corporate Affairs "(MCA)", Government of India and Circular No: SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023, issued by Securities and Exchange Board of India (SEBI) and such other instructions that may be issued by Statutory Authorities.

3. The Company would be providing the Central Depository Services (India) Limited's (CDSL) system for the members to cast their vote through remote e-voting and participate in the AGM through VC.

4. Proxy form is not being sent to shareholders, as the meeting is being conducted through VC.

5. The Company is also releasing a Public Notice by way of advertisement in English in Business Line (All editions), The New Indian Express (Combined Chennai edition), Trinity Mirror (All editions), Business Standard (All

Editions) and in Tamil in Dinamani (Combined Chennai edition) and Makkal Kural (All editions), containing the following information:

- Convening of AGM through VC in compliance with applicable provisions of the Act.
- Date and Time of the AGM.
- Availability of Notice of the Meeting on the website of the Company, the stock exchanges, viz. BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed and at https://www.evotingindia.com
- Reference to the link of the Company's website, providing access to the full annual report.
- Requesting the members who have not registered their E-Mail addresses with the Company, to get the same registered with the Company.

6. The cut-off date will be 03-08-2023, for determining the eligibility to vote by remote e-voting or in the AGM.

7. Pursuant to Rule 8 of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed/ unpaid dividends lying with the Company on the website of the Company (www.ramcocements.in), as also on the website of the Ministry of Corporate Affairs. The dividends remaining unpaid for a period of over 7 years will be transferred to the Investor Education & Protection Fund (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:

| Year | Type of dividend | Date of declaration of Dividend | Last date for claiming Unpaid Dividend | Due Date for Transfer to IEP Fund |
|---|---|---|---|---|
| 2016-17 | Dividend | 04-08-2017 | 03-08-2024 | 02-09-2024 |
| 2017-18 | Dividend | 03-08-2018 | 02-08-2025 | 01-09-2025 |
| 2018-19 | Dividend | 08-08-2019 | 07-08-2026 | 06-09-2026 |
| 2019-20 | Dividend | 03-03-2020 | 02-03-2027 | 01-04-2027 |
| 2020-21 | Dividend | 12-03-2021 | 11-03-2028 | 10-04-2028 |
| 2021-22 | Dividend | 10-08-2022 | 09-08-2029 | 08-09-2029 |

8. In accordance with Section 125(5) of the Companies Act, 2013, the Company has transferred the unclaimed/unpaid dividends lying with the Company for a period of over 7 years, to the IEPF established by the Central Government.

9. In accordance with Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares in respect of which, dividend has not been paid or claimed for 7 consecutive years or more have been transferred by the Company to IEPF. The shareholders / their legal heirs are entitled to claim the said shares and the dividend so transferred from the IEPF by making an online application in Form No: IEPF-5 to the IEPF Authority. The procedure is available at the website of the Company, viz. www.ramcocements.in and the form is available at the website of MCA at www.mca.gov.in

10. Despatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), has been dispensed with. Such statements are being sent only by email to the members, trustees for the debenture-holders and to all other persons so entitled. The Annual Report will also be made available on the Company's Website - www.ramcocements.in and at the websites of the BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed and CDSL's e-voting portal at https://www.evotingindia.com

11. Voting through electronic means

A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, [LODR] the Company is providing members remote e-voting facility to exercise their right to vote at the 65$^{th}$ AGM and the business may be transacted through such voting, through e-voting services provided by CDSL.

B. The facility for remote e-voting shall remain open from 9.00 AM on Monday, the 7$^{th}$ August 2023 to 5.00 PM on Wednesday, the 9$^{th}$ August 2023. During this period, the members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, viz. Thursday, the 3$^{rd}$ August 2023, may opt for remote e-voting. Remote e-voting shall not be allowed beyond 5.00 PM on Wednesday, the 9$^{th}$ August 2023.

C. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants (DP). Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

D. Pursuant to said SEBI Circular, Login method for e-voting and joining the AGM through VC for Individual shareholders holding securities in Demat mode are given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasitoken/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.<br>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-voting page of the e-voting service provider for casting the vote during the remote e-voting period or joining the AGM through VC & voting during the meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL, so that the user can visit the e-voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration<br>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the evoting is in progress and also able to directly access the system of all e-voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL Depository | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>3) Visit the e-voting website of NSDL. Open the web browser and type the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number holding with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining the AGM through VC & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

E. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login Type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000. |

F. Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode. Login method for e-Voting and joining the AGM through VC for shareholders holding shares in physical mode and shareholders other than individual holding in Demat form.

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

| Particulars | For Physical shareholders and other than individual shareholders holding shares in Demat |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).<br><br>Shareholders who have not updated their PAN with the Company/DP are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br><br>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction F. |

After entering these details appropriately, click on "SUBMIT" tab.

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

H. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

I. Click on the EVSN for The Ramco Cements Limited, on which you choose to vote.

J. 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.

K. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

L. 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.

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

N. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

O. If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

P. There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.

Q. Facility for Non – Individual Shareholders and Custodians –Remote Voting

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

d. The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.

e. It is mandatory that 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.

f. Alternatively Non Individual shareholders are mandatorily required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at srinivasan.k@msjandnk.in and to the Company at the email address viz. investorrelations@ramcocements.co.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

R. If you have any queries or issues regarding attending the Meeting & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

12. Instructions for shareholders attending the AGM through VC & e-voting during meeting are as under:

A. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

B. The Members can join the AGM in the VC mode upto 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC will be made available to at least 1000 members on first come first served basis. This will not include Members holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM.

C. Members are requested to join the AGM through Laptops / IPads for better experience and will be required to have webcam and use Internet with a good speed to avoid any disturbance during the meeting.

D. Members are requested to use Stable Wi-Fi or LAN Connection to mitigate Audio/Video loss due to fluctuation in your network. Please avoid connecting through your Mobile Devices or Tablets or through Laptop via Mobile Hotspot.

E. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request at least 3 days prior to meeting mentioning your name, demat account number/folio number, email id, mobile number (as registered with the Depository Participant (DP)/Company) to the mail id: investorrelations@ramcocements.co.in Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

F. Members who do not wish to speak during the AGM but have queries may send your queries at least 3 days prior to meeting mentioning your name, demat account number/folio number, email id, mobile number to the mail id: investorrelations@ramcocements.co.in These queries will be replied by the company suitably by email.

G. Non-Individual members intending to authorize their representatives to attend the Meeting are requested to send a scanned certified copy of the board resolution authorizing their representative to attend on their behalf at the meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address with a copy marked to helpdesk.evoting@cdslindia.com.

H. The attendance of the Members attending the AGM through VC will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

I. The link for VC to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

J. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

K. Only those shareholders, who are present in the AGM through VC and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.

L. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

M. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

13. Process for those shareholders whose E-mail/Mobile No. are not registered with the Company/DP.

A. For Physical shareholders, please provide your e-mail id/mobile number along with necessary details in Form No: ISR-1, available at the website of the Company.

B. For Individual Demat shareholders, please update your email id & mobile no. with your respective DP which is mandatory while e-voting & joining the AGM through VC.

14. Any person, who acquires shares of the Company and becomes a member of the Company after despatch of the Notice and holding shares as of the cut-off date i.e. 3rd August 2023, may obtain the Login ID and Password by following the procedures mentioned in Point No: 11 (D) or (F), as the case may be.

15. 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 3rd August 2023.

16. Shri.K.Srinivasan, Chartered Accountant (Membership No. 021510), Partner, M/s.M.S.Jagannathan & N.Krishnaswami, Chartered Accountants (E-Mail ID: srinivasan.k@msjandnk.in) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

17. The scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through 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.

18. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of CDSL immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited, Mumbai.

19. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

By Order of the Board,
For **THE RAMCO CEMENTS LIMITED,**

**M.F.FAROOQUI**
Chairman
(DIN : 01910054)

Chennai
18-05-2023

# Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No: 4

Under Section 180(1)(c) of the Companies Act, 2013, the Board of Directors are entitled to borrow in excess of the Company's Paid-up Capital and Free Reserves, with the consent of the Members by way of Special Resolution.

Accordingly, pursuant to the above said section, the Members of the Company at the Annual General Meeting held on 28-07-2014 have passed a Special Resolution, permitting the Company to borrow such that the maximum outstanding amount shall not, at any time exceed Rs. 5,000 crores.

The Company has been consistently investing in new projects, expansions and modernisation of the existing plants. The Company would continue to look for opportunities to expand its capacities. This would be done by way of both establishment of green field cement plants and acquisition of brown field cement plants. The Company would also continue to invest in satellite grinding units to cater to the wider market in its bid for expanding its market presence. The Company is also investing in its R & D activities, for creating niche products for different consumers' needs in its strategy of "Right Cement for Right Application". The Company has also identified Dry Mortar products which can be instantly used in the application areas. These products could be advantageously combined in the Company's marketing net work. All these things would entail additional borrowings and the proposed increase in borrowing limit would cater to these needs.

Hence, approval is sought from Members by way of Special Resolution to increase the said borrowing limit and authorise the Board of Directors to borrow such that the maximum outstanding, shall not at any time exceed Rs. 10,000 crores.

As provided under Section 180(1)(c) of the Companies Act, 2013, the limit is exclusive of temporary loans obtained from the Company's Bankers / Financial Institutions in the ordinary course of business. Temporary loans include, loans repayable on demand or within six months from the date of the loan such as short term, cash credit, discounting of bills and issue of other short term loans of seasonal character, but does not include loans raised for the purpose of financial expenditure of a capital nature.

The company would strive to avail the borrowings on utmost necessity basis and would be judicial in this regard.

Your Directors recommend the resolution for your approval.

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

### Item No: 5

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 cement and generation of wind energy.

On the recommendation of the Audit Committee at its meeting held on 18-05-2023, the Board had approved the appointment of M/s.Geeyes & Co., Cost Accountants (Firm Registration No: 000044) as the Cost Auditors of the Company to audit the Company's Cost Records relating to manufacture of cement and generation of wind energy, for the financial year 2023-24.

The firm established in the year 1994, have rich experience in Industry, Consulting and Management Systems Audits, Cost Audits, and Excellence Assessments. They are Cost Auditors for many companies across several industries. Their areas of specialization and interest include Corporate Strategy, Sustainability, Business Excellence, Total Cost Management, Enterprise Risk Management, Corporate Governance, Project Management, Energy & Environmental Management and Supply Chain Management. The following are the names of the Partners of the firm.

Mr.S.Srinivasan

Mr.R.Anantharaman

Mr.Manivannan.R.Rajan

The Board had approved a remuneration of Rs.6,50,000/- (Rupees Six lakhs fifty thousand only) exclusive of GST and Out-of-pocket expenses.

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

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

**Details of Director Seeking Re-Appointment at the 65th Annual General Meeting Pursuant to Secretarial Standards on General Meetings:**

| **Name of the Director** | **Shri.P.R.Venketrama Raja** |
|---|---|
| Director Identification Number (DIN) | 00331406 |
| Age | 64 years |
| Qualifications | B.E., MBA |
| Experience | Shri.P.R.Venketrama Raja, has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from University of Michigan, USA. He has been on the Board of The Ramco Cements Limited since 1985. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors. |
| Terms and conditions of reappointment | Director liable to retire by rotation. |
| Date of First Appointment to the Board | 23-05-1985 |
| Shareholding in the Company as on date | 17,46,460 Shares of Rs. 1/- each. |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | Not related to Directors or Manager or Key Managerial Personnel. |
| No. of Meetings of the Board attended during the year | 5 |
| Other Directorships as on 31-03-2023 | Ramco Systems Limited<br>Ramco Industries Limited<br>Rajapalayam Mills Limited<br>The Ramaraju Surgical Cotton Mills Limited<br>Sri Vishnu Shankar Mills Limited<br>Sandhya Spinning Mill Limited<br>Sri Sandhya Farms (India) Private Limited<br>RCDC Securities and Investments Private Limited<br>Nirmala Shankar Farms & Estates Private Limited<br>Ram Sandhya Farms Private Limited<br>Rajapalayam Textile Limited<br>Ramamandiram Agricultural Estate Private Ltd.<br>Lynks Logistics Limited<br>Ramamandiram Management Consultancy Private Limited<br>Rajapalayam Chamber of Commerce and Industry<br>Ramco Management Private Limited |
| Memberships and Chairmanships of Committees of other Board | Details given below |

| Sl. No | Name of the Company | Name of the Committee | Position Held (Chairman / Member) |
|---|---|---|---|
| 1 | Rajapalayam Mills Limited | Stakeholders Relationship Committee | Chairman |
| 2 | Rajapalayam Mills Limited | Corporate Social Responsibility Committee | Chairman |
| 3 | Rajapalayam Mills Limited | Rights Issue Committee | Chairman |
| 4 | Rajapalayam Mills Limited | Risk Management Committee | Chairman |
| 5 | Ramco Industries Limited | Stakeholders Relationship Committee | Chairman |
| 6 | Ramco Industries Limited | Corporate Social Responsibility Committee | Chairman |
| 7 | Ramco Industries Limited | Risk Management Committee | Chairman |
| 8 | Ramco Industries Limited | Audit Committee | Member |
| 9 | Ramco Systems Limited | Stakeholders Relationship Committee | Chairman |
| 10 | Ramco Systems Limited | Corporate Social Responsibility Committee | Chairman |
| 11 | Ramco Systems Limited | Allotment Committee | Member |
| 12 | Ramco Systems Limited | Fund Raising Committee | Member |
| 13 | Ramco Systems Limited | Risk Management Committee | Chairman |
| 14 | The Ramaraju Surgical Cotton Mills Limited | Stakeholders Relationship Committee | Chairman |
| 15 | The Ramaraju Surgical Cotton Mills Limited | Corporate Social Responsibility Committee | Chairman |
| 16 | Sri Vishnu Shankar Mill Limited | Corporate Social Responsibility Committee | Chairman |
| 17 | Sandhya Spinning Mill Limited | Corporate Social Responsibility Committee | Chairman |

# Board's Report

Your Directors have pleasure in presenting their 65th Annual Report and the Audited Accounts of the Company for the year ended 31st March 2023.

(Rs. in crores)

| Separate Financial Statements | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Total Income** | **8,171.97** | **6,010.62** |
| **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)** | **1,218.65** | **1,314.48** |
| Less: Interest | 240.52 | 112.40 |
| **Profit Before Depreciation & Tax (PBDT)** | **978.13** | **1,202.08** |
| Less: Depreciation | 504.44 | 400.84 |
| **Profit Before Tax (PBT)** | **473.69** | **801.24** |
| Less: Tax Expenses | | |
| Current Tax | 24.37 | 165.48 |
| Current Tax adjustment of earlier years | 1.31 | 6.67 |
| Deferred Tax | 105.20 | 41.22 |
| MAT credit reversal of earlier years | - | 4.63 |
| Deferred Tax adjustment of earlier years | (0.73) | (309.46) |
| **Profit After Tax (PAT)** | **343.54** | **892.70** |
| Other Comprehensive Income [Net of tax credit of Rs. 1.48 crores (PY: Rs. 0.83 crores)] | (3.91) | (2.65) |
| **Total Comprehensive Income (TCI)** | **339.63** | **890.05** |

## Changes in Capital and Debt Structure

The paid-up capital of the Company is Rs. 23,62,92,380/- consisting of 23,62,92,380 shares of Rs. 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.

The details of Employees Stock Option Schemes (ESOS) are provided in this Report.

The details of Secured Redeemable Non-Convertible Debentures issued during the year under review are given below:

| | | | | |
|---|---|---|---|---|
| (a) | Name of the Series | 7.90% Series - I | 7.90% Series - J | 7.90% Series - K |
| (b) | Date of issue of the securities | 28-03-2023 | 28-03-2023 | 28-03-2023 |
| (c) | Date of allotment of the securities | 29-03-2023 | 29-03-2023 | 29-03-2023 |
| (d) | Number of securities | 15,000 | 15,000 | 20,000 |
| (e) | Type of issue | Private Placement | Private Placement | Private Placement |
| (f) | Details of the debt restructuring pursuant to which the securities are issued | Not Applicable | Not Applicable | Not Applicable |
| (g) | Issue price – per instrument | Rs. 1.00 lakh | Rs. 1.00 lakh | Rs. 1.00 lakh |
| (h) | Coupon rate | 7.90% | 7.90% | 7.90% |
| (i) | Maturity date | 29-03-2027 | 29-09-2027 | 29-03-2028 |
| (j) | Amount raised | Rs. 150.00 crores | Rs. 150.00 crores | Rs. 200.00 crores |

## Dividend

Your Directors have pleasure in recommending a dividend of Rs. 2/- per share [PY: Rs. 3/- per share] on the equity capital of the Company. This would entail an outflow of Rs.47.31 crores with a pay-out ratio of 15.04% of Company's consolidated post tax profit. As per the Dividend Distribution Policy of the Company, the Company should strive to distribute at least 10% of consolidated post tax profit as dividend.

The payment of dividend 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.ramcocements.in/investors/codes-and-policies

The Dividend Distribution Policy forms part of this Report.

### Transfer to General Reserves

After appropriations, a sum of Rs. 200 crores has been kept as retained earnings of the Company and a sum of Rs. 268.19 crores has been transferred to General Reserve. As on 31-03-2023, the General Reserve stands at Rs. 6,512.25 crores.

### Taxation

The Company has made current tax provision of Rs.24.37 crores for the year ended 31-03-2023 as against Rs.165.48 crores in the previous year.

Current tax adjustments of earlier years is Rs.1.31 crores as against Rs.6.67 crores during the previous year.

The deferred tax for the year ended 31-03-2023 is Rs.105.20 crores as against Rs.41.22 crores in the previous year.

As per Section 115BAA of the Income Tax Act, 1961, the Company had an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. In view of the overall tax benefits available under the said option, the company had opted for shifting to lower tax rate from the FY22 onwards. Consequently, the company had written back the excess deferred tax provision of Rs.305.58 crores from Deferred Tax Liability to profit and loss in the previous year and also reversed MAT Credit relating to earlier years of Rs.4.63 crores.

Deferred tax credit adjustments pertaining to earlier years other than impact on account of Section 115BAA for the year ended 31-03-2023 is Rs.0.73 crores as against Rs.3.88 crores during the previous year.

## Management Discussion & Analysis Report

**Macro Economic Review**

### Global Economy

The year 2022 was marked with certain challenges such as the geopolitical risk arising from the Russia and Ukraine war, inflationary pressures and the resurgence of COVID-19 in China. These factors adversely impacted the economic growth trajectory in 2022 and are expected to impact the growth of the global economy in 2023 as well. The global growth in 2022 is estimated to have slowed down to 3.4% compared to 6.2% in 2021. However, the second half of the year saw nascent signs of recovery of the global economy. The emerging markets and developing economies are estimated to have grown their gross domestic product (GDP) at an average of 4.0% in 2022 compared to 6.9% in 2021. On the other hand, the advanced economies are estimated to have grown at an average of 2.7% in 2022 compared to 5.4% in 2021.

With the escalation of Russia-Ukraine war, there has been a continued disruption in the global trade quantum. Further, prices of gas, fuel and food increased, translating into rising inflation. The global inflation in 2022 is estimated at 8.7%. Of this, the inflation for emerging economies and advanced economies are estimated at 7.3% and 9.8% in 2022, compared to 3.1% and 5.9% respectively in 2021. However, with the focus of Governments across the world on securing global disinflation, containing the return of COVID-19, ensuring financial stability and restoring debt stability, the global economy is expected to stabilise in 2024 with a GDP growth of 3.0%, before dipping slightly in 2023 with a GDP growth rate of 2.8%. The policy initiatives are expected to successfully reduce global inflation to 7.0% in 2023 and further to 4.9% in 2024.

### Indian Economy

The inflationary pressure across the entire world has impacted the Indian economy as well. As per its 1st advance estimates, the Government has estimated the Indian economy to have grown at 7% in 2022-23 compared to 8.7% in 2021-22. The year saw rising power, fuel and food cost. The Consumer Price Index (CPI) of India is estimated at 6.8% in 2022-23, compared to 5.5% in 2021-22. The target range for inflation during the fiscal was fixed at 4% with an upper tolerance of 6%. However, between April and October 2022 the CPI was outside the target range set by the Centre. To bring inflation under control, RBI increased the policy repo rate under the liquidity adjustment facility (LAF) by 250 basis points from 4.0% to 6.5% between May 2022 and March 2023. Additionally, the Government cut down import duty on major inputs such as ferronickel, coking coal, among others, to zero; rolled out phase-wise reduction in excise duty of petrol and diesel; waived off customs duty on cotton; and prohibited export of wheat.

With the increasing thrust of Government on infrastructure and capital expansion, the country is poised for a sustained growth in the foreseeable future. The Union Budget 2023-24 speaks volumes of the Government's focus on infrastructure, financing new businesses, and making India more self-reliant and self-employed. The GDP growth of the country in 2023-24 is projected between 6 and 6.8%.

### Cement Industry Review

India stands tall as the second largest cement producer in the world with its installed capacity crossing 600 million tonnes (MT), carving 7% of the world's capacity. According to CARE, the country's cement production is estimated at 380-390 MT in 2022-23, growing at 8-9% y-o-y, riding on the optimism from the government thrust on infrastructure and increasing housing demand across the country. In 2021-22, the cement production of the country was pegged at 356 MT compared to 296 MT in 2020-21, registering a y-o-y growth of 20%, owing to normalisation of the economy and macro sectors post the pandemic.

As stated by CARE, the average wholesale cement prices in H1 2022-23 has seen a 7% growth y-o-y. Though the cement prices were on the rise in the first half of the fiscal, the EBITDA margin of most cement manufacturers in India were on the downward trajectory owing to the rising inflation and the increase in price of fuel and power costs. However, the prices of imported coal and pet coke has dulled down in the 3rd quarter of 2022-23, thereby providing some relief on the cost of production. Despite the relief, the severe competition in the cement sector owing to the excess supply resulted in continuous pressure on selling prices.

The increasing population along with the continuous thrust by the Government on the infrastructure of the country and ensuring housing for all is expected to keep driving the cement demand in India for the foreseeable future. The thrust by the Government on the infrastructure of the country is validated by a 36% y-o-y growth in capital allocation for road infrastructure, 66% y-o-y growth in capital allocated for affordable housing, and a 33% y-o-y growth in capital allocation of capital expenditure in the Union Budget 2023-24. Riding on these tailwinds, CRISIL has stated that the Indian cement industry is expected to see a addition of ~80 MT capacity by 2023-24, to support the increasing demand of cement in the country. Further, with the normalisation of life, post the COVID-19 pandemic, offices started opening on full-time basis, with increasing demand for commercial space, which is expected to drive the cement demand for the next few years.

(Source: CMA, CARE, CRISIL)

### Growth drivers

- **Growing housing demand:** An ever-increasing population has been continuously driving housing demand in the country. The country saw residential sales of ~3,64,900 units in 2022, compared to 2,36,500 units in 2021, clocking a y-o-y growth of a whopping 54%, indicating huge upstream demand of cement
- **Favourable demographics:** India's urbanisation rate in 2022 was estimated at 35.9%, and is expected to reach 50.9% by 2047, thereby, driving the demand of cement in urban locales
- **Underpenetrated cement consumption:** The per capita cement consumption in India is pegged at 216 kg compared to a global average of 525 kg, which indicates the huge headroom available for growth in the near future
- **Rising per capita income:** The per capita net national income in India is estimated to have increased from Rs. 1,50,007 in 2021-22 to Rs. 1,70,620 in 2022-23, at current prices, thereby, indicating the increasing ability to spend
- **Rising office space demand:** During 2022, the Indian office sector clocked a gross absorption of 56.6 mn sq ft, growing 40% y-o-y, as stated by CBRE. Simultaneously, supply of office space also saw an uprise from 49.7 million sq ft in 2021 to 50.6 million sq ft in 2022, marking the increasing upstream consumption of cement

### Government impetus through Union Budget 2023-24

#### Roads

- The Ministry of Road Transport and Highways (MoRTH) has set a target of completing 25,000 km road development in the Union Budget 2023-24
- MoRTH has been allocated an outlay of Rs. 2.7 lakh crores to ensure completion of its target, a 36% growth over the previous budget

#### Railways

- The Government has announced its highest-ever capital outlay for railways in this Budget, standing at Rs. 2.40 lakh crores

#### Housing

- The Government has revised its allocation towards PM Awaas Yojana (PMAY) to over Rs. 79,000 crores in its Union Budget, a 66% rise over the previous budget

#### Infrastructure

- An investment of Rs. 75,000 crores was announced, including Rs. 15,000 crores from private sources, for 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertiliser, and food grains sectors

#### Capital investment

- The capital expenditure earmarked by the Government saw a substantial growth of 33% to reach Rs. 10 lakh crores, forming 3.3% of GDP
- The 'Effective Capital Expenditure' of Centre was announced to be Rs. 13.7 lakh crores, forming 4.5% of GDP

(Source: CMA, PIB, IBEF, World Bank)

### Company Review

#### Cement Division

The Division has sold 148.21 lakh tons of cement during the year compared to 110.48 lakh tons in the previous year, registering a y-o-y growth of 34%. The revenue including other operating income from this division for the current year is Rs. 7,937.27 crores (net of applicable taxes) compared to Rs. 5,835.21 crores (net of applicable taxes) during the previous year, showing an increase of 36%.

Out of the above, the Company's cement exports accounts for 0.67 lakh tons for a value of Rs.32.68 crores as against 0.34 lakh tons for a value of Rs.13.39 crores during the previous year.

The Company increased its market share across most of its operating markets. During the year under review, the Company had made further inroads in the fast growing infrastructure and large project segments.

The Company continued its focus on reinforcing its philosophy of 'Right Cement for Right Application' during the year under review. Further, the company is focussing on its premium products, thereby increasing their share in the sales mix, which in turn, contributed towards the increase in sales.

### Dry Mortar Division

The Division has sold 2.03 lakh tons of Dry Mortar products accounting for a revenue of Rs. 135.42 crores (net of applicable taxes) during the year as against 0.92 lakh tons of Dry Mortar products accounting for a revenue of Rs. 70.42 crores (net of applicable taxes) during the previous year.

Out of the above, the Company's dry mortar exports accounted for 123 tons for a value of Rs.0.14 crores as against 92 tons for a value of Rs.0.09 crores during the previous year.

### Ready Mix Concrete Division

The Division has sold 26,983 cu.m. of concrete during the year, accounting for a revenue of Rs. 14.45 crores (net of applicable taxes) compared to 30,567 cu.m. of concrete accounting for a revenue of Rs. 14.81 crores (net of applicable taxes) during the previous year.

### Wind Farm Division

The Division has generated 2,233 lakh units as compared to 2,325 lakh units in the previous year. Out of this, 2,162 lakh units were generated from the wind farms in Tamil Nadu and another 71 lakh units from the wind farms in Karnataka. Out of the units generated in Tamil Nadu, 648 lakh units were meant for adjustment against the power consumed in our plants and balance 1,514 lakh units were sold to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) for a value of Rs. 45.70 crores. Including previous balances, a sum of Rs. 119.12 crores was outstanding from TANGEDCO as on 31st March 2023.

The 71 lakh units generated during the year under review in Karnataka have been banked with Bangalore Electricity Supply Company Limited (BESCOM). Including the units that have been banked during the previous year, the Company sold 76 lakh units to third parties for a value of Rs. 2.78 crores (net), and the same had been realised.

77 lakh units generated in the year 2021-22, remained unbilled.

The income during the year from the Division was Rs. 48.13 crores compared to Rs. 59.54 crores in 2021-22.

### Other Income

Other income during the year was Rs. 36.70 crores compared to Rs. 30.64 crores in 2021-22.

### Net Revenue

The net revenue for the company for current year is Rs. 8,171.97 crores (net of applicable taxes) compared to Rs. 6,010.62 crores (net of applicable taxes) during the previous year, showing an increase of 36%. The company's net revenue has crossed the eight mille crores mark for the first time.

### Power Plants

The Company's thermal power plants aggregating to a capacity of 175 MW are located at its cement manufacturing plants. The thermal power plants act as source for captive power for the Company, and the power generated from the thermal power plants are used for self-consumption in cement manufacturing.

### Capital Expenditure Programmes – New Projects

The status of the projects is given below.

#### Cement Plants

#### Kolimigundla

In the Board's Report of the Company for the year ended 31st March 2022, it was informed about the progress of establishment of the Company's new cement plant at Kalavatala village, Kolimigundla Mandal, Nandyal District, Andhra Pradesh.

The Kiln was commissioned in June 2022 and Cement Mill was commissioned in September 2022. The first phase of the WHRS of 6 MW capacity, comprising of Steam Turbine Generator along with Air Quenched Cooler boiler was commissioned in December 2022. The second phase of the WHRS of 3 MW capacity comprising of preheater boiler was commissioned in March 2023. The third phase of WHRS of 3.15 MW capacity would be commissioned in July 2023. With this, the total aggregate capacity of the WHRS would be 12.15 MW.

The Thermal Power plant of 18 MW is under erection and expected to be commissioned in 2023-24.

Railway siding of 34.936 kms to provide flexibility in logistics is under erection and expected to be commissioned in 2023-24.

The Clinkerisation capacity has been re-assessed from 2.25 Million Tons Per Annum (MTPA) to 2.50 MTPA and Cement manufacturing capacity has been re-assessed from 1 MTPA to 1.50 MTPA.

Increase in Cost:

Civil

We had installed additional structures such as coal shed for thermal power plant, linear limestone shed, hoppers for Line II and separate clinker truck loading. There were also other infrastructure developments like internal roads, drains, etc.

Mechanical

We had installed additional equipments in cement wagon loading system, wagon tippler, clinker wagon loading system and belt conveyors.

Because of the above and increase in interest and pre-operative expenditure the cost of the project has increased to Rs. 3,000 crores.

### Ramasamy Raja Nagar

In the Board's Report of the Company for the year ended 31st March, 2022, it was informed about the progress of Company's Modernisation of the Ramasamy Raja Nagar Plant, involving establishment of Line III and a limestone benefication plant at the Pandalgudi Mines. The modernisation and establishment of Line III has been completed in March 2023 and subsequently the clinkerisation capacity of the plant has increased from 1.10 MTPA to 2.14 MTPA and the cement manufacturing capacity of the plant has increased from 2 MTPA to 3 MTPA.

During the execution of the project, the existing limestone yard was converted into additive storage yard. Hence, we established two circular limestone yards for storing separately the blended limestone and washed kankar. Further there was increase in the scope of the project, which had led the cost of the project to increase from Rs. 550 crores to Rs. 817 crores. Besides increase in the clinkerisation capacity the project has helped the Company to achieve better power and fuel efficiencies, thereby, conserving energy, and reducing fugitive dust emissions and carbon emissions.

The establishment of limestone benefication plant at the Pandalgudi Mines is in progress and is expected to be commissioned in July 2023.

### Establishment of Line II at Odisha Grinding Unit

In the Company's efforts to continually enhance its grinding capacity, it is proposed to establish Line II at its existing Odisha Grinding Unit, located at Haridaspur, Jajpur District. The cost of the project is Rs. 130 crores. The capacity of Line II would be 0.90 MTPA. The additional output would help the company to enhance its market share in Odisha and other Eastern States.

### Dry Mortar Plants

In the Board's Report of the Company for the year ended 31st March, 2022, it was informed about the establishment of four new dry mortar plants at a cost of Rs. 75 crores each.

The plants would produce high value products, such as water proofing, repair products, flooring screeds, liquid products, besides other regular dry mix products.

The projects at Salem and Ramasamy Raja Nagar had been commissioned during December 2022 and February 2023 respectively.

The projects at Jayanthipuram and Haridaspur are underway and are expected to be commissioned during the year 2023-24.

During the year under review, the Company had incurred Rs. 1,765 crores towards capital expenditure.

## Financial Performance

### Analysis of the Statement of Profit and Loss – Separate Financials

The summary of key components of the Statement of Profit and Loss for the financial year 2022-23 is detailed below:

| Particulars | 2022-23 | 2021-22 | Variance | |
|---|---|---|---|---|
| | Rs. in crores | Rs. in crores | Rs. in crores | % |
| **Income** | | | | |
| Sale of Products | 8,052.28 | 5,897.19 | 2,155.09 | 37 |
| Income from Wind power | 48.13 | 59.54 | -11.41 | -19 |
| Other Operating revenue | 34.86 | 23.25 | 11.61 | 50 |
| Other Income | 36.70 | 30.64 | 6.06 | 20 |
| **Total Income** | **8,171.97** | **6,010.62** | **2,161.35** | **36** |
| **Operational Expenses** | | | | |
| Cost of material consumed | 1,357.07 | 896.80 | 460.27 | 51 |
| Change in inventories of finished goods & work-in-progress | -14.10 | -6.41 | -7.69 | - |
| Employee Benefits Expenses | 460.00 | 456.73 | 3.27 | 1 |
| Transportation and Handling | 1,602.98 | 1,214.41 | 388.57 | 32 |
| Power and Fuel | 2,661.60 | 1,388.76 | 1,272.84 | 92 |
| Other Expenses, net of captive consumption of finished goods | 885.77 | 745.85 | 139.92 | 19 |
| **Total Operational Expenses** | **6,953.32** | **4,696.14** | **2,257.18** | **48** |
| **EBITDA** | **1,218.65** | **1,314.48** | **-95.83** | **-7** |
| Depreciation & Amortization Expense | 504.44 | 400.84 | 103.60 | 26 |
| Finance Costs | 240.52 | 112.40 | 128.12 | 114 |
| **Profit Before Tax** | **473.69** | **801.24** | **-327.55** | **-41** |
| Tax Expenses | 130.15 | -91.46 | 221.61 | - |
| **Profit After Tax** | **343.54** | **892.70** | **-549.16** | **-62** |
| Other Comprehensive Income | -3.91 | -2.65 | -1.26 | - |
| **Total Comprehensive Income** | **339.63** | **890.05** | **-550.42** | **-62** |

### Revenue

The total revenue surpassed Rs. 8,000 crores during the year. The company has sold 15.02 MT of cement (including dry mix) as against 11.14 MT during the previous year, with a growth in volume of 35%. During the year, the average net realisable sale price of cement has improved by 1%. The share of premium products in terms of volume stands at 25% for the current year as against 22% during the previous year. The Company's strategy of right cement for right applications yielded positive results. The company continue to focus on this to make its brand stronger.

During the current year, the Company witnessed decrease of 4% in the net generation of wind power from 23.25 crore units to 22.33 crore units. The revenue from wind power has decreased by 19% when compared to previous year due to change in utility for a capacity of 16.5 MW from Sale to Board to captive use. Other Operating income increased mainly due to recognition of grant income in respect of soft loans availed during the year at concessional rate. Other income has increased due to increase in exchange gain, dividend receipts and other non-operating income.

### Cost of materials consumed

During the year, cost of materials consumed has increased by 51% compared to the previous year. The main reason for increase is due to higher clinker production by 35% and increase in cement production by 34% during the year. There was an increased inter-unit movement of clinker to grinding plants by 30% during the year, besides increase in diesel prices by 3% has also impacted the cost of movement. In addition, cost of materials consumed for FY23 also reflect inflationary impact on cost of other raw materials viz. Fly ash, Slag, Gypsum and other additives.

As a percentage of revenue, cost of materials consumed for the year under review accounted for 16.61% as against 14.92% in the previous year.

### Change in inventories of finished goods / work-in-progress

The increase in inventories of finished goods / work-in-progress was due to increase in process inventory including clinker.

### Employee Benefits Expenses

The employee cost for employees other than directors for the year increased by 6% due to increment in the annual salaries and increase in head count from 3,326 as at 31st March 2022 to 3,507 as at 31st March 2023. Due to improved operating leverage, the absorption of employee benefits expenses was better. As a percentage of revenue, the employee cost for the year under review stood at 5.63% as against 7.60% in the previous year.

### Transportation and Handling expenses

During the year, Transportation and Handling expenses increased by 32% compared to the previous year mainly due to increase in sale volume by 35%. Besides, increase in diesel price by 3% and levy of busy season surcharge at 15% on rail freight with effect from 1st October 2022 has pushed up the overall transportation cost. The lead distance for the current year for cement is 298 KMs as against 324 KMs during the previous year. The rail co-efficient for the current year is 11% as against 13% during the previous year. There has been an increase in handling expenses due to annual increase of labour cost pertaining to handling of cement. As a percentage of revenue, transportation and handling expenses for the year under review remains at 19.62% as against 20.20% in the previous year.

### Power and Fuel

During the year, power and fuel cost have increased by 92% compared to the previous year. The main reason is, due to increase in fuel prices. During the current year, the average index price of pet coke has increased from $ 164 in FY22 to $ 194 in FY23. Besides, increase in clinker production by 35% and increase in cement production by 34% resulted in higher incidence of power and fuel cost. The average increase in diesel prices by 3% and rupee depreciation by 8% during FY23 also contributed for increase in fuel cost. The Company uses both pet coke and coal for the kiln operations depending upon cost per Kcal of the respective fuel. The pet coke usage increased from 40% in FY22 to 55% in FY23 whereas coal usage is reduced from 40% in FY22 to 32% in FY23.

The WHRS capacity of 27 MW in Jayanthipuram, 8 MW in Kolimigundla, 2 MW each in RR Nagar and Alathiyur helped to contain the overall power & fuel cost. Wind power capacity of 16.5 MW allocated to captive use from sale to board during the current year has helped to moderate the fuel cost and carbon foot print. During the year, 56% of the total power requirements were met from captive thermal power plants, 22% from electricity grids and 22% from Green Power viz. Wind Power and WHRS. The Overall green power usage has increased from 15% in FY22 to 22% in FY23.

The Profitability was significantly impacted by increase in power and fuel cost due to elevated fuel prices during the current year. The power & fuel cost per ton of cement has increased by Rs. 539 per ton of cement during the year. Power and fuel cost accounted for 32.57% of revenue in FY23 as against 23.11% in the previous year.

### Other expenses

Other expenses increased by Rs. 139.92 crores i.e by 19%. The packing material cost has increased by Rs. 59.66 crores due to increase in sale volume by 35% and increase in

Insurance, Repairs & Maintenance, Stores & Spares, Rates & Taxes, Outsourcing cost, Security charges by Rs. 29.25 crores mainly due to establishment of Line III at Jayanthipuram, Integrated Cement Plant at Kolimigundla and Dry Mortar Plants at Salem and R R Nagar.

Due to COVID related restrictions, previous year figures were comparatively lower with respect to advertisement / sales promotion expenses by Rs. 19.97 crores and Traveling expenses by Rs. 8.11 crores and other general expenses by Rs. 2.43 crores. The company has made political contribution for Rs. 20.50 crores during the year (FY22: Nil).

Other expenses accounted for 10.84% of the revenue in FY23 as against 12.41% in FY22.

### Depreciation & Amortization

Depreciation and Amortization has increased from Rs. 400.84 crores to Rs. 504.44 crores. The reason for increase is mainly due to depreciation arising out of commissioning of integrated plant at Kolimigundla, R R Nagar Line III, Dry Mortar Plants at Salem and R R Nagar. Besides, Amortization of Mine development under Intangible Assets has increased by Rs. 20.36 crores due to increase in clinker production by 34%. Depreciation & Amortization accounted for 6.17% of revenue in FY23 as against 6.67% in FY22.

### Finance Costs

Finance costs have increased by 114% from Rs. 112.40 crores in FY22 to Rs. 240.52 crores in FY23 mainly due to increase in average borrowings and increase in interest rates due to repo rate increase by 250 bps compared to previous year. The weighted average cost of interest bearing borrowings for the current year stood at 6.66% as against 5.54% in the previous year. The total borrowings as at 31st March 2023 has increased by Rs. 578.97 crores and stood at Rs. 4,487.42 crores. The Net Debt to EBITDA stood at 3.57 times as against 2.88 times in the previous year.

The interest coverage ratio decreased from 4.25 times in the previous year to 2.06 times in the current year, due to reduced operating margin in view of elevated fuel prices. The Gross interest on the borrowings for the current year was Rs. 346.44 crores and out of which, Rs. 105.92 crores was capitalised as part of eligible qualifying assets.

Finance costs accounted for 2.94% of the revenue as against 1.87% in the previous year.

### Tax Expenses

The overall effective tax rate has increased from 25.80% to 27.35% mainly due to increase in ineligible expenditure viz. donation / CSR amounting to Rs.43.36 crores as against Rs. 24.89 crores in the previous year.

Current tax charge and deferred tax credit relating to earlier years was Rs. 1.31 crores and Rs. 0.73 crores respectively.

As per Section 115BAA of the Income Tax Act, 1961, the Company had an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit. In view of the overall tax benefits available under the said option, the company had opted for shifting to lower tax rate from FY22 onwards. Consequently, the company had written back the excess deferred tax provision of Rs. 305.58 crores from Deferred Tax Liability to profit and loss in the previous year.

Overall Tax expenses without considering the impact of change in tax rate during the previous year accounted for 1.59% of the revenue in FY23 as against 3.56% in FY22.

### Other Comprehensive Income (OCI)

Other comprehensive income represent loss arising out of re-measurement of defined benefit plans, net of taxes amounting to Rs. 4.39 crores, which is mainly due to increase in salary escalation rate assumption from 5.50% to 6% and increase in discount rate, considering long term estimates, during the year. Fair value gain on equity investments amounting to Rs. 0.48 crores is also recognised under OCI, during the year.

### Profitability

EBITDA dropped by 7% from Rs. 1,314.48 crores in FY22 to Rs. 1,218.65 crores in FY23. EBITDA margin impacted mainly due to elevated fuel prices during the current year. The average cement price for the year has increased marginally by 1% and it was not sufficient to cover the fuel cost-push. The EBITDA margin for the current year stood at 14.91% as against 21.87% in the previous year. Blended EBITDA per ton have decreased by 31% from Rs. 1,190 per ton to Rs. 823 per ton.

PBT for the current year is Rs.473.69 crores as against Rs. 801.24 crores during the previous year, with a de-growth of 41%. PAT down by 62% from Rs. 892.70 crores to Rs. 343.54 crores mainly on account of write back of deferred tax liability during the previous year and lower operating margin for FY23. The PAT margin stood at 4.20% as against 14.85% in the previous year.

### Financial Position

### Analysis of the Balance Sheet – Separate Financials

The summary of the financial position as at 31-03-2023 is detailed below:

| Particulars | 2022-23 | 2021-22 | Variance | |
|---|---|---|---|---|
| | Rs. in crores | Rs. in crores | Rs. in crores | % |
| **Assets** | | | | |
| Non-current Assets | 12,629.50 | 11,350.95 | 1,278.55 | 11 |
| Current Assets | 1,887.39 | 1,704.56 | 182.83 | 11 |
| **Total Assets** | **14,516.89** | **13,055.51** | **1,461.38** | **11** |
| **Equity & Liabilities** | | | | |
| Equity | 6,793.53 | 6,524.86 | 268.67 | 4 |
| Non-current liabilities | 4,639.67 | 3,752.23 | 887.44 | 24 |
| Current liabilities | 3,083.69 | 2,778.42 | 305.27 | 11 |
| **Total Equity and Liabilities** | **14,516.89** | **13,055.51** | **1,461.38** | **11** |

#### Non-current Assets

Non-current assets have increased by Rs. 1,278.55 crores due to the following reasons:

(a) The company incurred a capital expenditure of Rs. 1,765.14 crores towards establishment of integrated unit at Kolimigundla, Line III at Ramasamy Raja Nagar, Dry Mortar Plants in Salem, Ramasamy Raja Nagar, Odisha and Jayanthipuram besides regular capital expenditure. This is after adjusting non-cash adjustments / accruals viz. Depreciation of Rs. 505.39 crores (including capitalisation of depreciation of Rs. 0.95 crores) and increase in capital payables of Rs. 2.69 crores. Besides the Company has derecognised WDV of Rs. 1.88 crores towards sale of asset during the year.

(b) The company has subscribed the rights issue of equity shares of an Associate company viz. Rajapalayam Mills Limited, for a value of Rs.0.52 crores.

(c) The loans to subsidiaries and associates have decreased by Rs. 56.96 crores due to loan repayment by subsidiaries / associates. The said loans carry interest at an arms-length basis.

(d) Deposits under protest in appeals have increased by Rs. 19.97 crores and 'Balance with Government Departments' increased by Rs. 40.31 crores for upfront payment made to Department of Mines and Geology, Government of Karnataka for having declared as the preferred bidder for the Bommanalli Limestone block in Kalburgi district, Karnataka.

(e) Other non-current assets have increased by Rs. 13.20 crores mainly due to increase in prepaid expenses and deposits with government departments and related parties.

#### Current Assets

Current assets increased during the year by Rs. 182.83 crores mainly due to the following reasons:

(a) Inventories increased by Rs. 49.01 cores mainly because of increase in inventory of pet coke due to high prices and increase in stores and spares. Inventory turnover ratio had decreased from 44 days to 39 days due to increased turnover in FY23.

(b) Trade receivable increased by Rs. 115.19 crores. The receivables turnover has come down from 22 days in the previous year to 18 days in the current year due to tightened recovery measures and factoring of certain receivables on non-recourse basis, by assigning its rights and privileges with counterparty.

(c) Unadjusted input tax credits availed under GST has decreased to the extent of Rs. 43.97 crores in view of input adjustment during the current year.

(d) Decrease in cash and bank balances by Rs. 7.45 crores and increase in claims receivable from government / semi-government bodies by Rs. 64.65 crores.

(e) There was an increase in other current assets to the extent of Rs. 5.40 crores mainly due to increase in prepaid expenses.

#### Equity

(a) There is no change in the equity share capital during the year.

(b) The total comprehensive income for the year is Rs. 339.63 crores. The Company has paid dividend for the FY22 during the current year amounting to Rs. 70.96 crores. The Company's return on net worth decreased from 15% to 5%. The increase in the overall cost of production and specifically the increase in the fuel cost have contributed to the reduction in the profitability. During the previous year, there was a write back of deferred tax liability of Rs. 305.58 crores as one off item.

#### Non-current liabilities

(a) Long-term Borrowings have increased by Rs. 764.87 crores, to fund the capital expenditure for ongoing capacity expansion projects. The debt-equity ratio and Net Debt to EBITDA stood at 0.66 times and 3.57 times respectively as at 31st March 2023 as against 0.60 times and 2.88 times as at 31st March 2022. Return on capital employed is down from 10% to 5% mainly due to decrease in profitability. The decline in Debt-Service Coverage Ratio from 1.35 times in previous year to 1.31 times in current year is mainly due to relatively higher interest cost compared to previous year amid decrease in EBITDA by 7% on account of increase in power and fuel cost compared to previous year.

(b) Deferred Tax Liabilities increased by Rs. 104.47 crores due to recognition of temporary differences of Rs. 105.20 crores and tax credit adjustments of earlier years of Rs. 0.73 crores.

(c) Provisions have increased by Rs. 12.09 crores due to increase in provision for mines restoration obligation. Other liabilities have increased by Rs. 6.01 crores mainly due to recognition of deferred grant in respect of soft loans availed during the year at concessional rate for Rs. 22.37 crores and further offset by recognition of grant income by Rs. 15.13 crores, incremental classification of current portion of deferred government by Rs. 1.13 crores and lease liability reduction by Rs. 0.10 crores in respect of Right-of-Use Asset for non-cancellable leases adjusted for lease payments and interest on liability.

**Current liabilities**

(a) Short-term Borrowings other than current maturities of long-term borrowings decreased by Rs. 26.73 crores.

(b) Current maturities of long-term borrowings decreased by Rs. 180.67 crores, which is due within one year as per repayment schedule.

(c) Security deposits from customers / Customer's credit balance with customers have increased by Rs. 305.58 crores mainly because of increase in customer deposits and accruals of customer rebates available for adjustment in subsequent periods.

(d) Trade payables increased by Rs. 153.67 crores because of negotiation of better credit terms with suppliers and supplier financing facility through reverse factoring arrangement for early payments to suppliers. Consequently, the average payable days has decreased marginally from 26 days in previous year to 25 days in current year.

(e) Statutory liabilities increased by Rs. 51.05 crores mainly due to increased sale volume in the month of March 2023 compared with sale in the month of March 2022.

(f) Provisions increased by Rs. 3.07 crores due to increase in provision for compensated absences by Rs. 5.08 crores which is offset by decrease in provision for disputed income tax liabilities by Rs. 2.01 crores towards liability provided based on recent assessment orders.

(g) Other liabilities decreased by Rs. 0.70 crores mainly due to decrease in financial guarantee obligation upon repayment of borrowings by the related party and decrease in book overdraft.

(f) Current ratio for the year stood at 1.08 times as against 1.14 times during the previous year.

## Analysis of the Cash flows – Separate Financials

The summary of the Cash flows for the year ended 31-03-2023 is given below:

(Rs. in crores)

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Net cash flows from Operating Activities | 1,405.00 | 1,129.05 |
| Net cash flows used in Investing Activities | (1,686.93) | (1,810.31) |
| Net cash flows from Financing Activities | 274.48 | 715.44 |
| **Net increase/(decrease) in cash & cash equivalents** | **(7.45)** | **34.18** |

**Net cash flows from Operating Activities**

Net cash flows from operating activities increased mainly due to improved operating leverage.

**Net cash flows used in Investing Activities**

Net cash flows used in investing activities is mainly for Capex incurred towards establishment of integrated unit at Kolimigundla, Line III at Ramasamy Raja Nagar, Dry Mortar Plants in Salem, Ramasamy Raja Nagar, Odisha and Jayanthipuram and general capex.

**Net cash flows from Financing Activities**

Net cash flows from Financing Activities represent net proceeds from borrowings for funding capex programs and payment of interests, dividend and lease liabilities.

**Movement in Key Financial Ratios**

| Particulars | UOM | 31-03-2023 | 31-03-2022 | Variation in % | Formula adopted | What does it signify |
|---|---|---|---|---|---|---|
| Debtors Turnover Ratio | Days | 18 | 22 | -18 | 365 Days / (Net Revenue from sale of products / Average Trade Receivables) | It indicates the average collection period and measures the efficiency of the company in managing its accounts receivables |
| Inventory Turnover Ratio | Days | 39 | 44 | -11 | 365 Days / (Net Revenue from sale of products / Average Inventories) | It indicates the average inventory holding period and measures the efficiency with which the company utilizes or managing its inventory |
| Interest Coverage Ratio | Times | 2.06 | 4.25 | -52 | (Profit before Tax + Interest) / (Gross Interest) | It indicates the company's ability in terms of earnings to meet the interest obligations |
| Current Ratio | Times | 1.08 | 1.14 | -5 | Current Assets / (Total Current Liabilities - Security Deposits payable on demand - Current maturities of Long term debt) | It indicates the level of current assets to meet the current liabilities |
| Debt-Equity Ratio | Times | 0.66 | 0.60 | 10 | Total Debt / Total Equity | It indicates the measure to which the Company is financing its operations through debt versus shareholders' funds |
| Operating Profit Margin | % | 15 | 22 | -7 | EBITDA / Net Revenue | It indicates the percentage of profit after all expenses except for interest, depreciation and taxes on the total revenue |
| Net Profit Margin | % | 4 | 15 | -11 | Net Profit / Net Revenue | It indicates the percentage of profit after all expenses including interest, depreciation and taxes on the total revenue |
| Return on Networth | % | 5 | 15 | -10 | Total Comprehensive Income / Average Net worth | It indicates the percentage of return generated to equity shareholders |
| Net Debt / EBITDA | Times | 3.57 | 2.88 | 24 | (Total Debt - Cash and Cash equivalents) / EBITDA | It indicates the relevance of company's operating income to its debt |
| Return on Capital employed | % | 5 | 10 | -5 | (Total Comprehensive Income + Interest) / Average of (Equity + Total Borrowings) | It indicates the percentage of return generated on equity capital and debt capital |
| Price Earnings Ratio | Times | 52 | 20 | 160 | Market Price per share / Earnings per share | It indicates the relevance of the company's share price to the earnings per share. |
| Blended EBITDA per Ton | In Rs. | 823 | 1,190 | -31 | EBITDA / Sale Volume | It indicates the operating profit per ton of cement sold |
| Debt Service Coverage Ratio | Times | 1.31 | 1.35 | -3 | (EBITDA - Current Tax) / (Principal repayment excluding repayments towards debt replacement + Gross Interest) | It indicates the availability of operating profit to pay its current maturities of debts and interest obligations |

**Reasons for variations in excess of ± 25%**

(a) The decline in Interest Service Coverage Ratio by 52% due to increase in borrowings for funding capex towards capacity expansion projects amid increase in interest rate owing to repo rate hike

(b) PE Ratio increased due to decrease in profitability on account of elevated fuel prices during FY23

(c) Blended EBITDA per Ton decreased mainly due to increase in power and fuel cost per ton from Rs. 1,257/- in previous year to Rs. 1,796/- in current year

## Human Resources

At Ramco, our people are our greatest asset and we believe that in our roadmap for building the future, employee involvement is crucial to be continually creative and drive organizational excellence.

Our organizational excellence depends on the quality of people employed. Therefore, we focus on the culture of recognition, innovation in technology, engagement of right people for the right job and process improvements. Our company's ethics, principles and ideals have fostered a positive work culture among the employees.

### Talent Acquisition

The company believes in maintaining a lean organisation to ensure optimum utilisation of manpower. Also, we have created various recruitment strategies in order to attract the best talent from the market and to retain our top performers and high potentials. Our robust talent acquisition mechanism including a software in the talent acquisition domain helped us to attract the right candidates in consonance with the culture of our organisation.

### Performance Management System (PMS)

Our company introduced an objective based PMS three decades back, which is used for rewarding the high performing people and also for the development of people. Counselling is one of the key feature of our PMS, which ensures proper performance dialogue between the appraiser and appraisee and it provides a platform for better understanding between employees and superiors.

All our Training needs are captured in PMS portal during the Annual performance appraisal and subsequently our training calendar is rolled out for the year to impart continuous learning and development programmes for the employees. Our PMS system also ensures fair remuneration to all employees which encourages them to demonstrate their full potential.

### Learning and Development

Our Company holds robust talent development strategies to keep the workforce equipped to face any kind of challenges in this VUCA world. Also we focus on developing the talent through various modes of training in the areas of Behavioural, Functional, Organisational, Work Life Balance and Safety. Our company not only plans and implements the development strategies but also encourages employees to come up with suggestions in nominating them for the trainings required.

### Leadership Development Programmes

Short term and Long term Leadership development programmes are conducted in association with external agencies like KoeN Meta Consulting, Pune, Flame University, Pune and quite a lot of In-House programs through external faculties to unleash and enrich the potential of the leadership team. Systems are deployed to track and analyse the training programs across the organisation. We conduct various modes of training like direct interactive sessions and virtual sessions that are focussed to improve the emotional, social and physical well-being of our employees.

### Welfare Policies

Our Company is equipped with various employee-centric welfare policies that are curated from time to time like housing loan, asset building loan and various other soft loans not only for the welfare of employees but also for their families. Ramco has holistic medical approach when it comes to health of employees. We have provided Group Medical Insurance to cater medical needs of our employees and their family members, Group Personal Accident Scheme and Group term Policy to cover the life of employees.

### Employee Engagement Initiatives

At Ramco, Employee Engagement initiatives like 5S, Quality circles, IMS, suggestion scheme and KAIZEN has been institutionalized. Engagement activities are conducted at Unit level to celebrate festivals and events, which includes sports, cultural and spiritual programs.

### Digitalisation

Ramco's ERP - Human Capital Management module, has been developed and implemented successfully across the company integrating all the HR functions. In addition, the Company has developed many standalone applications as add on to this software like HR Dash board, Statutory Compliances, HR audit, Contract Labour Management System, RAMCONNECT (Employee Portal), HR Kiosk, Cementor – Mentor – Mentee and E-suggestions.

### Retention

The company's employee oriented policies, transparent working atmosphere, encouraging innovation, excellent digital environment, performance based reward system, high quality work place practices, opportunities to uphold good work life balance and HR excellence go a long way in consistently maintaining the employees retention ratio of above 90% which substantiate that we remain employee-centric in all our practices.

### Employee Recognition

The senior leaders in the organisation who have been working with the Company for more than 3 decades exhibits our successful career progression of our internal talents. Additionally, company values the employee's esteemed years of association with Long Service Awards to recognise and create sense of belongingness. Last year, we felicitated a huge count of 425 employees with Long Service Awards which remains on top in the past 16 years.

## 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 a 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 –

https://www.ramcocements.in/investors/codes-and-policies

## Risk Management

The Company's risk management system is designed to identify the potential risks that can impact the business and device a framework for its mitigation along with periodical reviews to reflect changes in market conditions and the Company's activities. The Company's Board of Directors has the overall responsibility for the establishment and oversight of risk management framework. The Audit committee and Risk management committee periodically review the execution of risk management plan and advice the management wherever necessary. The key risks and their mitigation measures are detailed below:

| Key Risk | Mitigation measures |
|---|---|
| **Fuel availability risk**<br>The Company uses non-calcined petroleum coke, a downstream by-product of the oil refinery, as fuel for cement kiln. It is available from indigenous sources as well as from Middle East, USA & Venezuela, thus exposing the risk of availability | The Company adopts both structured and unstructured procurement strategies to mitigate the risk. It has long-term fuel supply arrangements with manufacturers under structured plan and also procures from spot or open markets during favourable pricing conditions to stay dynamic in fluctuating market. The Company uses non-coking or thermal coal as a fuel at its captive thermal power plants (TPP). It is mainly imported from Indonesia, the world's largest exporter of coal, on spot basis. The Company's plants, being close to the East Coast, ensures proximity to Indonesia, making it economical to import. The Company also imports coal from Russia. In case of supply disruption of imported coal, the Company can choose alternates from indigenous sources or use lignite. Besides, the Company's production process is fungible and supports usage of different types of fuels like pet coke, coal, lignite and other alternate fuels; it facilitates the usage of most economical fuel. The Company also commissioned waste heat recovery plants to produce power which is helping to reduce overall power costs while insulating from the overall risks on fuel. The Company has started steps to switch over to green power generated from its windmills which are presently connected to grid. |
| **Limestone Reserve / Expiration Risk**<br>The Indian cement industry is prone to limestone shortage risk since limestone is the prized resource. Reserve degradation, deeper mining may raise the mining cost / operating cost for the industry in the upcoming period. | The Company has sufficient reserve base in south with long mine life. The Company also participates in auction to bid the additional reserves at the low auction premium. |
| **Commodity price risk**<br>Commodity price risk arises on account of fluctuations in price of raw materials and fuels viz. coal and pet coke, which are linked to various external factors. Since these are primary costs in cement production, any adverse fluctuation in these prices can lead to significant drop in operating profitability. | To mitigate this risk, the Company closely observes the prices and buy when the prices tend to come down and also taken steps to maintain three to four months inventory to beat the impact of upward cycle of commodity index by setting high re-order levels to cushion on price volatility to some extent, usage of other alternate fuels and optimum fuel mix to manage fuel cost. The Company also enters into long term contracts with suppliers at competitive prices. These processes and procedures are reviewed by the management at regular intervals and measures have been taken to curb the risk. |

| Key Risk | Mitigation measures |
|---|---|
| **Currency fluctuation risk**<br>The Company has exposure to USD and other foreign currency denominated transactions for import of capital goods, spares and fuel, besides exports of finished goods and borrowings in foreign currency. Any unfavourable movement in currency prices can impact profitability. | The Company has policies to ensure that the decisions are driven to keep the cost comparable while borrowing in foreign currency and hedging thereof, both interest and exchange rate risk and the quantum of coverage. The Company practices hedging foreign currency loans, imports and exports transactions by forward contracts 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 |
| **Market risk**<br>The cement industry is prone to the innate risk of demand supply mismatch. So, cement is susceptible to the price volatility, which sometimes slips to unviable levels. | The Company prudently plans and establishes its cement plants and grinding units in markets where demand-supply conditions are relatively favourable. Its strategy of segmenting the market by offering right products for right applications facilitates in creating niche markets. The Company also strongly focusses on creating loyalty among the customers by offering high quality, value-added products backed by innovative R&D and efficient supply chain. Regular branding activities are undertaken with deployment of technical services for customer support and education. |
| **Information Technology Risk**<br>The Company's operations are completely dependent on IT systems, which requires careful management of the information that is in our possession to ensure data privacy. The cyberattack threat of unauthorised access and misuse of sensitive information or disruption to operations continue to increase across the world. Such an attack would affect the business operations in a number of ways, including disruption to sales, production and cash flows, ultimately impacting our results. | To reduce the impact of cyberattack on our business, we have firewalls and threat monitoring systems in place, with immediate response capabilities to mitigate identified threats. The Company also maintains a system for the control and reporting of access to our critical IT systems, which is supported by a periodical testing of access controls. The Company has IT security policy covering the protection of both business and personal information, as well as the use of IT systems and applications by our employees. The hardware that runs and manages core-operating data is fully backed up in satellite locations with separate systems to provide real-time backup operations. |
| **Interest rate Risk**<br>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. | This risk is 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 and better credit ratings. |
| **Liquidity Risk**<br>Liquidity Risks are those risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. | Liquidity risk is mitigated through financial planning and analysis, forecasting cash flows regularly, monitoring and optimizing net working capital and managing existing credit facilities. Monitoring and optimizing working capital is achieved through tightened control measures in collection of receivables, negotiation of credit periods with suppliers, maintain adequate inventory based on business requirements and thereby maintaining a level of cash and cash equivalents deemed adequate to finance the company's operations. Due to the dynamic nature of the underlying business, the Company maintains 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. |

| Key Risk | Mitigation measures |
|---|---|
| **Credit Risk**<br>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. 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. In case of institutional segment, credit risks are mitigated by way of enforceable securities. 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. Besides insurance cover for credit risk is taken to mitigate the possible open risk. 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. |
| **Logistics Risk** | |
| **(a) Road Movement**<br>With the increase in the crude oil prices, diesel prices are likely to go up further. For every Re.1/- increase in the diesel cost, our road freight increases by Rs. 7/- PMT. Besides, with the laying of new roads for faster movement, more number of toll plazas are being added resulting in increase in the cost of transportation. | We are using alternate fuel oil for heavy vehicles used in mines. As the availability of these oils is restricted, we use these oils to the extent they are available. In addition, since the tolls are installed for maintenance of roads, these additional costs can be partly offset in the transportation rates in view of higher throughput. |
| **(b) Rail Movement**<br>The last rail freight revision was implemented during 2015 and with the huge increase in the fuel prices; there could be another upward revision in the rail freights in the near future. For every 1% increase in the rail freight, our additional impact would be Rs. 3 crores per annum. | We shall evaluate other alternate logistics models, such as coastal shipping, road movements, etc. |
| **Marketing Risk**<br>Cement industry is a highly competitive industry, especially in South India. This is primarily because of the predominance of lime stone availability in south and consequently, more manufacturing capacities have sprung up. As cement is logistics sensitive and therefore, cannot be carted long distances, the capacities tend to get marketed in south India. | Branding, Right product for Right application and continuous engagement with all segments of construction industry by our MACE team is helping us get the edge over competition. |
| **Human Resource Risk**<br>Loss of key employees due to resignation or retirement, overstaffing / understaffing, higher attrition rate, inadequate training for employees, employee wellness, and disturbances in industrial relations are identified as the key risk factors in human resource | Human Resource risk is mitigated by forecasting annual manpower to hire right people at right time. Various retention methodologies are followed like employee friendly benefits like extending loan schemes, transfer option to preferred location in genuine cases, Group Medical Insurance and Group Personal Accident Insurance Scheme and buffer scheme. Training programmes are conducted to employees based on functional roles. Periodic Wellness sessions on health related topics are being conducted with expert doctors from reputed hospitals. Maintaining cordial relationship with Unions, local leaders and carrying out CSR projects relevant to the local needs have ensured that there were no loss of man-days due to such disturbances. |

## Subsidiary Companies

The Company has two subsidiaries, viz. Ramco Windfarms Limited and Ramco Industrial and Technology Services Limited.

The Company has no material subsidiaries.

**Ramco Windfarms Limited (RWL)**

The Share Capital of RWL is Rs. 1 crore, out of which 71.50% is held by the Company. The rest of the share capital is held by Ramco Group of Companies.

The installed capacity of RWL was 39.835 MW as on 31-03-2023 comprising of 127 Wind Electric Generators.

The Company had generated 331.27 lakh units of power as compared to 333.65 lakh units of power during the previous year.

The revenue and profit after tax for the Company for the year ended 31-03-2023 were Rs. 13.51 crores and Rs. 2.25 crores compared to Rs. 13.41 crores and Rs. 2.29 crores respectively of the previous year. The Total Comprehensive Income of the Company for the year is Rs. 2.25 crores as against Rs. 2.29 of the previous year.

**Ramco Industrial and Technology Services Limited (RITSL)**

The Share Capital of RITSL is Rs. 4.78 crores, out of which 94.11% is held by the Company. The rest of the share capital is held by Ramco Group of Companies.

The Company provides Transport services, Manpower services and Information Technology related services, mainly involving Software Implementation services.

The revenue of the Company for the year ended 31-03-2023 on standalone basis was Rs. 40.13 crores as against Rs. 40.47 crores for the previous year. The Company had incurred a loss after tax of Rs. 3.65 crores as against the loss of Rs. 1.86 crores for the previous year. The Total Comprehensive Income of the Company for the year is Rs. (3.85) crores as against Rs. (2.01) of the 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 and Associates is attached in Form AOC-1 as Annexure-1.

In accordance with Regulation 46(2)(s) of LODR, separate audited financial statements of the above subsidiary companies are placed in the website of the Company.

**Consolidated Financial Statements**

The Company has 5 Associate Companies, viz. Rajapalayam Mills Limited, Ramco Industries Limited, Ramco Systems Limited, Lynks Logistics Limited and Madurai Trans Carrier Limited.

As per provisions of Section 129(3) of the Companies Act, 2013 and Regulation 34 of LODR, Companies are required to prepare a consolidated financial statement of the Company and of all the Subsidiaries and Associate Companies, which shall also 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 the 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

https://www.ramcocements.in/investors/financials

Separate audited accounts in respect of the subsidiary companies are also made available at the Company's website. The Company will 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 Rs. 314.52 crores for the year ended 31-03-2023 as compared to Rs. 881.48 crores of the previous year.

The consolidated total comprehensive income for the year ended 31-03-2023 was Rs. 313.43 crores as against Rs. 878.88 crores of the previous year.

## Directors

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

SEBI had brought in amendments in LODR Regulations for separation of the roles of Non-executive Chairperson & Managing Director, which is considered to be one of the highest standards of Corporate Governance. However, companies were given an option to adopt this provision on voluntary basis. To ensure greater Corporate Democracy and in order to have a better and more balanced governance structure and for providing a structural advantage for the board to act independently, the Board of Directors at their meeting held on 23-05-2022 had unanimously decided to separate the two posts and elected Shri.M.F.Farooqui, IAS (Retd.), Independent Director, as the Chairman of the Board of Directors, effective from 04-06-2022.

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors have re-appointed Shri.P.R.Venketrama Raja as Managing Director for a period of 5 years starting from 04-06-2022. His re-appointment was approved by way of a Special Resolution at the AGM held on 10-08-2022. His reappointment consequent to retirement by rotation has been included as an Ordinary Resolution, in the Notice convening the AGM scheduled to be held on 10-08-2023.

The Independent Directors hold office for a fixed term of 5 years from the date of their appointment and are not liable to retire by rotation.

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013.

The Company had formulated a Code of Conduct for the Directors and Senior Management personnel and the same has been complied with.

The Company has a policy relating to appointment and remuneration of Directors, Key Managerial Personnel and other employees duly approved by the Board of Directors, based upon the recommendation of Nomination and Remuneration Committee, in accordance with Section 178(3) of the Companies Act, 2013.

As per Proviso to Section 178(4) of the Companies Act, 2013, the salient features of the Nomination and Remuneration Policy should be disclosed in the Board's Report. Accordingly, the following disclosures are given:

Salient Features of the Nomination and Remuneration Policy:

The objective of the Policy is to ensure that:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The Nomination and Remuneration Committee and this Policy are in compliance with the Companies Act, 2013 and LODR. The web address of the Policy is –

https://www.ramcocements.in/investors/codes-and-policies

As required under Regulation 25(7) of LODR, 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 LODR, the details of the Familiarisation Programme for Independent Directors are available at the Company's website, at the following link –

https://www.ramcocements.in/investors/management

The details of familiarisation 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 LODR, 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 LODR, the Nomination and Remuneration Committee has laid down evaluation criteria for performance evaluation of Independent Directors, which is 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, 5 Board Meetings were held. The details of Meetings of the Board and Committees held during the financial year including the number of Meetings attended by each Director are given in the Corporate Governance Report.

## 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 has stopped accepting deposits from 01-04-2014 and have repaid / transferred to IEPF the deposits as the case may be and no deposit amount is pending with the company.

## Orders Passed by 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 Notes No. 12, 14, 21 and 49 of Notes to the Separate Financial Statements.

## Audits

### Statutory Audit

The Members at the Annual General Meeting held on 10-08-2022 have appointed M/s.Ramakrishna Raja And Co., Chartered Accountants, (FRN: 005333S) and M/s.SRSV & Associates, Chartered Accountants, (FRN: 015041S), as the Statutory Auditors of the company for their second term of five years from the conclusion of the 64th Annual General Meeting, till the conclusion of the 69th Annual General Meeting of the Company.

In accordance with Regulation 33(1)(d) of SEBI (LODR) Regulations, 2015, the auditors have submitted the necessary certificates issued by Peer Review Board of the Institute of Chartered Accountants of India.

The report of the Statutory Auditors for the year ended 31st March 2023 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 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 for the year 2023-24 at a remuneration of Rs.6,50,000/- (Rupees Six 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 65th Annual General Meeting scheduled to be held on 10-08-2023, for ratification by the Members.

The Cost Audit Report for the financial year 2021-22 due to be filed with Ministry of Corporate Affairs by 01-09-2022, had been filed on 25-08-2022. The Cost Audit Report for the financial year 2022-23 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, have been appointed to conduct the Secretarial Audit of the Company. Pursuant to Section 204(1) of the Companies Act, 2013, the Secretarial Audit Report submitted by the Secretarial Auditors for the year ended 31st March 2023 is attached as Annexure-2. The report does not contain any qualification, reservation or adverse remark.

## Annual Return

The Annual Return for the year ended 31st March 2022 in Form MGT-7, filed with Ministry of Corporate Affairs, is available in the Company's website at the following link:

https://www.ramcocements.in/investors/shareholders

## 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-3

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 Secretarial Auditors confirming compliance of conditions of Corporate Governance is also attached as Annexure-4.

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-5.

## Corporate Social Responsibility

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 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 weblink for the Vigil Mechanism is disclosed in the Corporate Governance Report.

## 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 details of contracts required to be disclosed in Form AOC-2 are given in Annexure-7.

No transaction with the related party is material in nature, in accordance with Company's "Related Party Transaction Policy" and Regulation 23 of LODR. In accordance with Ind AS-24, the details of transactions with the related parties are set out in the Notes to the 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.ramcocements.in/investors/codes-and-policies

As required under 46(2)(h) of LODR, the Company's Material Subsidiary Policy is disclosed in the Company's website and its weblink is –

https://www.ramcocements.in/investors/codes-and-policies

## Material Changes since 1st April 2023

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

## 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 disclosure with respect to remuneration as required under Section 197 of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure-9.

The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this report.

However, the annual report is being sent to the Members, excluding the aforesaid Annexure. In terms of Section 136 of the Companies Act, 2013, the said Annexure is open for inspection. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

## Employee Stock Option Scheme

At the Annual General Meeting held on 03-08-2018, the Members had approved the following Employee Stock Option Schemes.

| Name of the Scheme | Total No. of Options | Exercise Price | Vesting Period | Maximum Term | Source |
|---|---|---|---|---|---|
| ESOS 2018 – Plan A | 5,00,000 | Rs. 1/- per share | One year from the date of grant | 31st December of the immediately succeeding Financial Year, in which the vesting was done. | Primary |
| ESOS 2018 – Plan B | 7,00,000 | Rs. 100/- per share | | | |

The purpose of this plan is to facilitate Eligible Persons (Employees with Long Service and Contributed to the growth of the Company) through ownership of Shares of the Company to participate and gain from the Company's performance, thereby acting as a suitable reward. Participation in the ownership of the Company, through share based compensation schemes will be a just reward for the employees for their continuous hard work, dedication and support, which has led the Company to be what it is today.

The Plan is intended to:

- Create a sense of ownership within the organisation;
- Encourage Employees to continue contributing to the success and growth of the organisation;
- Retain and motivate Employees;
- Encourage Eligible Persons to align their performance with Company objectives;
- Reward Eligible Persons with ownership in proportion to their contribution;
- Align interest of Eligible Persons with those of the organisation.

The schemes are in compliance with the SEBI Regulations. During the year under review, no material changes have been made in the schemes.

The relevant disclosures in terms of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Secretarial Standard on Report of the Board of Directors are given below:

Details of Movement of Employee Stock Options during the year:

| Sl. No | Particulars | ESOS 2018 – Plan A | ESOS 2018 – Plan B |
|---|---|---|---|
| (a) | Number of options granted during the year | Nil | Nil |
| (b) | Number of options vested during the year | Nil | Nil |
| (c) | Number of options exercised during the year | Nil | Nil |
| (d) | Number of shares arising as a result of exercise of options | Nil | Nil |
| (e) | Number of options lapsed during the year | Nil | Nil |
| (f) | Exercise Price | Rs. 1/- | Rs. 100/- |
| (g) | Variation of terms of options | Nil | Nil |
| (h) | Money realized by exercise of options (INR), if scheme is implemented directly by the Company | Nil | Nil |
| (i) | Total Number of options in force (available for grant, but not yet granted) | 1,69,000 | 3,15,400 |
| (j) | Employee-wise details of options granted to | | |
| | (i) Key Managerial Personnel | Nil | Nil |
| | (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | Nil | Nil |
| | (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant | Nil | Nil |

A certificate from the Company's Secretarial Auditors, with respect to implementation of the above Employee Stock Option Schemes in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and the resolution passed by the Members of the Company has been received and the same is attached as Annexure-10.

The details as required under Part F of Schedule I read with Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, are disclosed on the Company's website and the web link is given below:

https://www.ramcocements.in/investors/shareholders

## Credit Rating

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

## Awards

The Company has been receiving various awards in Environment, Health & Safety, CSR, Energy Efficiency, etc. More details are available in pages 60 and 61.

## Shares

The Company's shares are listed in BSE Limited and National Stock Exchange of India Limited.

## Investor Education and Protection Fund (IEPF)

Dividend amount remaining unclaimed/unpaid for a period of over 7 years, transferred to IEPF, during the year under review are detailed below:

| Dividend Details | Amount Transferred – Rs. | Date of Transfer to IEPF |
|---|---|---|
| 2014-15 | 22,76,802 | 26-08-2022 |
| 2015-16 | 44,13,600 | 28-03-2023 |

Shares transferred to IEPF, during the year under review are detailed below:

| No. of Shares | Date of Transfer to IEPF |
|---|---|
| 80 | 07-09-2022 |
| 15,050 | 09-09-2022 |
| 6,759 | 27-09-2022 |
| 4,000 | 14-10-2022 |

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 Rs. 1/- each | Amount of Unclaimed / Unpaid Dividend as on 31-03-2023 – Rs. |
|---|---|---|---|---|---|---|
| 2016-17 | Dividend | 04-08-2017 | 03-08-2024 | 02-09-2024 | 15,73,924 | 47,21,772 |
| 2017-18 | Dividend | 03-08-2018 | 02-08-2025 | 01-09-2025 | 8,33,804 | 25,01,412 |
| 2018-19 | Dividend | 08-08-2019 | 07-08-2026 | 06-09-2026 | 7,80,731 | 23,42,193 |
| 2019-20 | Dividend | 03-03-2020 | 02-03-2027 | 01-04-2027 | 7,35,278 | 18,38,195 |
| 2020-21 | Dividend | 12-03-2021 | 11-03-2028 | 10-04-2028 | 7,69,230 | 20,84,890 |
| 2021-22 | Dividend | 10-08-2022 | 09-08-2029 | 08-09-2029 | 7,97,761 | 21,46,344 |

## 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 2023;

(b) they had selected such accounting policies and applied them consistently and made judgments 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 2023 and of the profit of the 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 internal 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.

## 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 also 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 **THE RAMCO CEMENTS LIMITED,**

**M.F.FAROOQUI**
Chairman
(DIN: 01910054)

Chennai
18-05-2023

**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 Subsidiary and Associate Companies

### Part A – Subsidiary Companies

Rs. in crores

| Name of Subsidiary Company | Ramco Windfarms Limited | Ramco Industrial and Technology Services Limited |
|---|---|---|
| | 2022-23 | 2022-23 |
| Reporting Currency | INR | INR |
| Share Capital | 1.00 | 4.78 |
| Reserves & Surplus | 22.78 | (0.91) |
| Total Assets | 38.11 | 18.78 |
| Total Liabilities | 14.33 | 14.91 |
| Investments | - | 11.91 |
| Turnover/Total Income | 13.51 | 40.12 |
| Profit/(Loss) before Taxation | 3.10 | (4.93) |
| Provision for Taxation | 0.85 | (1.27) |
| Share of Profit / (Loss) of Associates | - | (3.28) |
| Profit / (Loss) after Taxation | 2.25 | (6.94) |
| Other Comprehensive Income | - | (0.04) |
| Total Comprehensive Income | 2.25 | (6.98) |
| Proposed Dividend | - | - |
| Percentage of Shareholding | 71.50% | 94.11% |

### Part B – Associate Companies

| Name of the Associate Company | Ramco Systems Limited |
|---|---|
| Latest Audited Balance Sheet Date | 31-03-2023 |
| No. of Shares held as on 31-03-2023 | 54,17,810 |
| Amount of Investment in Associate as on 31-03-2023 (Rs. in crores) | 90.56 |
| Extent of Shareholding % as on 31-03-2023 | 15.38 |
| Description of how there is significant influence | Refer Note below |
| Reason why associate is not consolidated | Not Applicable |
| Net worth attributable to Shareholding (Rs. in crores) | 82.52 |
| Profit/(Loss) for the year (Consolidated) (Rs. in crores) | (197.58) |
| a) Considered in Consolidation (Rs. in crores) | (33.57) |
| b) Not Considered in Consolidation (Rs. in crores) | (164.01) |

| Name of the Associate Company | Ramco Industries Limited | Rajapalayam Mills Limited | Madurai Trans Carrier Limited | Lynks Logistics Limited |
|---|---|---|---|---|
| Latest Audited Balance Sheet Date | 31-03-2022 | 31-03-2022 | 31-03-2022 | 31-03-2022 |
| No. of Shares held as on 31-03-2022 | 1,33,72,500 | 33,150 | 5,37,50,000 | 49,95,16,202 |
| Amount of Investment in Associate as on 31-03-2022 (Rs. in crores) | 20.53 | 0.72 | 5.37 | 49.95 |
| Extent of Shareholding % as on 31-03-2022 | 15.43 | 0.39 | 29.86 | 38.37 |
| Description of how there is significant influence | Refer Note below | Refer Note below | By virtue of direct shareholding | By virtue of direct shareholding |
| Reason why associate is not consolidated | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Net worth attributable to Shareholding (Rs. in crores) | 579.99 | 8.29 | 3.85 | 12.22 |
| Profit/(Loss) for the year (Consolidated) (Rs. in crores) | 301.02 | 166.29 | 0.00 | (36.06) |
| a) Considered in Consolidation (Rs. in crores) | 16.11 | 0.11 | 0.00 | (12.59) |
| b) Not Considered in Consolidation (Rs. in crores) | 284.91 | 166.18 | 0.00 | (23.47) |

Note: Significant influence exists based on combined voting rights

As per our report annexed
For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

Chennai
18-05-2023

**M.F.FAROOQUI**
Chairman
(DIN: 01910054)

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

**Annexure - 2**

## Form No. MR-3

## Secretarial Audit Report for the financial year ended 31st March 2023

[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,
**THE RAMCO CEMENTS LIMITED,**
[CIN:L26941TN1957PLC003566]
"Ramamandiram", Rajapalayam,
Virudhunagar District –626 117

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **THE RAMCO CEMENTS LIMITED** (hereinafter called "the Company") **during the financial year from 1st April 2022 to 31st March 2023** ("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 **examination /verification** of the physical / electronic books, papers, minute books and other records maintained by the Company and furnished to us, in physical/ electronic form through e-mail, forms/ returns filed and compliance related action taken by the Company during the year as well as after 31st March 2023 but before the issue of this audit report;

(ii) Our **observations** during our visits to the Corporate office of the Company;

(iii) **Compliance certificates** confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and

(iv) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on 31st March 2023** the Company has:

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

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

(iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Regulations"):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

(c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(d) The Securities and Exchange Board of India (Issue and Listing of Non– Convertible Securities) Regulations, 2021; and

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(v) The following laws that are specifically applicable to the Company (Specific laws):

(a) The Mines Act, 1952 and the rules made thereunder;

(b) Mines and Minerals (Development and Regulation) Act, 1957 and the rules made thereunder; and

(c) Electricity Act, 2003

(vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) in respect of its Equity Shares and BSE Limited (BSE) in respect of its Equity Shares and Non-Convertible Debentures(Agreements).

(vii) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards).

1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2023 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 Specific laws and Agreements mentioned under sub-paragraphs (i) to (vi) of paragraph 1.1 above ;

(ii) Complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1.(vii) above to the extent applicable to Board meetings and General meetings.

1.3. We are informed that, during/ in respect of the year, due to non-occurrence of certain events, 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, Overseas Direct Investment and External Commercial Borrowings (FEMA);

(ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Act and dealing with the client;

(iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

(v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

**2. Board processes:**

**We further report that:**

2.1 The constitution of the Board of Directors of the Company (the Board) during the year was in compliance with the applicable provisions of the Act and LODR.

2.2 As on 31st March 2023, the Board has:

(i) 1 (One) Executive Director; and

(ii) 6 (Six) Non-Executive Independent Directors including the Chairman and a Woman Independent Director.

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

(i) Appointment of Sri. M.F. Farooqui (DIN 01910054), a Non-Executive Independent Director, as Chairman of the Board of Directors with effect from 4th June 2022. Sri. P.R.Venketrama Raja (DIN 00331406), who was the Chairman and Managing Director upto 3rd June 2022, became Managing Director with effect from 4th June 2022.

(ii) Re-appointment of Sri. P.R. Venketrama Raja (DIN 00331406), the retiring director at the 64thAnnual General Meeting held on 10th August 2022 (64th AGM); and

(iii) Re-appointment of Sri. P.R. Venketrama Raja (DIN 00331406) as Managing Director for a period five years with effect from 4th June 2022 to 3rd June 2027, which was approved by the members at the 64th AGM.

2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings. Notices of the Board meetings held during the year were sent to all the directors at least seven days in advance.

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

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

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

2.6 The Company has a system which facilitates 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 are informed that, at the Board meetings held during the year:

(i) Majority decisions were carried through; and

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

**3 Compliance mechanism**

**We further report that:**

3.1 There are adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**4 Specific events/ actions**

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

(i) Issue and allotment of 50,000 numbers of Secured Redeemable Non–Convertible Debentures (NCDs) of Rs. 1 lakh each amounting to Rs. 500 Crores on private placement basis and listed with BSE Limited.

(ii) Redemption of 1,000 numbers of "Series C" Secured Redeemable Non-Convertible Debentures ("NCDs") of Rs. 10 Lakhs each, amounting to Rs. 100 Crores which was issued on private placement basis during the financial year ended 31st March 2020.

(iii) Partial redemption of Rs. 5 Lakhs each out of the nominal value of Rs. 10 Lakhs of 2,000 numbers of "Series F" Secured Redeemable Non-Convertible Debentures ("NCDs"), amounting to Rs. 100 Crores which was issued on private placement basis during the financial year ended 31st March 2021.

For **S Krishnamurthy & Co.,**
Company Secretaries,
[Firm Unique Identification
No. P1994TN045300]
(Peer Review Certificate No. 739/2020)

**K Sriram,**
Partner.
Membership No: F6312
Certificate of Practice No:2215
UDIN: F006312E000330801

Date: 18 May 2023
Place: Chennai

## Annexure – A to Secretarial Audit Report of even date

To
The Members of,
**THE RAMCO CEMENTS LIMITED,**
[CIN: L26941TN1957PLC003566]
"Ramamandiram", Rajapalayam,
Virudhunagar District –626 117

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2023 is to be read along with this letter.**

1. **Management's Responsibility:**

   The Company's management is responsible for maintenance of secretarial records, making the statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. **Secretarial Auditors' Responsibility:**

   Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2023 but before the issue of this report.

5. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.

6. 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.

7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.

8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

9. 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.

10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For **S Krishnamurthy & Co.,**
Company Secretaries,
[Firm Unique Identification
No. P1994TN045300]
(Peer Review Certificate No. 739/2020)

**K Sriram,**
Partner.
Membership No: F6312
Certificate of Practice No:2215
UDIN: F006312E000330801

Date: 18 May 2023
Place: Chennai

Annexure - 3

# Report on Corporate Governance

Pursuant to Schedule V C of LODR

## 1. Company's Philosophy on Code of Governance

Since inception, The Ramco Cements Limited is assiduously following its self-determined goals on Corporate Governance. The object of the Company is to protect and enhance the value of all the stakeholders of the Company viz., shareholders, creditors, customers and employees. It strives to achieve these objectives through high standards in dealings and following business ethics in all its activities.

The Company believes in continuous upgradation of technology to improve the quality of its production and productivity to achieve newer and better products for total customer satisfaction. The Company leverages the developments in the technology for better compliances and communication. The Company lays great emphasis on team building and motivation. A contended and well developed employee will give to the Company better work and therefore better profits. 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 Organisation. 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 Organisation grows, the society and the community around it should also grow.

## 2. Board of Directors

The Board consists of eminent persons with considerable professional expertise in various fields such as Administration, Banking, Finance, Engineering, Law, Information Technology, etc. Shri.P.R.Venketrama Raja was Chairman & Managing Director upto 3rd June 2022. With effect from 4th June 2022 the posts of Chairman and Managing Director was segregated and Shri.M.F.Farooqui, IAS (Retd.) was appointed as Chairman of the Board and Shri.P.R.Venketrama Raja was designated as Managing Director.

The Board had 7 Directors as on 31-03-2023. Except Shri. P.R. Venketrama Raja all other Directors are Non-Executive Directors. As required by the Code of Corporate Governance, not less than 50% of the Board of Directors consists of Independent Directors. There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

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

- Cement Processing Technology
- Expert knowledge in Mines and Metallurgy Industries
- Information Technology
- Strategy Management
- Business Management
- Banking and Financial Management
- Project Management
- Risk Management including Foreign Exchange Management
- Industrial Relationship Management, including Environment, Health and Safety
- Legal Knowledge
- Tax Planning and Management
- General Administration
- Knowledge on Economic Affairs
- Knowledge on Environmental Laws

The skills/expertise/competencies available with the Directors have been furnished under the individual Director's profile.

**Directors' Profile**

**Shri.M.F.Farooqui, IAS (Retd.), Chairman of the Board, Independent Director**

Shri.M.F.Farooqui had spent 36 years as a career Civil Servant in the Indian Administrative Service. He had worked in the Government of India in various positions, including as Secretary–Department of Telecom and Heavy Industries, Special Secretary & Additional Secretary–Ministry of Environment and Joint Secretary–Department of Economic Affairs.

In the Government of Tamil Nadu, he had worked as Principal Secretary– Industries Department, Member Secretary–Chennai Metropolitan Development Authority and Deputy Secretary–Finance Department (Budget).

He had also served as Chairman of Repco Bank, Titan Company Limited and Tamilnadu Newsprint & Papers Limited.

He holds Master's Degree in Physics and Business Administration.

He has been on the Board of The Ramco Cements Limited since 2017.

| | |
|---|---|
| Skill / Expertise / Competency | General and Business Administration, Knowledge on Economic Affairs and Knowledge on Environmental Laws |

Names of the listed entities in which Shri.M.F.Farooqui is a Director and his category of Directorship:

| Name of the Company | Category of Directorship |
|---|---|
| TVS Electronics Limited | Non-Executive & Independent |

### Shri.P.R.Venketrama Raja, Managing Director

Shri.P.R.Venketrama Raja has a Bachelor's Degree in Chemical Engineering from University of Madras and Masters in Business Administration from University of Michigan, USA. He has been on the Board of The Ramco Cements Limited since 1985. He has more than 3 decades of Industrial Experience with specific knowledge in Textiles, Cement and Information Technology sectors.

As a Member of the Board, he is responsible for guiding the Company in establishment of new units, selection of process and equipments and adoption of latest technologies since 1985, when the Company went for its first green field expansion in Jayanthipuram.

| | |
|---|---|
| Skill / Expertise / Competency | Cement Processing Technology, Expert knowledge in Information Technology, Strategy Management, Business Management and Industrial Relationship Management |

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

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

### Shri.R.S.Agarwal, Independent Director

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

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

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

He has been on the Board of The Ramco Cements Limited since 2006.

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

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

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

### Shri.M.B.N.Rao, Independent Director

Shri.M.B.N.Rao, a graduate in Agriculture holds Diploma in Computer Studies from University of Cambridge and National Computing Centre, London and Certificate in Industrial Finance.

He started his Banking career in the year 1970 when he joined Indian Bank as a Probationary Officer. He has handled various assignments in the Banking Industry in India and Overseas and rose to become the Chairman and Managing Director of Indian Bank and later Chairman & Managing Director of Canara Bank, from where he retired.

He has been on the Board of The Ramco Cements Limited since 2009.

| | |
|---|---|
| Skill / Expertise / Competency | Banking and Risk Management including Foreign Exchange Management and Project Management |

Names of the listed entities in which Shri.M.B.N.Rao is a Director and his category of Directorship:

| Name of the Company | Category of Directorship |
|---|---|
| Taj GVK Hotels and Resorts Limited | Non-Executive & Independent |
| Apollo Hospitals Enterprises Limited | Non-Executive & Independent |

### Shri.M.M.Venkatachalam, Independent Director

Shri.M.M.Venkatachalam, a graduate in Agriculture from the University of Agricultural Sciences in Bangalore, holds Masters in Business Administration from the George Washington University, USA.

He had held the position of Vice Chairman of The Planters' Association of Tamil Nadu and was the past president of The Employers' Federation of Southern India.

He has been on the Board of The Ramco Cements Limited since 2013.

| | |
|---|---|
| Skill / Expertise / Competency | Strategy Management, Business Management, Project Management and Industrial Relationship Management |

Names of the listed entities in which Shri.M.M.Venkatachalam is a Director and his category of Directorship:

| Name of the Company | Category of Directorship |
|---|---|
| Coromandel International Limited | Non-Executive & Non-Independent |
| E.I.D Parry (India) Limited | Non-Executive & Non-Independent |
| Ramco Systems Limited | Non-Executive & Independent |
| Coromandel Engineering Company Limited | Non-Executive & Non-Independent |

### Smt. Justice Chitra Venkataraman (Retd.), Independent Director

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

She has been on the Board of The Ramco Cements Limited since 2015.

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

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

| Name of the Company | Category of Directorship |
|---|---|
| Ramco Industries Limited | Non-Executive & Independent |
| Lakshmi Machine Works Limited | Non-Executive & Independent |
| Super Sales India Limited | Non-Executive & Independent |

### Shri.M.S.Krishnan, Independent Director

Shri.M.S.Krishnan occupies the position of Associate Dean, Executive Programs, Accenture Professor of Computer Information Systems and Professor of Technology and Operations at the Ross School of Business, University of Michigan. He holds Bachelor's Degree in Mathematics, Masters in Computer Application, MS and Ph.D. in Industrial Administration.

His research interest includes Business Model Innovation, Technology Enabled Personalization, Ecosystem Innovation, Corporate IT Strategy, Business Value of IT investments, Metrics and Measures for Business Process and Software Quality, Productivity and Customer satisfaction. In January 2000, American Society for Quality (ASQ) selected him as one of the 21 voices of quality for the twenty first century. In 2004, he was selected as one of the top thinkers on Business Technology by InformationWeek-Optimize magazine based on their reader surveys.

He has been on the Board of The Ramco Cements Limited since September 2019.

| | |
|---|---|
| Skill / Expertise / Competency | Information Technology, Strategy Management and Business Management |

He is not holding Directorship in any other Company.

The Board of Directors have confirmed at the Meeting held on 18-05-2023 that all the above Independent Directors fulfil the conditions specified in LODR and are independent of the management.

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

All the Independent Directors have registered themselves with the Independent Directors Data Bank, as required under Rule 6 of Companies (Appointment & Qualification of Directors) Rules, 2014. All the Independent Directors, except Shri.M.S.Krishnan have been exempted from passing the online proficiency self-assessment test, conducted by Indian Institute of Corporate Affairs. Shri.M.S.Krishnan, has cleared the said self-assessment test on 11-12-2022, which is within the timeline specified by the Act.

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

| Sl. No | Name of the Director, Director Identification Number (DIN) & Directorship | 23-05-2022 | 01-08-2022 | 06-10-2022 | 09-11-2022 | 07-02-2023 | Attendance at last AGM held on 10-08-2022 |
|---|---|---|---|---|---|---|---|
| 1 | Shri.M.F.Farooqui, IAS (Retd.), Chairman<br>DIN: 01910054. Directorship: NE & ID | Yes | Yes | Yes | Yes | Yes | Yes |
| 2 | Shri.P.R.Venketrama Raja<br>Managing Director<br>DIN: 00331406. Directorship: P & E | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Shri.R.S.Agarwal<br>DIN: 00012594. Directorship: NE & ID | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Shri.M.B.N.Rao<br>DIN: 00287260. Directorship: NE & ID | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Shri.M.M.Venkatachalam<br>DIN: 00152619. Directorship: NE & ID | Yes | Yes | Yes | Yes | Leave | Yes |
| 6 | Smt. Justice Chitra Venkataraman (Retd.)<br>DIN: 07044099. Directorship: NE & ID | Leave | Yes | Leave | Leave | Yes | Yes |
| 7 | Shri.M.S.Krishnan<br>DIN: 08539017. Directorship: NE & ID | Yes | Yes | Leave | Yes | Yes | Yes |

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 31-03-2023 are given below:

| No | Name of the Director | Other Directorships* | Committee Positions** | |
|---|---|---|---|---|
| | | | Chairperson | Member |
| 1. | Shri.M.F.Farooqui, IAS (Retd.) | 1 | - | 2 |
| 2. | Shri.P.R.Venketrama Raja | 8 | 4 | 1 |
| 3. | Shri.R.S.Agarwal | 3 | 1 | 2 |
| 4. | Shri.M.B.N.Rao | 5 | 2 | 2 |
| 5. | Shri.M.M.Venkatachalam | 6 | 2 | 2 |
| 6. | Smt.Justice Chitra Venkataraman (Retd.) | 3 | - | 4 |
| 7. | Shri.M.S.Krishnan | - | - | - |

* Public Limited Companies, other than The Ramco Cements Limited.

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

**Disclosure of relationships between directors inter-se:**

None of the Directors are related to any other Director.

Shri.P.R.Venketrama Raja holds 17,46,460 shares in the Company. The other Directors do not hold any shares in the Company.

**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

https://ramcocements.in/cms/uploads/DIRECTORS_FAMILIARISATION_PROGRAMME_2022_2023_6600ebfa04.pdf

The Board of Directors periodically review Compliance Reports pertaining to all Laws applicable to the Company.

No non-compliance was reported during the year under review. The Board is also satisfied that plans are in place for orderly succession for appointment of Board of Directors and Senior Management.

A Code of Conduct has been laid out for all Members of the Board and Senior Management suitably incorporating the duties of Independent Directors as laid down in the Companies Act, 2013. The Code is available at the Company's website, at the following link https://www.ramcocements.in/investors/codes-and-policies

The minimum information to be placed before the Board of Directors at their meeting, as specified in Part A of Schedule II of LODR 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 Secretarial Audit Report of the Secretarial Auditor;

vi) To review the strength and weakness of the internal controls and to provide recommendations relating thereto;

vii) To generally assist the Board to discharge their functions more effectively;

viii) To review the financial statements and any investments made by the Company / Subsidiary Companies.

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

The Composition of the Audit Committee and the details of the attendance of its Members are as follows:

| No | Name of the Director | 23-05-2022 | 01-08-2022 | 09-11-2022 | 07-02-2023 |
|---|---|---|---|---|---|
| 1. | Shri.R.S.Agarwal, Chairman of the Committee | Yes | Yes | Yes | Yes |
| 2. | Shri.P.R.Venketrama Raja | Yes | Yes | Yes | Yes |
| 3. | Shri.M.M.Venkatachalam | Yes | Yes | Yes | Leave |
| 4. | Shri.M.B.N.Rao | Yes | Yes | Yes | Yes |

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.

3/4$^{th}$ of the members of the Audit Committee are Independent Directors as against the minimum requirement of 2/3$^{rd}$ as stipulated in Regulation 18(1)(b) of LODR.

## 4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee discharges the functions as envisaged for it by the Companies Act, 2013, LODR and functions as mandated by the Board of Directors from time to time. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors have approved a Nomination and Remuneration Policy for the Company. The 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.

In accordance with Regulation 5(2) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, the Company had designated the Nomination and Remuneration Committee as Compensation Committee for the purpose of Administration and Superintendence of the Company's Employee Stock Option Schemes, both present and future.

The complete details about the terms of reference for Nomination and Remuneration Committee and the Nomination and Remuneration Policy are available at Company's website at the following link –

https://www.ramcocements.in/investors/codes-and-policies

The Composition of the Nomination and Remuneration Committee and the details of the attendance of its Members are as follows:

| No | Name of the Director | 23-05-2022 |
|---|---|---|
| 1. | Shri.R.S.Agarwal, Chairman of the Committee | Yes |
| 2. | Shri.P.R.Venketrama Raja * | Yes |
| 3. | Shri.M.F.Farooqui, IAS (Retd.) ** | -- |
| 4. | Shri.M.M.Venkatachalam | Yes |
| 5. | Smt. Justice Chitra Venkataraman (Retd.) | Yes |

* Upto 23-05-2022.

** Co-opted as Member with effect from 23-05-2022

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

## 5. Stakeholders Relationship Committee

The Composition of the Stakeholders Relationship Committee and the details of the attendance of its Members are as follows:

| No | Name of the Director | 10-03-2023 |
|---|---|---|
| 1. | Shri.M.M.Venkatachalam, Chairperson of the Committee | Yes |
| 2. | Shri.P.R.Venketrama Raja | Yes |
| 3. | Smt. Justice Chitra Venkataraman (Retd.) | Yes |

| Name of Non-executive Director heading the Committee | Shri.M.M.Venkatachalam |
|---|---|
| Name and Designation of Compliance Officer | Shri.K.Selvanayagam, Secretary |
| No. of complaints received during the year | 2 |
| Number not solved to the satisfaction of shareholders | NIL |
| Number of pending complaints | NIL |

## 6. Risk Management Committee

The terms of reference of the Risk Management Committee include:

1. To formulate a detailed risk management policy which shall include:
    a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b. Measures for risk mitigation including systems and processes for internal control of identified risks.
    c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Composition of the Risk Management Committee and the details of the attendance of its Members are as follows:

| No | Name of the Member | 16-09-2022 | 10-03-2023 |
|---|---|---|---|
| | **Members of the Board** | | |
| 1 | Shri.M.B.N.Rao, Chairperson of the Committee | Yes | Yes |
| 2 | Shri.P.R.Venketrama Raja | Leave | Yes |
| 3 | Shri.M.M.Venkatachalam | Leave | Yes |
| 4 | Smt. Justice Chitra Venkataraman (Retd.) | Yes | Yes |
| | **Non-Members of the Board** | | |
| 5 | Shri.A.V.Dharmakrishnan | Leave | Yes |
| 6 | Shri.M.Srinivasan | Yes | Yes |
| 7 | Shri.S.Vaithiyanathan | Yes | Yes |

The Company has a Risk Management Policy and Foreign Exchange Risk Management Policy and the same are disclosed in the Company's website and their weblink is – https://www.ramcocements.in/investors/codes-and-policies

## 7. Remuneration of Directors

The Directors were paid a Sitting Fee of Rs. 75,000/- per meeting for attending the meetings of Board and Committees thereof, till 23-05-2022. At the Board Meeting held on 23-05-2022, the Board approved a Sitting Fee of Rs. 1,00,000/- per meeting for attending the meetings of Board and Committees thereof and since then, the Directors are paid Sitting Fee of Rs. 1,00,000/- per meeting for attending the meetings of Board and Committees thereof. There are no pecuniary relationships or transactions of Non–Executive Directors vis-a-vis the Company, other than fees for attending Meetings of the Board and its Committees.

The appointment and remuneration to Managing Director is governed by the special resolution passed by the shareholders at the Annual General Meeting held on 10-08-2022 as detailed below:

A. WHEN THE COMPANY IS HAVING PROFITS:

a. Rs. 10 lakhs per month,

b. Contribution to Provident Fund,

c. Commission, as follows:

| Net Profit under Section 198 of the Act, for a financial year | Commission as a % of Net Profit | Maximum limit – Rs. in crores |
|---|---|---|
| Upto Rs. 800 crores | 5% | 36 |
| Exceeding Rs. 800 crores | Rs. 36 crores + 2% on the amount in excess of Rs. 800 crores. | 45 |

d. the remuneration payable to Shri.P.R.Venketrama Raja shall not exceed the maximum limit as stated above.

B. WHEN THE COMPANY HAS NO PROFITS OR ITS PROFITS ARE INADEQUATE:

When the Company has no profits or its profits are inadequate, in any financial year, not being more than three such financial years over his entire tenure of five years,

i. he shall be paid remuneration as provided in (A) of Section II, Part II of Schedule V of the Companies Act, 2013, based upon effective capital.

ii. he shall be paid perquisites as provided in Section IV, Part II of Schedule V of the Companies Act, 2013.

C. SITTING FEE

The remuneration aforesaid shall be exclusive of any fee paid for attending Meetings of the Board or any 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.

The details of remuneration paid for the financial year 2022-23 are as follows:

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:** **(In Rs.)**

| Sl No | Particulars of Remuneration | Name of MD | Name of WTD | Name of Manager | Total Amount |
|---|---|---|---|---|---|
| | | Sri.P.R. Venketrama Raja | -- | -- | |
| 1 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,20,00,000 | -- | -- | 1,20,00,000 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 39,600 | -- | -- | 39,600 |
| 2 | Commission – as % of profit | 22,86,81,801 | -- | -- | 22,86,81,801 |
| 3 | Contribution towards Provident Fund | 14,40,000 | -- | -- | 14,40,000 |
| 4 | Contribution towards Superannuation Fund | -- | -- | -- | -- |
| 5 | Medical Reimbursement | -- | -- | -- | -- |
| 6 | Sitting fees | 12,25,000 | -- | -- | 12,25,000 |
| | Total (A) | 24,33,86,401 | | | 24,33,86,401 |
| | Overall ceiling as per the Act | 5% of the Net profits of the company calculated as per Section 198 of the Companies Act, 2013 plus sitting fees for Board/Committee Meetings attended during the year. | | | |

**B. Remuneration to other Directors:** **(In Rs.)**

| Sl No | Particulars of Remuneration | Name of the Directors | | | | | | Total Amount |
|---|---|---|---|---|---|---|---|---|
| | | Sri.M.F. Farooqui, IAS (Retd.) | Sri.M.B.N. Rao | Sri.M.M. Venkatachalam | Smt. Justice Chitra Venkataraman (Retd.) | Sri.R.S. Agarwal | Sri.M.S. Krishnan | |
| 1 | Independent Directors | | | | | | | |
| | Fee for attending board/committee meetings | 6,00,000 | 11,75,000 | 11,25,000 | 7,50,000 | 10,50,000 | 5,00,000 | 52,00,000 |
| | Commission | -- | -- | -- | -- | -- | -- | -- |
| | Others | -- | -- | -- | -- | -- | -- | -- |
| | Total (1) | 6,00,000 | 11,75,000 | 11,25,000 | 7,50,000 | 10,50,000 | 5,00,000 | 52,00,000 |
| 2 | Other Non-Executive Directors | | | | | | | |
| | Fee for attending board/committee meetings | -- | -- | -- | -- | -- | -- | -- |
| | Commission | -- | -- | -- | -- | -- | -- | -- |
| | Others | -- | -- | -- | -- | -- | -- | -- |
| | Total (2) | -- | -- | -- | -- | -- | -- | -- |
| | Total (B) = (1+2) | 6,00,000 | 11,75,000 | 11,25,000 | 7,50,000 | 10,50,000 | 5,00,000 | 52,00,000 |
| | Overall Ceiling as per the Act | 1% of the Net Profits of the Company, calculated as per Section 198 of the Companies Act, 2013. | | | | | | |
| | **Total Managerial Remuneration (A+B)** | | | | | | | **24,85,86,401** |

## 8. General Body Meetings

**a. Location and time, where last three AGMs held:**

| Year ended | Date | Time | Venue |
|---|---|---|---|
| 31-03-2020 | 07-09-2020 | 10.00 AM | Held through VC |
| 31-03-2021 | 19-08-2021 | 10.00 AM | Held through VC |
| 31-03-2022 | 10-08-2022 | 10.00 AM | Held through VC |

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

| Date of the AGM | Subject Matter of the Special Resolution |
|---|---|
| 10-08-2022 | Reappointment of Shri.P.R.Venketrama Raja, as Managing Director for a period of 5 years from 04-06-2022 |
| 19-08-2021 | Reappointment of Shri.M.F.Farooqui, IAS (Retd.) as Independent Director |
| 07-09-2020 | No Special Resolutions were passed at the AGM |

c. No Special Resolution on matters requiring postal ballot was passed during the year under review.

d. No Special Resolution is proposed to be passed through Postal Ballot.

## 9. Means of Communication

The Unaudited Quarterly and Half-yearly financial results and Audited Annual Results are published in English in Business Line (All editions), The New Indian Express (Combined Chennai edition), Trinity Mirror (All editions) and Business Standard (All Editions) and in Tamil in Dinamani (Combined Chennai edition) and Makkal Kural (All editions). The results were also displayed on the Company's website www.ramcocements.in

All the financial results and details of institutional investors / analysts meets are provided to the Stock Exchanges and the same is also disseminated in the Company's website.

Official News releases are given directly to the Press and the Company's website also displays the official news releases.

## 10. General Shareholder Information

| | | |
|---|---|---|
| a. | Annual General Meeting | On 10-08-2023 at 10.00 AM through Video Conference / Other Audio Visual Means |
| b. | Financial Year | 1st April 2022 to 31st March 2023 |
| c. | Dividend Payment date | 10-08-2023 onwards |
| d. | Name and Address of Stock Exchanges where the Company's Securities are Listed | National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.<br>BSE Limited, "P.J.Towers", Dalal Street, Mumbai – 400 001.<br>The Annual Listing Fee for the year 2023-24 has been paid to the Stock Exchanges. |
| e. | Stock Code | BSE Limited: 500260<br>National Stock Exchange of India Limited: RAMCOCEM |
| f. | Market Price Data | Enclosed as Annexure – A. |
| g. | Performance in comparison to broad based indices | Enclosed as Annexure – A. |
| h. | Whether the securities are suspended from trading | No |
| i. | Registrar and Transfer Agents | Being carried out in-house by the Secretarial Department of the Company. |
| j. | Share Transfer System | For shares held in electronic mode, transfers are effected under the depository system of NSDL and CDSL. For shares held in physical mode, the transfers have been effected in-house till 31-03-2019.<br>Vide Press Release No: 51/2018 dated 03-12-2018 of SEBI, only transmission or transposition of securities are eligible for processing in physical form with effect from 01-04-2019. |
| k. | Distribution of Shareholding | Enclosed as Annexure – B. |
| l. | Dematerialisation of Shares & liquidity | As on 31st March 2023, 95.80% of the shares have been dematerialized. The details of liquidity of the Company's shares, are available in Annexure – A. |
| m. | Outstanding GDRs/ ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity | Nil |
| n. | Commodity Price Risk or Foreign Exchange Risk and Hedging Activities | Based on market conditions, forward covers for foreign currency payments are being booked. Foreign currency movements are monitored closely for covering unhedged portions, if any. |

o. Plant Locations

Integrated Cement Plants

i. Ramasamy Raja Nagar–626 204, Virudhunagar District, Tamil Nadu.

ii. Alathiyur, Cement Nagar–621 730, Ariyalur District, Tamil Nadu.

iii. Govindapuram Village–621 713, Ariyalur District, Tamil Nadu.

iv. Jayanthipuram, Kumarasamy Raja Nagar–521 457, Krishna District, Andhra Pradesh.

v. Kalavatala, Kolimigundla Mandal, Nandyal District, Andhra Pradesh.

Grinding Units

i. Kattuputhur Village, Uthiramerur, Kancheepuram District–603 107, Tamil Nadu.

ii. Singhipuram Village, Valapady, Salem District–636 115, Tamil Nadu.

iii. Kolaghat–721 134, Purba Medinipur District, West Bengal.

iv. Gobburupalem, Amir Sahib Peta Post–531 055, Kasimkota Mandal, Vizag, Andhra Pradesh.

v. Haridaspur–755 024, Jajpur, Odisha.

vi. Mathodu–577 533, Hosadurga, Chitradurga District, Karnataka.

Packing Plant

Kumarapuram, Aralvaimozhi–629 301, Kanyakumari District, Tamil Nadu.

Dry Mortar Plants

i. F-14, SIPCOT Industrial Park, Sriperumbudur–602 106, Tamil Nadu.

ii. Singhipuram Village, Valapady, Salem District–636 115, Tamil Nadu.

iii. Ramasamy Raja Nagar–626 204, Virudhunagar District, Tamil Nadu.

Readymix Concrete Plant

Medavakkam-Mambakkam Road, Vengaivasal, Chennai–600 100, Tamil Nadu.

Ramco Research & Development Centre

11-A, Okkiyam, Thuraipakkam, Chennai–600 096, Tamil Nadu.

Wind Farm Division

i. Thandayarkulam, Veeranam, Muthunaickenpatti, Pushpathur and Udumalpet in Tamil Nadu.

ii. Vani Vilas Sagar and GIM II Hills in Karnataka.

p. Address for Correspondence

K.Selvanayagam, Secretary (Compliance Officer)
The Ramco Cements Limited
Auras Corporate Centre, V Floor
98-A, Dr.Radhakrishnan Road
Mylapore, Chennai – 600 004, Tamil Nadu
Phone: 044-28478666 Fax: 044-28478676
E Mail : ksn@ramcocements.co.in

q. Credit Rating

ICRA and CRISIL, the Company's credit rating agencies, have rated the borrowing programmes as follows:

**Ratings by ICRA**

| Security | Limit / Outstanding as on 31-03-2023 | Amount – Rs. in crores | Rating |
|---|---|---|---|
| Non-Convertible Debentures | Limit | 990 | [ICRA] AA+ (Stable) (reaffirmed) |
| Non-Convertible Debentures | Limit | 500 | [ICRA] AA+ (Stable) (assigned) |
| Term Loan facilities | Limit | 3,183 | [ICRA] AA+ (Stable) (reaffirmed) / (assigned) |
| Long term fund based facilities | Limit | 885 | [ICRA] AA+ (Stable) (reaffirmed) |
| Short term fund based facilities | Limit | 1,210 | [ICRA] A1+ (reaffirmed) / (assigned) |
| Short term non-fund based facilities | Limit | 235 | [ICRA] A1+ (reaffirmed) |
| Commercial Papers | Limit | 900 | [ICRA] A1+ (reaffirmed) |

**Ratings by CRISIL**

| Security | Limit as on 31-03-2023 | Amount – Rs. in crores | Rating |
|---|---|---|---|
| Commercial Papers | Limit | 900 | CRISIL A1+ |

There had been no revision in the ratings during the year.

## 11. Other Disclosures

a. There are no materially significant related party transactions made by the Company that may have potential conflict with the interests of the Company at large.

b. For delay in submitting information about utilisation of the issue proceeds of Non-Convertible Debentures (NCD) and Record Date for interest payment on NCDs, the Company had paid a fine of Rs. 2.16 lakhs (plus applicable GST) to BSE Limited on 18-11-2022. Other than this, there are no instances of non-compliance by the Company, and no penalties or strictures were imposed on the company by Stock Exchange 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. The policy is available at the following weblink :

https://www.ramcocements.in/investors/codes-and-policies

d. The Company has complied with the mandatory requirements. The status of adoption of the non-mandatory requirements is given below:

   i. The Company's financial statements are with unmodified audit opinion for the year 2022-23.

e. The Material Subsidiary Policy is disclosed in the Company's website and its weblink is –

https://www.ramcocements.in/investors/codes-and-policies

f. The Related Party Transaction Policy is disclosed in the Company's website and its weblink is –

https://www.ramcocements.in/investors/codes-and-policies

g. Commodity Price Risks and Commodity Hedging Activities:

For details on Commodity Price Risk, please refer to page no. 84. Foreign Exchange Risk is managed/hedged in accordance with the Policy of the Company, which is approved by the Board. The updates are provided to Audit Committee/Board on a quarterly basis.

h. The Company has not raised any funds through Preferential Allotment or Qualified Institutions Placement.

i. M/s.S.Krishnamurthy & Co., Company Secretaries, have certified that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

j. There has not been an occasion, where the Board had not accepted any recommendation of any Committee of the Board.

k. Total Fee paid to Statutory Auditors including subsidiaries

The total fees for all the services paid by the Company to the Statutory Auditors is Rs. 44.23 lakhs.

Fees paid to the Company's Statutory Auditors for the services (Tax Audit and Certification) rendered by them to the Subsidiary Companies is Rs. 1.20 lakhs.

l. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Pursuant to Rule 8(5)(x) of Companies (Accounts) Rules, 2014, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

m. Disclosure by the company and its subsidiaries of Loans and Advances:

(Rs. in crores)

| Name of the Lender | Recipient's Name | Aggregate amount given during the year | Outstanding as on 31-03-2023 |
|---|---|---|---|
| The Ramco Cements Limited | Ramco Windfarms Limited | 1.60 | 10.23 |
| | Ramco Industrial and Technology Services Limited | 8.27 | 11.31 |
| | Madurai Trans Carrier Limited | 39.20 | -- |

n. The Company has no material subsidiary.

12. The Company has complied with the requirements of Corporate Governance Report of sub-paras (2) to (10) of Schedule V of LODR.

13. The extent to which the discretionary requirements specified in Part E of Schedule II have been adopted, is given against Clause 10(d) above.

14. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 of LODR.

As required under Regulation 46(2)(b) to (i) of LODR, the following information have been duly disseminated in the Company's website.

- Terms and conditions of appointment of Independent Directors
- Composition of various committees of Board of Directors
- Code of Conduct of Board of Directors and Senior Management Personnel
- Details of establishment of Vigil Mechanism/ Whistle Blower Policy
- Criteria of making payments to Non-Executive Directors
- Policy on dealing with Related Party Transactions

- Policy for determining 'Material Subsidiaries'
- Details of familiarization Programmes imparted to Independent Directors

15. The Minutes of the Meeting of the Board of Directors of the unlisted subsidiaries are being placed before the Board of Directors of the Company.

16. The Management of the unlisted subsidiaries periodically bring to the notice of the Board, a statement on significant transactions and arrangements entered into by them.

17. Senior Management Personnel disclose to the Board of Directors all material, financial and commercial transactions where they have personal interest that may have a potential conflict with the Company's interest, if any.

18. The Company submits quarterly compliance report on Corporate Governance to the Stock Exchanges, in the prescribed format within 21 days from the close of the quarter or within such time limit as extended by Securities and Exchange Board of India.

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 Committee of Board of Directors.

### Corporate Social Responsibility Committee

The Composition of the Corporate Social Responsibility Committee and the details of the attendance of its Members are as follows:

| No | Name of the Director | 23-05-2022 |
|---|---|---|
| 1 | Shri.M.M.Venkatachalam<br>Chairperson of the Committee | Yes |
| 2 | Shri.P.R.Venketrama Raja | Yes |
| 3 | Smt.Justice Chitra Venkataraman (Retd.) | Yes |

21. Disclosures with Respect to Unclaimed Suspense Account [Pursuant to Schedule V(F) of LODR]

| No | Details | No. of Shareholders | No. of Shares of Rs. 1/- each |
|---|---|---|---|
| (a) | aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; | 6 | 16800 |
| (b) | number of shareholders who approached listed entity for transfer of shares from suspense account during the year; | 1 | 12000 |
| (c) | (i) number of shareholders to whom shares were transferred from suspense account during the year; | 1 | 12000 |
| | (ii) Shares Transferred to IEPF; | 4 | 4000 |
| (d) | aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; | 1 | 800 |
| (e) | that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. | | |

22. Declaration signed by the Chief Executive Officer of the Company as per Schedule V(D) of LODR, on compliance with the Code of Conduct is annexed.

23. Compliance Certificate as per Regulation 17(8) read with Part B of Schedule II of LODR, provided by Chief Executive Officer and Chief Financial Officer is annexed.

## Declaration

As provided under Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct for the year ended 31st March 2023.

For **THE RAMCO CEMENTS LIMITED,**

Chennai
18-05-2023

**A.V.DHARMAKRISHNAN**
Chief Executive Officer

To
The Board of Directors
The Ramco Cements Limited
Rajapalayam.

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

We hereby certify that –

A. We have reviewed financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief :

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee that –

   1. there are no significant changes in internal control over financial reporting during the year;

   2. there are no significant changes in Accounting Policies, during the year;

   3. there are no instances of significant fraud of which we have become aware.

Chennai
18-05-2023

**S.VAITHIYANATHAN**
Chief Financial Officer

**A.V.DHARMAKRISHNAN**
Chief Executive Officer

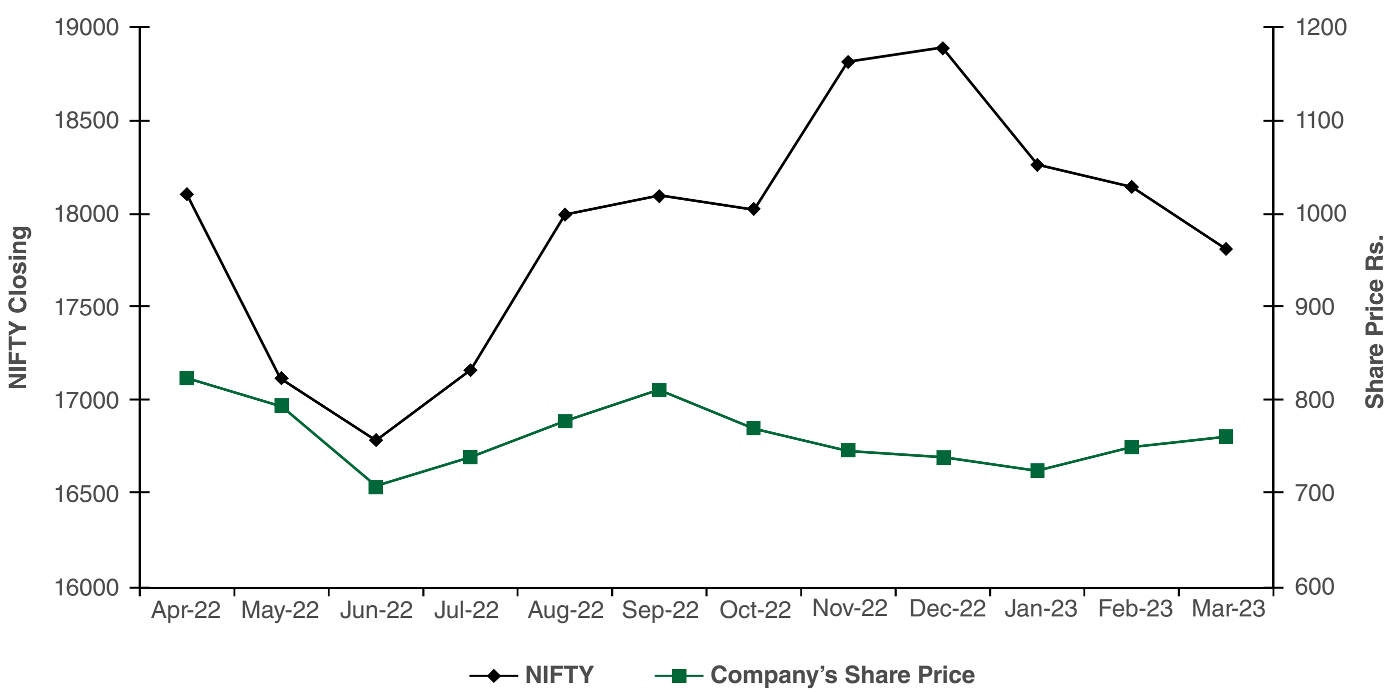
**Annexure - A**

## STATISTICAL DATA

Share Price High & Low / Volume (from April 2022 to March 2023 in NSE & BSE)

| Month | NSE | | | BSE | | |
|---|---|---|---|---|---|---|
| | High Rs. | Low Rs. | No. of Shares Traded | High Rs. | Low Rs. | No. of Shares Traded |
| April 2022 | 824 | 762 | 80,47,737 | 825 | 762 | 2,91,286 |
| May | 793 | 633 | 90,07,208 | 794 | 633 | 3,88,934 |
| June | 709 | 576 | 1,21,45,970 | 709 | 575 | 4,14,930 |
| July | 737 | 614 | 93,67,760 | 736 | 624 | 2,66,569 |
| August | 779 | 710 | 1,10,62,803 | 779 | 709 | 2,59,061 |
| September | 810 | 700 | 1,43,34,664 | 809 | 700 | 6,32,094 |
| October | 770 | 687 | 62,34,207 | 770 | 686 | 11,41,922 |
| November | 746 | 634 | 1,66,90,536 | 746 | 635 | 3,84,135 |
| December | 739 | 666 | 1,18,27,089 | 738 | 670 | 3,99,189 |
| January 2023 | 724 | 642 | 55,51,134 | 724 | 636 | 1,47,341 |
| February | 752 | 666 | 97,63,133 | 751 | 666 | 2,41,709 |
| March | 760 | 704 | 84,62,963 | 759 | 701 | 1,89,546 |
| **Year 2022-23** | **824** | **576** | **12,24,95,204** | **825** | **575** | **47,56,716** |

**Share Price Movement (April 2022 to March 2023)**



Annexure - B

## Pattern of Shareholding as on 31-03-2023

| Description | Total Shareholders | % | Total Shares | % |
|---|---|---|---|---|
| **Promoter & Promoter Group** | | | | |
| 1) Residents | 7 | 0.013 | 74,50,840 | 3.153 |
| 2) Body Corporate | 5 | 0.009 | 9,24,91,034 | 39.143 |
| **Sub-Total** | **12** | **0.022** | **9,99,41,874** | **42.296** |
| **Non-Promoters holding** | | | | |
| 1) Residents | 51,673 | 94.573 | 2,53,16,149 | 10.714 |
| 2) NRIs | 1,300 | 2.379 | 6,32,732 | 0.268 |
| 3) Body Corporates | 360 | 0.659 | 47,16,522 | 1.996 |
| 4) Mutual Funds | 19 | 0.035 | 3,89,88,777 | 16.500 |
| 5) Banks | 1 | 0.002 | 11 | - |
| 6) State Government | 1 | 0.002 | 80,00,000 | 3.386 |
| 7) Foreign Portfolio Investors | 115 | 0.210 | 1,78,51,878 | 7.555 |
| 8) Trusts | 19 | 0.035 | 1,74,683 | 0.074 |
| 9) Clearing Member | 30 | 0.055 | 2,19,254 | 0.093 |
| 10) IEPF | 1 | 0.002 | 12,32,100 | 0.521 |
| 11) Alternative Investment Funds | 2 | 0.004 | 1,01,194 | 0.043 |
| 12) HUF | 904 | 1.655 | 7,31,730 | 0.310 |
| 13) Suspense Account | 1 | 0.002 | 800 | - |
| 14) Insurance Companies | 15 | 0.027 | 3,76,22,003 | 15.922 |
| 15) Key Managerial Personnel (KMP) | 4 | 0.007 | 5,09,000 | 0.215 |
| 16) Employees other than KMP | 181 | 0.331 | 2,53,673 | 0.107 |
| **Sub-Total** | **54,626** | **99.978** | **13,63,50,506** | **57.704** |
| **Total** | **54,638** | **100.000** | **23,62,92,380** | **100.000** |

## Distribution of Shareholding as on 31-03-2023

| Description | Total Shareholders | % | Total Shares | % |
|---|---|---|---|---|
| a) Upto - 500 | 50,454 | 92.342 | 27,82,693 | 1.178 |
| b) 501 to 1000 | 1,486 | 2.720 | 11,99,882 | 0.508 |
| c) 1001 to 2000 | 914 | 1.673 | 14,66,549 | 0.620 |
| d) 2001 to 3000 | 316 | 0.578 | 8,14,258 | 0.345 |
| e) 3001 to 4000 | 346 | 0.633 | 13,20,373 | 0.559 |
| f) 4001 to 5000 | 167 | 0.306 | 7,76,392 | 0.329 |
| g) 5001 to 10000 | 417 | 0.763 | 30,98,821 | 1.311 |
| h) 10001 & above | 538 | 0.985 | 22,48,33,412 | 95.150 |
| **Total** | **54,638** | **100.000** | **23,62,92,380** | **100.000** |

## Category of Shareholding as on 31-03-2023

| Description | Total Shareholders | % | Total Shares | % |
|---|---|---|---|---|
| Dematerialised Form - NSDL & CDSL | 54,432 | 99.623 | 22,63,73,462 | 95.802 |
| Physical Form | 206 | 0.377 | 99,18,918 | 4.198 |
| **Total** | **54,638** | **100.000** | **23,62,92,380** | **100.000** |

**Annexure - 4**

## Certificate regarding compliance of conditions of corporate governance

[Pursuant to paragraph E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members of
The Ramco Cements Limited,
[CIN: L26941TN1957PLC003566]
"Ramamandiram", Virudhunagar District,
Rajapalayam– 626117

We have examined the compliance of the conditions of Corporate Governance by The Ramco Cements Limited ("the Company") during the financial year ended 31st March 2023, as stipulated under the following Regulations/ Schedule of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"):

(a) Regulation numbers 17 to 27 dealing with composition of the Board of Directors and its Committees, vigil mechanism, related party transactions and certain other matters;

(b) Regulation numbers 46(2)(b) to 46(2)(i) dealing with the information to be disseminated on the Company's web-site;

(c) Part A of Schedule II dealing with the minimum information to be placed before the Board of Directors;

(d) Part B of Schedule II dealing with the Compliance Certificates furnished by the Chief Executive Officer and Chief Financial Officer;

(e) Part C of Schedule II dealing with the, role of Audit Committee and review of information by the Committee;

(f) Part D of Schedule II dealing with the role of Nomination and Remuneration Committee, Stakeholder's Relationship Committee and Risk Management Committee;

(g) Paragraph C of Schedule V dealing with disclosures in the Corporate Governance Report;

(h) Paragraph D of Schedule V dealing with the declaration signed by the Chief Executive Officer affirming compliance with the code of conduct by the Board of Directors and Senior Management Personnel; and

(i) Paragraph E of Schedule V dealing with compliance certificate on conditions of corporate governance issued by Practicing Company Secretary.

The Company was required to comply with the said conditions of Corporate Governance on account of:

(a) The Listing Agreements entered into with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for listing its equity shares pursuant to Regulation 15 (1); and

(b) The Listing Agreement entered into with the BSE Limited for listing its Non-Convertible Debentures ("NCD's") since the Company is a High Value Debt Listed Company pursuant to Regulation 15 (1A) as the outstanding value of the NCDs exceeds Rs. 500 Crores as on 31st March 2023.

### Management's responsibility

The Company's management is responsible for compliance with the conditions of corporate governance, maintenance of relevant records and making the prescribed statutory/ regulatory disclosures/ filings.

### Our responsibility

Our responsibility is to broadly review the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.

**We hereby certify that,** in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, during the year ended 31st March 2023, complied with the applicable conditions of Corporate Governance.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

For **S Krishnamurthy & Co.,**
Company Secretaries,
[Firm Unique Identification No. P1994TN045300]
(Peer Review Certificate No. 739/2020)

**K Sriram**,
Partner.
Membership number: F6312
Certificate of Practice No:2215
UDIN: F006312E000331087

Date: 18 May 2023
Place: Chennai

Annexure - 5

## Certificate on non-disqualification of Directors

[Pursuant to Regulation 34 (3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
The Ramco Cements Limited
[CIN: L26941TN1957PLC003566]
"Ramamandiram", Virudhunagar District,
Rajapalayam– 626117

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of THE RAMCO CEMENTS LIMITED ("the Company) as on 31st March 2023, have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

| S. No | Name of the Director | Nature of Directorship | Director's Identification Number |
|---|---|---|---|
| 1. | Farooqui Fayazuddin Mohammed | Chairman, Independent Director | 01910054 |
| 2. | Poosapadi Ramasubrahmaneya Rajha Venketrama Raja | Managing Director (KMP) | 00331406 |
| 3. | Radhey Shyam Agarwal | Independent Director | 00012594 |
| 4. | Bhaskara Mandavilli Nageswara Rao | Independent Director | 00287260 |
| 5. | Murugappan Muthiah Venkatachalam | Independent Director | 00152619 |
| 6. | Chitra Venkataraman | Independent Director | 07044099 |
| 7. | Mayuram Swaminathan Krishnan | Independent Director | 08539017 |

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official web site of MCA;
2. Disclosures / declarations / confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed/ maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

**Management's responsibility**

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company.

**Our responsibility**

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For **S Krishnamurthy & Co.,**
Company Secretaries,
[Firm Unique Identification
No. P1994TN045300]
(Peer Review Certificate No. 739/2020)

**K Sriram**,
Partner.
Membership number: F6312
Certificate of Practice No:2215
UDIN: F006312E000331252

Date: 18 May 2023
Place: Chennai

**Annexure - 6**

## REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company:

   The objective of the CSR Policy is

   a. To 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.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Shri.M.M.Venkatachalam | Chairman of the Committee<br>Non-Executive & Independent Director | 1 | 1 |
| 2 | Shri.P.R.Venketrama Raja | Member of the Committee<br>Executive & Non-Independent Director | 1 | 1 |
| 3 | Smt. Justice Chitra Venkataraman (Retd.) | Member of the Committee<br>Non-Executive & Independent Director | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

   Weblink for Composition of CSR Committee: https://www.ramcocements.in/investors/management

   Weblink to the CSR Policy: https://www.ramcocements.in/investors/codes-and-policies

   Weblink for CSR Projects approved by the Board: https://www.ramcocements.in/sustainability/csr-projects

4. Provide the Executive Summary along with web-links of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

   The Executive Summary for the impact assessment carried out for our CSR Project, viz. “Social Impact Assessment of SMART Toilet Project Implemented by Gramalaya for Ramco Cements” is placed at our website. The following is the weblink for the same:

   https://www.ramcocements.in/sustainability/impact

5.

| | | |
|---|---|---|
| (a) | Average net profit of the company as per sub-section 5 of section 135 | Rs. 904.95 crores |
| (b) | Two percent of average net profit of the company as per sub-section 5 of section 135 | Rs. 18.10 crores |
| (c) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | NIL |
| (d) | Amount required to be set off for the financial year, if any | NIL |
| (e) | Total CSR obligation for the financial year (b+c-d). | Rs. 18.10 crores |

| | | | |
|---|---|---|---|
| 6. | (a) | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). | Rs. 17.29 crores |
| | (b) | Amount spent in Administrative Overheads. | Rs. 0.86 crores |
| | (c) | Amount spent on Impact Assessment, if applicable. | NIL |
| | (d) | Total amount spent for the Financial Year [(a)+(b)+(c)]. | Rs. 18.15 crores |

(e) CSR amount spent or unspent for the Financial Year:

| Total Amount Spent for the Financial Year. (Rs. in crores) | Amount Unspent (Rs. in crores) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 18.15 | NIL | | NIL | | |

(f) Excess amount for set-off, if any:

| Sl. No. | Particulars | Amount (Rs. in crores) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section 5 of section 135 | 18.10 |
| (ii) | Total amount spent for the Financial Year | 18.15 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.05 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | NIL |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 0.05 |

Including the excess amount spent under CSR in earlier years, the Company has an amount of Rs.3.73 crores available for set-off against future CSR obligations.

7. Details of Unspent CSR amount for the preceding three financial years: NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

◯ Yes ✓ No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

The Company has complied with the provisions of Section 135(5) of the Companies Act, 2013 and has spent Rs. 18.15 crores towards CSR during the year under review, which is over and above the stipulated amount of Rs. 18.10 crores.

Chennai
18-05-2023

**A.V.DHARMAKRISHNAN**
Chief Executive Officer

**M.M.VENKATACHALAM**
Director & Chairman of the CSR Committee
(DIN : 00152619)

**Annexure - 7**

## Form No. 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]

Particulars of Contracts/Arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis.

| | | |
|---|---|---|
| (a) | Name(s) of the related party and nature of relationship | Raja Charity Trust<br>P.A.C.Ramasamy Raja Education Charity Trust<br>The Ramco Cements Limited Educational & Charitable Trust<br>Rajapalayam Rotary Trust<br>PACR Sethuramammal Charities<br>P.A.C.R.Sethuramammal Charity Trust<br>Ramco Welfare Trust<br>P.A.C.Ramasamy Raja Centenary Trust<br>Smt. Lingammal Ramaraju Shastra Prathista Trust<br>Shri Abhinava Vidyatheertha Seva Trust<br>Shri.P.R.Venketrama Raja, Managing Director is Managing Trustee / Trustee in the above Trusts. |
| (b) | Nature of Contracts / arrangements / transactions | Sale of Cement |
| (c) | Duration of the contracts / arrangements / transactions | 60 months, from 01-04-2019 to 31-03-2024 |
| (d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Supply of cement @ Rs. 200/- per bag. |
| (e) | Justification for entering into such contracts or arrangements or transactions | The Company has been supplying cement to Government of Tamil Nadu under "Amma Cement Supply Scheme" at the rate of Rs. 210/- per bag.<br>The subject trusts are Public Charitable Trusts. The cement is being sold for charitable purpose and not for trading. Hence, the price has been fixed at the rate of Rs. 200/- per bag. The total quantity sold during the year is 90.25 tons. |
| (f) | Date(s) of approval by the Board / Audit Committee | 29-01-2019 |
| (g) | Amount paid as advances, if any | NIL |
| (h) | Date on which the Special Resolution was passed in general meeting as required under first proviso to Section 188 | Not applicable |

2. Details of material contracts or arrangement or transactions at arm's length basis - NIL

On behalf of the Board of Directors,
For **THE RAMCO CEMENTS LIMITED,**

**M.F.FAROOQUI**
Chairman
(DIN: 01910054)

Chennai
18-05-2023

Annexure - 8

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014]

| | | |
|---|---|---|
| **(A)** | **Conservation of energy-** | The Company pays attention at all levels to reduce energy consumption, by continuous monitoring, maintenances and Improvements. |
| (i) | the steps taken or impact on conservation of energy; | Installation of Cement Waste Heat Recovery (CWHR) based power plant to reduce the electrical energy load in TPP.<br>Installation of Variable Frequency Drive (VFD) for process fans and Pumps to reduce electrical energy.<br>Installation of High efficiency process fans to reduce electrical energy.<br>Installation of LED lights replacing high wattage HPSV (High Pressure Sodium Vapour) lights.<br>Installation of new design energy efficient Air-Cooled Condenser (ACC) fans in CWHR based power plant to reduce the electrical energy in auxiliary drives. |
| (ii) | the steps taken by the company for utilising alternate sources of energy; | Replacing Diesel with waste tyre oil for Kilns during start up.<br>Part replacement of fuel in Kiln by usage of power plant ash and industrial waste as an alternative fuel.<br>Part replacement of fuel in TPP by usage of rubber waste and Bio mass as an alternative fuel.<br>Usage of solar power for part replacement of Electrical energy requirement for mines dewatering and lighting.<br>Part replacement of Diesel with Bio -Diesel in Earth Moving equipments as an alternative fuel.<br>Wheeling and Usage of Renewable wind power for part replacement of plant Electrical energy requirement. |
| (iii) | the capital investment on energy conservation equipments; | Rs. 29.99 crores. |

| (B) Technology absorption- | |
|---|---|
| (i) the efforts made towards technology absorption; | Adoption of latest high efficiency turbine rotor for captive power plant.<br>Installation of High efficiency IE3 type motors for driving equipments.<br>Implementation of upgraded version of OPTIMA fuzzy logic control system for kiln operation.<br>Installation of NIR (Near InfraRed) based online analyser for limestone and Raw meal. |
| (ii) the benefits derived; | Reduction in specific steam consumption resulted in reduced thermal energy consumption.<br>Increase in efficiency of Motors resulting in power saving.<br>Improved operational efficiency with quality consistency and reduced energy consumption.<br>Continuous analysis of Rawmeal ensuring better quality consistency. Replacing harmful radioactive source with halogen bulbs resulting in safe operation. |
| (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology been fully absorbed;<br>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | Import of X-Ray Fluorescene (XRF) manufactured by M/s PANALYTICAL, Netherlands for determining the chemical analysis of Raw materials, Clinker and Cement (Year of Import : 2020)<br>Import of X-Ray Diffraction (XRD) manufactured by M/s PANALYTICAL, Netherlands for identification of different mineralogy present in Raw materials, Clinker and Cement (Year of Import : 2020)<br>Commissioning of Xcentric Ripper imported from Spain resulting in environment friendly mining, compared to conventional methods of drilling and blasting. (Year of Import : 2020)<br>Import of sieve shaker supplied by M/s RETSCH, Germany for analysing the particle size distribution of cement rawmeal and Cement by both Wet and Dry methods (Year of Import : 2021)<br>Import of Electronic moisture analyser supplied by M/s METTLER, Germany for determination of Moisture and low temperature volatile matters. (Year of Import : 2021)<br>Import of Near InfraRed (NIR) based online Belt analyser manufactured by M/s SPECTRAFLOW Analytics Ltd, Switzerland for continuous online chemical analysis of Limestone (Year of Import : 2021)<br>Import of Near InfraRed (NIR) based online Airslide analyser manufactured by M/s SPECTRAFLOW Analytics Ltd, Switzerland for continuous online chemical analysis of Rawmeal (Year of Import : 2021)<br>Import of X-Ray Fluorescene (XRF) manufactured by M/s PANALYTICAL, Netherlands for determining the chemical analysis of Raw materials, Clinker and Cement (Year of Import : 2022)<br>Import of Spectrometer for R&D, supplied by M/s X-Rite, USA for determining the colour rating of Cement and Dry Mortar products (Year of Import : 2022) |

(iv) the expenditure incurred on Research and Development.

| Particulars | Amount – Rs. in crores |
|---|---|
| Capital | 0.50 |
| Revenue | 6.63 |
| Total | 7.13 |

**(C) Foreign Exchange Earnings and Outgo**

| Particulars | Amount – Rs. in crores |
|---|---|
| Foreign Exchange earned in terms of Actual Inflows | 8.16 |
| Foreign Exchange outgo in terms of Actual Outflows | 1,132.18 |

On behalf of the Board of Directors,
For **THE RAMCO CEMENTS LIMITED,**

**M.F.FAROOQUI**
Chairman
(DIN: 01910054)

Chennai
18-05-2023

Annexure - 9

## Disclosures relating to remuneration under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) 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 Chairman, Managing Director, Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, in the Financial Year 2022-23.

| Name of Director / KMP | Designation | Ratio of remuneration of each Director / KMP to median remuneration of employees | % increase / (decrease) in remuneration in the financial year 2022-23 |
|---|---|---|---|
| Shri.M.F.Farooqui, IAS (Retd.) | Chairman | 0.87 | 60 |
| Shri.P.R.Venketrama Raja | Managing Director | 352 | -42 |
| Shri.R.S.Agarwal | Director | 1.52 | 40 |
| Shri.M.B.N.Rao | Director | 1.70 | 57 |
| Shri.M.M.Venkatachalam | Director | 1.63 | 7 |
| Smt. Justice Chitra Venkataraman (Retd.) | Director | 1.08 | 43 |
| Shri.M.S.Krishnan | Director | 0.72 | 33 |
| Shri.A.V.Dharmakrishnan | Chief Executive Officer | 249 | -51 |
| Shri.S.Vaithiyanathan | Chief Financial Officer | 30 | -59 |
| Shri.K.Selvanayagam | Secretary | 21 | -60 |

iii. The percentage increase in the median remuneration of the employees for the FY 2022-23 was 2.40%.

iv. There were 3,507 permanent employees on the rolls of the Company, as on 31st March 2023.

v. Average percentage increase made in the salaries of employees other than the managerial personnel in the FY 2022-23 was 5.05%.

vi. The remuneration of Managing Director is linked to the Net Profit, calculated under Section 198 of the Companies Act, 2013.

vii. Remuneration to Chief Executive Officer, Chief Financial Officer and Secretary for FY 2021-22, included taxable perquisites upon exercise of stock options. Had the perquisite value of ESOS not been considered in FY 2021-22, the percentage increase in remuneration for FY 2022-23 would be 5%, 13% and 8% respectively.

viii. It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other employees.

**Annexure - 10**

# COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities and Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To
The Members
**The Ramco Cements Limited,**
[CIN: L26941TN1957PLC003566]
"Ramamandiram", Virudhunagar District,
Rajapalayam – 626117

We **S Krishnamurthy & Co., Company Secretaries,** are the Secretarial Auditors of **The Ramco Cements Limited** (hereinafter referred to as **"the Company"**) having CIN L26941TN1957PLC003566 and having its registered office at "Ramamandiram", Virudhunagar District, Rajapalayam – 626117.

The Company has implemented **Employee Stock Option Scheme 2018 Plan A (ESOS 2018 – Plan A) and Employee Stock Option Scheme 2018 Plan B (ESOS 2018 – Plan B)** (hereinafter referred to as "ESOS 2018" and "(ESOS 2018 Plan A or B") pursuant to the Regulations and the Special Resolutions passed by the members at the 60th Annual General Meeting of the Company held on 3rd August 2018.

During the financial year ended 31st March 2023, the Company was required to comply with The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, SEBI (SBEB) in respect of its Employee Stock Option Schemes (ESOS Regulations).

**Management Responsibility**

The Company's Management is responsible for implementation of their Employee Stock Option Scheme 2018 (Plan A and Plan B), including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Our Certificate**

We are issuing this certificate as required under Regulation 13 on the implementation of the ESOS by the Company during the financial year ended 31st March 2023, based on our verifications, which includes the following:

1. ESOS Scheme and Plan details received from the Company;
2. Articles of Association of the Company;
3. Resolutions passed by the Board of Directors;
4. Special resolutions passed by the Shareholders on 3rd August 2018;
5. Minutes of the meetings of the Nomination Remuneration Committee (NRC) which has been designated by the Company as the "Compensation Committee" for the purpose of the regulations and accordingly administers ESOS 2018 ;
6. Detailed terms and conditions of ESOS 2018 Scheme and Plans approved by the NRC;
7. Disclosures in the Board's Report for the financial year ended 31st March 2022; and
8. Applicable provisions of ESOS Regulations, Companies Act, 2013 and Rules made thereunder;

**We hereby certify that,** in our opinion and to the best of our information and based on the records furnished for our verification, the representations made and the explanations given to us by the Company, its officers and agents, **the Company has, during the year ended 31st March 2023,** implemented the **Employee Stock Option Scheme 2018 Plan A and Employee Stock Option Scheme 2018 Plan B in accordance with the ESOS Regulations and the Special Resolutions** passed on 3rd August 2018.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

For **S Krishnamurthy & Co.,**
Company Secretaries,
[Firm Unique Identification
No. P1994TN045300]
(Peer Review Certificate No. 739/2020)

**K Sriram,**
Partner.
Membership number: F6312
Certificate of Practice No.:2215
UDIN: F006312E000332275

Date: 18 May 2023
Place: Chennai

# Business Responsibility and Sustainability Reporting

## Section A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L26941TN1957PLC003566 |
| 2 | Name of the Listed Entity | The Ramco Cements Limited |
| 3 | Year of incorporation | 1957 |
| 4 | Registered office address | "Ramamandiram", Rajapalayam – 626 117 |
| 5 | Corporate address | "Auras Corporate Centre", 5th floor, No:98-A,<br>Dr. Radhakrishnan Road, Mylapore, Chennai – 600 004 |
| 6 | E-mail | ksn@ramcocements.co.in |
| 7 | Telephone | 044-28478666 |
| 8 | Website | www.ramcocements.in |
| 9 | Financial year for which reporting is being done | April 2022 – March 2023 (FY 2022-23) |
| 10 | Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India Limited & BSE Limited |
| 11 | Paid-up Capital | Rs. 23,62,92,380/- |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr.C.Ravichandran<br>Senior Vice President - ESG<br>The Ramco Cements Limited<br>Tel: 044-2847 7599<br>E-Mail : ravichandran@ramcocements.co.in |
| 13 | Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together). | The disclosures under this report are made on a standalone basis. |

### II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

| S. No | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1. | Manufacturing | Manufacture of cement | 96.32 |

15. Products / Services sold by the entity:

| S. No | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Cement | 23942 | 96.32 |
| 2 | Clinker | 23941 | 0.38 |
| 3 | Dry Mortar Products | 23911 | 1.66 |
| 4 | Ready Mix Concrete | 23952 | 0.18 |
| 5 | Power Generated from Windmills | 35106 | 0.59 |
| 6 | Other Operating Revenue | NA | 0.43 |
| 7 | Other Income | NA | 0.44 |
| | Total | | 100.00 |

### III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of Plants | Number of Offices |
|---|---|---|
| National | 5 Integrated Cement Plants, 6 Grinding Units, 1 Packing Plant, 1 Ready Mix Concrete Unit, 3 Dry Mortar Plants and Wind farms at 7 locations | 25 |
| International | - | - |

17. Markets served by the entity:

**a. Number of locations:**

| Locations | Number |
|---|---|
| National (No. of States) | 11 |
| International (No. of Countries) | 1 |

The International Markets cover Maldives

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

The contribution of exports to the total turnover is 0.40%

**c. A brief on types of customers**

The company has both Commercial Customers (B2B Business) and Private Customers (B2C Business). The customers include Trade, Non-Trade and Governments.

### IV. Employees

18. Details as at the end of Financial Year:

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **Employees** | | | | | | |
| 1 | Permanent (D) | 2,554 | 2,510 | 98 | 44 | 2 |
| 2 | Other than Permanent (E) | 302 | 255 | 84 | 47 | 16 |
| 3 | **Total Employees (D+E)** | **2,856** | **2,765** | **97** | **91** | **3** |
| **Workers** | | | | | | |
| 4 | Permanent (F) | 953 | 953 | 100 | - | - |
| 5 | Other than Permanent (G) | 2,664 | 2,588 | 97 | 76 | 3 |
| 6 | **Total Workers (F+G)** | **3,617** | **3,541** | **98** | **76** | **2** |

**b. Differently abled Employees and workers:**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **Differently abled Employees** | | | | | | |
| 1 | Permanent (D) | 1 | 1 | 100 | - | - |
| 2 | Other than Permanent (E) | - | - | - | - | - |
| 3 | **Total differently abled employees (D+E)** | **1** | **1** | **100** | **-** | **-** |
| **Differently abled Workers** | | | | | | |
| 4 | Permanent (F) | 2 | 2 | 100 | - | - |
| 5 | Other than Permanent (G) | - | - | - | - | - |
| 6 | **Total differently abled Workers (F+G)** | **2** | **2** | **100** | **-** | **-** |

19. Participation/Inclusion/Representation of women

| Particulars | Total (A) | No. and percentage of females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 7 | 1 | 14 |
| Key Management Personnel* | 4 | - | - |

* Comprising Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary

20. Turnover rate for permanent employees and workers

| Particulars | FY 2022-23 | | | FY 2021-22 | | | FY 2020-21 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 7.47% | 0.04% | 7.51% | 5.36% | 0.16% | 5.52% | 3.03% | - | 3.03% |
| Permanent Workers | 0.50% | - | 0.50% | 0.39% | - | 0.39% | 0.37% | - | 0.37% |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. a. Names of holding / subsidiary / associate companies / joint ventures

| S. No. | Name of the holding / subsidiary /associate/ companies /joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Ramco Windfarms Limited | Subsidiary | 71.50 | Yes |
| 2 | Ramco Industrial and Technology Services Limited | Subsidiary | 94.11 | Yes |
| 3 | Madurai Trans Carrier Limited | Associate | 29.86 | No |
| 4 | Ramco Industries Limited | Associate | 15.40 | No |
| 5 | Ramco Systems Limited | Associate | 15.38 | No |
| 6 | Rajapalayam Mills Limited | Associate | 0.46 | No |
| 7 | Lynks Logistics Limited | Associate | 29.72 | No |

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.) – 8,171.97 crores

(iii) Net worth (in Rs.) – 6,793.53 crores

## VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Shareholders | Yes https://www.ramcocements.in/investors/codes-and-policies | 2 | - | - | 7 | - | - |
| Employees and workers | Yes https://ramcocements.in/cms/uploads/Equal_Oppurtunity_Policy_for_Specially_Abled_f3467abcc1.pdf | - | - | - | - | - | - |
| Customers | Yes http://ramcocements.net/dportal/index.asp | 966 | - | - | 1,284 | - | - |

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Value Chain Partners | Yes https://ramcocements.in/cms/uploads/Vendor_grievance_readressal_policy_84f203a8cf.pdf | - | - | - | - | - | - |
| Community Grievance | Yes https://www.ramcocements.in/investors/codes-and-policies | - | - | - | - | - | - |

24. Overview of the entity's material responsible business conduct issues

| Pillars | Key Material Issue | Business risks/challenges | Our Approach |
|---|---|---|---|
| 1 | Sustainable Supply Chain Management | • Brand reputation<br>• Consistent increase in volume.<br>• Uninterrupted supply of materials | • Comprehensive support system & de-bottlenecking for improving the supply chain.<br>• The vendors are assessed and trained to align with Ramco's commitment. |
| 2 | Energy and GHG Emissions | • Coal Based Captive power plants<br>• Improving the Green energy share | • Installation of WHRB, wheeling wind power for manufacturing.<br>• Energy efficient technologies across all units. |
| 3 | Water Efficiency | • Erratic rainfall pattern due to Climate change.<br>• Regulatory compliance on water usage. | • Implementation of water resource management across all units.<br>• Harnessing Rainwater through RWH system and scaling up water positivity. |
| 4 | Reduced Impact on Biodiversity | • Impact on land use pattern due to mining<br>• Brand Reputation | • Collaborative effort with state governments for increasing the green cover- Pasumai Tamilagam<br>• Restoration and Rejuvenation of mined out area and protection of existing biodiversity with local flora and fauna |
| 5 | Adoption of Circular Economy | • Increased usage of alternate fuel<br>• Reduced recycled content in overall value chain | • Strategic plan to ensure Zero waste to landfill<br>• Use of waste as an alternate material |
| 6 | Product Innovation and Differentiation | • Competitive Edge | • Development of Right Products for Right Applications<br>• Investment in R&D |
| 7 | Regulatory compliance | • Dynamic regulatory landscape | • Adherence on all the relevant/applicable laws |
| 8 | Occupational Health and Safety | • Health & Safety hazards at Workplace<br>• Workplace Wellness | • Ensure safe working environment for permanent and contract employees<br>• Ensure proper use of PPEs, specific trainings on health and safety etc |
| 9 | Dialogue and Communication | • Better positioning in the market<br>• Low awareness amongst key stakeholder groups on ESG | • Communicate sustainability stories to stakeholders<br>• Interactive platforms for communication like digital marketing |
| 10 | Community Engagement & CSR | • Increased focus on sustainable community development | • Enhance scope of existing programs<br>• Impact assessment of programs<br>• Greater reach to communities |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

| | |
|---|---|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner |

| Disclosure Questions | P1 Ethics & Transparency | P2 Product Responsibility | P3 Human Resources | P4 Responsiveness to Stakeholders | P5 Respect for Human Rights | P6 Responsible Lending | P7 Public Policy Advocacy | P8 Inclusive Growth | P9 Customer Engagement |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| 1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| c. Web Link of the Policies, if available | https://www.ramcocements.in/investors/codes-and-policies | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | At Ramco Cements, we follow and implement the standards set by IS/ISO 9001, ISO 14001, ISO 45001, ISO 50001 and we have obtained certification for our adherence to these guidelines.<br>The ISO 9001 standards are implemented in our units to attain product quality and reliability through continuous measurement, evaluation, and improvement of our quality management systems.<br>ISO 14001 is a dedication to proficiently managing the environment within the facility. By utilizing resources in a more efficient manner and minimizing waste, organisation can improve the environmental performance. This leads to a competitive edge and builds trust with stakeholders.<br>According to ISO 45001, ensuring the occupational health and safety of workers can be achieved by effectively preventing injuries and avoiding ill health through the provision of safe and healthy workplaces. This standard also emphasizes the importance of worker involvement and participation in identifying and addressing risks and implementing measures to mitigate them.<br>The implementation of IS/ISO 50001 standards enables organizations to identify areas of significant energy use and consumption, and improve their efficiency, resulting in significant energy savings for the organization. | | | | | | | | |

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.
   - Improving the water positivity by 4 times by the end of FY 2023-24
   - Extending the mining life through sustainable mining activities.
   - Approach to net zero to be released through Expert advocacy with the road map
   - Promoting inclusive, sustainable and safe workplace to employees to enhance the performance of the company.
   - We aim to consciously reduce the environmental impact and ecological footprint by incorporating elements of sustainability across the product life cycle-from design to end of life
   - To improve the Thermal Substitution Ratio (TSR) to 10%
   - Continuous effort to develop processes and products through R&D efforts to reduce the clinker-to-cement ratio.
   - Goal towards achieving zero injuries and fatalities across all units and accomplishing healthy workspace.
   - Effective response mechanism in addressing the community grievances.

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.

   As part of the roadmap to achieve the goal, we have laid down activities on a yearly basis which will aid in progress and ultimately achieving the commitment.

## Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

   At Ramco Cements, sustainability is deeply ingrained in our core values and beliefs. We strongly believe that as our organization grows, the society and community around us should also grow. Our key to success is to ensure that our stakeholders are always happy and content with their involvement with us, as this drives us at Ramco Cements to constantly push ourselves to achieve greater heights.

   We prioritize engaging with different stakeholders and share a common goal of creating value and improving the quality of life by building capacity where it is needed. We prioritize the overall well-being of our employees and have developed townships in our integrated units, implemented health and safety initiatives at our plants and provide continuous learning and career development opportunities.

   We strongly prioritize the growth of communities that are located around our manufacturing units. In line with the values of our Founder, we not only take positive action but also have a positive intent towards making a significant impact and creating a real difference. Now, many families have improved access to quality education, healthcare, safe water and sanitation, which allows them to enhance their lives not only in the present but also for future generations.

   Ramco Cements is dedicated to producing value, which is also evident in their steadfast concentration on resource efficiency and reducing their environmental impact. Blended cements are created using alternative materials and Ramco Cements uses dry process kilns for cement production to achieve high levels of efficiency in water and energy usage. Additionally, they utilize digital technology to monitor and measure the resource usage.

| | | |
|---|---|---|
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Mr. Ravichandran Chinnayan<br>Senior Vice President - ESG<br>Email: ravichandran@ramcocements.co.in |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details. | Yes<br>The Board of Directors are members of 5 Board Committees, vested with responsibility for decision making on sustainability and other related issues. The Committees with well-defined responsibilities, oversee the governance at Ramco Cements. The committee members are nominated by the Board of Directors, based on their areas of expertise and experience. |

10. Details of Review of NGRBCs by the Company

| Subject for Review | Review of principles undertaken by and frequency |
|---|---|
| Performance against above policies and follow up action | The Board meets once in a quarter or as and when required to review and discuss key issues relevant to the organization and its stakeholders. |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances | Key concerns are identified at the unit level and communicated by senior executives to the Board for discussion, advice and decisions. The board collectively ensures along with the senior management and then with the individual departments that all the compliances and statutory requirements are met in a diligent manner. |

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No.

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

| Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason (please specify) | | | | | | | | | |

## Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

**ESSENTIAL INDICATORS**

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | - | - | - |
| Key Managerial Personnel | 2 | Awareness Programmes, Well-being Programmes, Regulatory Updates, Safety, ESG, Behavioural and Technical Programmes | 100.00 |
| Employees other than BoD and KMPs | 170 | | 57.52 |
| Workers | 66 | | 82.00 |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

| MONETARY | | | | | |
|---|---|---|---|---|---|
| | **NGRBC Principle** | **Name of the regulatory / enforcement agencies / judicial institutions** | **Amount (in INR)** | **Brief of the Case** | **Has an appeal been preferred? (Yes / No)** |
| Penalty / Fine | Principle 1 /Principle 7 | The Competition Commission of India (CCI) | 25.86 Crores | The Builders Association of India has filed a complaint against The Ramco Cements Limited (The Company) & Cement Manufacturers Association (CMA) and other leading cement companies, before the Competition Commission of India (CCI) in the year 2006. Vide its order dated 20-06-2012, a sum of Rs. 258.63 crores were imposed as penalty against The Ramco Cements Limited for contravening the provisions of section 3(1) read with section 3(3) (a) and 3(3)(b) of the Competition Act 2002. Against the said order, the cement companies went for an appeal to the Competition Appellate Tribunal (COMPAT) and the Honourable Appellate Tribunal was pleased to refer the matter before CCI for fresh adjudication. Thereafter, by order dated 31-08-2016, CCI reiterated the substantial portion of its earlier order imposing Rs. 258.63 crores towards alleged cartelisation. Aggrieved by the said order, the Company filed an appeal before COMPAT and obtained an interim order on 28-11-2016, wherein the Company was directed to deposit 10% of the penalty amount in the registry of COMPAT by way of Fixed deposit, within 60 days from the date of the order. Accordingly, the Company has deposited the amount of Rs. 25.86 crores (10% of Rs.258.63 crores) on 30-11-2016.<br><br>In the year 2017, central government abolished COMPAT and all its powers and functions were vested with NCLAT.<br><br>Vide order dated 25-07-2018, NCLAT dismissed the Company's appeal along with the appeals of other cement companies. Aggrieved by the NCLAT order, the company preferred an appeal before the Honourable Supreme Court and the Honourable court was pleased to admit the same and directed to continue the interim order passed by NCLAT. Accordingly, the Company re-deposited a sum of Rs. 25.86 crores [ i.e., 10% of the penalty amount of Rs.258.63 crores] and the said deposit is classified under "Bank Balances other than Cash and Cash Equivalents". | Yes |
| Settlement | | | | Not Applicable | |
| Compounding fee | | | | | |

| NON-MONETARY | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory / enforcement agencies / judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes / No) |
| Imprisonment | Not Applicable | | | |
| Punishment | | | | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory / enforcement agencies / judicial institutions |
|---|---|
| The Competition Commission of India (CCI) vide its order dated 31-08-2016 had imposed a penalty of Rs. 258.63 crores on the company towards alleged cartelisation. Our appeal along with the appeals of other cement companies had been dismissed by NCLAT vide its order dated 25-07-2018. Against the order, the company appealed to the Honourable Supreme Court, which by its order dated 05-10-2018 admitted the appeal and directed to continue the interim order passed by NCLAT. Accordingly, the company re-deposited Rs. 25.86 crores being 10% of the penalty and the said deposit is classified under "Bank Balances other than Cash and Cash Equivalents". The Company backed by legal opinion, believes that it has a good case and hence no provision is made. | Honourable Supreme Court of India |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Anti-Corruption is governed under the Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy for establishing Vigil Mechanism.

The Company's policies viz. Code of Conduct for Board of Directors and Senior Management Personnel and Whistle Blower Policy lay down the rules and procedures by which any stakeholder can report the actual or suspected improper activities of any kind, fraud and violation of company's code of conduct. The whistle blower policy extends to individuals who are in full time or part time employment with the company or its subsidiaries including those serving as consultants and contract / third party employees.

Web Link - https://www.ramcocements.in/investors/codes-and-policies

5. Number of Directors / KMPs /employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

6. Details of complaints with regard to conflict of interest:

| Particulars | FY 2022-23 | | FY 2021-22 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | Not Applicable | Nil | Not Applicable |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | Not Applicable | Nil | Not Applicable |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

No such cases on corruption and conflicts of interest.

### LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

| Total number of awareness programmes held | Topics / Principles covered under the training | % of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 32 | - Right product for right application.<br>- Awareness on sustainable practices. | 42% of dealers are covered in the awareness program. |

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. Ramco Cements have a Code of Conduct for Board Members and Senior Management Personnel, Whistle Blower Policy for establishing Vigil Mechanism and Investor Grievance Policy.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

### ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

| Particulars | FY 2022-23 | FY 2021-22 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 0.03% | 0.02% | The right product for the right application strategy is implemented through R&D, which improves the use of resources in sustainable manner.<br><br>The XRD and XRF analyzer assists in optimum use of resources and avoiding over exploitation. |
| Capex | 1.70% | 4.91% | Advanced Lab analyzing equipment are procured to come up with precise analytic study. |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No):

No.

b. If yes, what percentage of inputs were sourced sustainably?

-

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Plastics (including packaging) – Sold to Authorised recyclers / Co-incinerated in the Kiln

E-waste – Buy back basis/ Sold to Authorised recyclers

Hazardous waste and other waste – Sold to Authorised recyclers

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. The EPR registration is carried out in integrated plants as PWP (Plastic Waste Processors) to co-process the waste generated in the society through our kilns. As a responsible company we are in the process of registering as Brand Owner (BO) in EPR and meet the obligations of the BO as per the CPCB norms.

## LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

   Though Ramco Cements have a life cycle perspective, but LCA is not conducted comprehensively. It will be planned and carried out over subsequent reporting years.

| NIC Code | Name of Product / Service | % of total Turnover contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) If yes, provide the web-link |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| Not Applicable | | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2022-23 | FY 2021-22 |
| Recycled or reused input material | 14% | 16% |

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | - | 140.43 | - | - | 162.12 | - |
| E-Waste | - | - | 35.13 | - | - | 15.82 |
| Hazardous waste | - | - | 62.87 | - | - | 34.66 |
| CPP fly ash | - | 98,778.00 | - | - | 98,767.17 | - |
| Other waste | - | 6,407.42 | - | - | 8,878.34 | - |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

   This data is not presently monitored and will be shared in the BRSR of the subsequent reporting periods.

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Not Applicable | |

## Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

### ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

| Category | Total (A) | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 2510 | 2510 | 100 | 2510 | 100 | - | - | - | - | - | - |
| Female | 44 | 44 | 100 | 44 | 100 | 44 | 100 | - | - | - | - |
| **Total** | **2554** | **2554** | **100** | **2554** | **100** | **44** | **100** | **-** | **-** | **-** | **-** |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | 255 | 255 | 100 | 255 | 100 | - | - | - | - | - | - |
| Female | 47 | 47 | 100 | 47 | 100 | 47 | 100 | - | - | - | - |
| **Total** | **302** | **302** | **100** | **302** | **100** | **47** | **100** | **-** | **-** | **-** | **-** |

b. Details of measures for the well-being of workers:

| Category | Total (A) | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Workers** | | | | | | | | | | | |
| Male | 953 | 953 | 100 | 953 | 100 | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **953** | **953** | **100** | **953** | **100** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Other than Permanent Workers** | | | | | | | | | | | |
| Male | 2,588 | 2,588 | 100 | 2,588 | 100 | - | - | - | - | - | - |
| Female | 76 | 76 | 100 | 76 | 100 | 76 | 100 | - | - | - | - |
| **Total** | **2,664** | **2,664** | **100** | **2,664** | **100** | **76** | **100** | **-** | **-** | **-** | **-** |

2. Details of retirement benefit:

| Benefits | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Y | 100 | 100 | Y |
| Gratuity | 100 | 100 | Y | 100 | 100 | Y |
| ESI | 0.80 | 2.90 | Y | 1 | 2.50 | Y |
| Others – Superannuation | 40 | NA | Y | 37 | NA | Y |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes - Have accessibility facility such as Wheelchair facility, Lift and means of access such as Pathways, Ramps, Signage, Pedestrian Crossing, etc.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes - https://ramcocements.in/cms/uploads/Equal_Oppurtunity_Policy_for_Specially_Abled_f3467abcc1.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Female | 100% | 100% | Not Applicable | Not Applicable |

* The Company does not have paternity leave

* The Company has maternity leave applicable for all women employees as per "The Maternity Benefit Act & Rules" and for the year 2022-23, two women employees claimed maternity leave.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| Particulars | Yes / No (If yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers<br>Other than Permanent Workers | Yes. Any aggrieved worker can record his grievance online in the HRMS self service / in writing to the Unit Personnel Head /Functional Head / Corporate Functional Head in the format prescribed online. |
| Permanent Employees<br>Other than Permanent Employees | Yes. Any aggrieved employee can record his grievance online in the HRMS self service / in writing to the Unit Personnel Head /Functional Head / Corporate Functional Head in the format prescribed online. |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (C) | No. of employees / workers in respective category, who are part of association(s) or Union (D) | % (D / C) |
| Total Permanent Employees | 2,554 | - | - | 2,345 | - | - |
| - Male | 2,510 | - | - | 2,318 | - | - |
| - Female | 44 | - | - | 27 | - | - |
| Total Permanent Workers | 953 | 353 | 37 | 981 | 361 | 37 |
| - Male | 953 | 353 | 37 | 981 | 361 | 37 |
| - Female | - | - | - | - | - | - |

8. Details of training given to employees and workers

| Category | FY 2022-23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and Safety measures | | On Skill upgradation | | Total (D) | On Health and Safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 2,510 | 411 | 16.37 | 934 | 37.21 | 2,318 | 646 | 27.87 | 675 | 29.12 |
| Female | 44 | - | - | 14 | 31.82 | 27 | - | - | 14 | 51.85 |
| **Total** | **2,554** | **411** | **16.09** | **948** | **37.12** | **2,345** | **646** | **27.55** | **689** | **29.38** |
| **Workers** | | | | | | | | | | |
| Male | 953 | 247 | 25.92 | 528 | 55.40 | 981 | 371 | 37.82 | 318 | 32.42 |
| Female | - | - | - | - | - | - | - | - | - | - |
| **Total** | **953** | **247** | **25.92** | **528** | **55.40** | **981** | **371** | **37.82** | **318** | **32.42** |

9. Details of performance and career development reviews of employees and workers:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| **Employees** | | | | | | |
| Male | 2,510 | 2,510 | 100 | 2,318 | 2,318 | 100 |
| Female | 44 | 44 | 100 | 27 | 27 | 100 |
| **Total** | **2,554** | **2,554** | **100** | **2,345** | **2,345** | **100** |
| **Workers** | | | | | | |
| Male | 953 | 953 | 100 | 981 | 981 | 100 |
| Female | - | - | - | - | - | - |
| **Total** | **953** | **953** | **100** | **981** | **981** | **100** |

10. Health and safety management system:

| | |
|---|---|
| a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system? | Yes. All locations have implemented and are certified for Occupational Health & Safety Management System. The management system covers all employees, workers and interested party's health and safety at each certified location. The system includes everything from planning to developing strategies and procedures, as well as monitoring and analysing data and improving it continually. |
| b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? | **1. Periodical Safety Audit,**<br>**2. Hazard Identification of Various Routine and Non Routine Activities**<br>i) Classifying work activities<br>ii) Identifying hazards and describing hazardous events<br>iii) Identify risk controls<br>iv) Determine risk<br>**3. Risk Assessment for Identified Hazard**<br>i) Estimation of the potential severity of consequence<br>ii) Estimating the likelihood (degree of certainty/uncertainty)<br>iii) Categorisation of Risks levels (Intolerable, Substantial and Moderate risk levels are unacceptable risk and Trivial and tolerable levels are acceptable risks)<br>**4. Actions & Time Scale**<br>i) Based on the Risk Level, risk reduction/control measures implemented within defined timelines<br>ii) Ensure controls are maintained |

| | | |
|---|---|---|
| c. | Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No) | Yes. We have a safety helpdesk system and it is accessible by any person in the factory through which all unsafe conditions or unsafe acts can be entered and the points are routed to the concerned person for completion of the point and we have a safety committee members site inspection process. Periodical inspection takes place and unsafe acts and unsafe conditions when observed in the inspection are getting rectified. |
| d. | Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) | Yes - Available in all units to all category of employees (Through Group Medical Insurance, ESI and OHC medical facility) |

11. Details of safety related incidents (Permanent Employees / Workers):

| Safety Incident / Number | Category | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) [(No. of lost time injuries in FY *10,00,000) / Total hours worked by all staff in same FY] | Employees | - | - |
| | Workers | - | - |
| Total recordable work-related injuries (Total number of employees / Workers affected by work-related injuries or ill health) | Employees | - | - |
| | Workers | 5 | - |
| No. of fatalities | Employees | - | - |
| | Workers | - | - |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | - | - |
| | Workers | - | - |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Ramco Cements ensures Occupational Health and Safety of all its employees by:

- Exhibiting highest standards of corporate behaviour towards its employees, consumers and the society in which the company operates.
- Developing, introducing and maintaining systems across the Company to meet the Company's standards, as well as statutory requirements for ensuring Safety and Health of the employees and protection of Environment.
- Providing Engineering control over the control and eradication of hazards from the system.
- Using advance technology to ensure safety and health.
- Celebrating Safety Week and conducting various competition to worker participation and consultation for a safe working environment.
- Implementation of IS/ISO 45001 for high level Safety Structure.

13. Number of Complaints on the following made by employees and workers:

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | Nil | Nil | - | Nil | Nil | - |
| Health & Safety | Nil | Nil | - | Nil | Nil | - |

14. Assessments for the year:

| Particulars | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 1. M/s Chola MS Risk Services conducts external safety audit once in four years.<br>2. All the lifting tools, pressure vessels are certified by the competent authorities every year. |
| Working Conditions | Internal safety Audit is being conducted on monthly basis in each department and further it is reviewed in the monthly safety committee meeting. |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Nil.

**LEADERSHIP INDICATORS**

1. Does the entity extend any life insurance or any compensatory package in the event of death of

(A) **Employees -** Yes (Employees' Deposit Linked Insurance, Group Personal Accident policy, Group Term Policy and ESI for Applicable Employees)

(B) **Workers -** Yes (Employees' Deposit Linked Insurance, Group Personal Accident policy, Group Term Policy, ESI for applicable worker

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Ensured statutory compliances through Internal audit, verification process and reimbursement basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| Particulars | Total no. of affected employees/workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 2022-23 | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Employees | NIL | NIL | NIL | NIL |
| Workers | NIL | NIL | NIL | NIL |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No):

Yes - Financial Management (investment planning, returns planning), retirement planning, Saving scheme related awareness Program.

5. Details on assessment of value chain partners:

| Particulars | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | 100% All the vendors who are having business in our Factory premises are educated on our various policies and statutory obligation during the vendor induction process and while signing MOU / Work Order Agreement. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour / Involuntary Labour | |
| Wages | |
| Others – please specify | |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective actions were required to be taken, as no significant risk / concern was reported on health, safety and /or working conditions in value chain partners.

Road safety awareness programs, Fixed line systems, Portable ladders and platform for accessing to height of the truck and Safety promotional activities like best safe driver award is being given to drivers.

Provided life line support for removing tarpaulin at Fly ash unloading, Gypsum unloading and clinker unloading sections.

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual and group of people, etc. who are impacted due to business operations and projects of the Company are the stakeholders. Any of such individual and group of people that adds value for business and have greater impact on the business are the key stakeholders for the Company. The key stakeholders inter alia include Employees, Shareholders/Investors, Distributors, Customers, Channel Partners, Research Analyst, Vendors, Suppliers, Regulators and Government Agencies.

The process for identification of such key stakeholders is of Qualitative nature. It is conducted in consultation with and feedback from different departments along with Senior Management and Board.

2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes / No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annual / Half yearly / Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Investors | No | Mail<br>Advertisements in Newspapers, Press Releases, Virtual and In-person Meetings and Website | Quarterly, Half-yearly, Annually and as and when needed | Announcing the financials results to the investors, Dividend, Annual Reports, General Meetings, educating and encouraging the shareholders to exercise their voting rights in shareholders' meetings, explaining the procedures for claiming the shares before they get transferred to IEPF and subsequently the procedures for claiming back the dividends and shares, so transferred to IEPF. |
| Customers | No | Multiple Channel - physical and digital | Frequent and on need based | Awareness and product training |
| Employees | No | Emails, Notices and SOPs and other communication mechanisms | On need basis | Follow up for SOPs and compliances with polices of the Company |
| Leadership | No | Emails, Notices and SOPs and other communication mechanisms | Daily | Follow up for SOPs and compliances with polices of the Company |
| Local Communities | No | Interaction with the leaders of local community, elected panchayat members and officials of district administration | Frequent and on need based | Support socially / by CSR Activities to satisfy needs of society / communities |
| Suppliers | No | Email/ con-calls, meetings, Video - conferences | Frequent and on need based | Purchase of packaging material, Equipements, Consumables, etc. |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes / No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annual / Half yearly / Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Logistics & Mining Contractors | No | E-Mails, Phone Calls and Physical Meetings | Routine | Liaisoning with transport agencies, Purchase of materials, etc |

**LEADERSHIP INDICATORS**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

   Ramco has formulated several Committees of which Board Members are a part to address stakeholders concerns. These are as follows:

   I. **Audit Committee:** The committee is entrusted with the Business, Economic and Environmental responsibilities of the organization. The Audit Committee supervises the Company's financial reporting and disclosures ensuring timeliness and compliance with regulatory requirements.

   II. **Nomination and Remuneration Committee:** The committee recommends suitable persons for the post of Directors, Key Managerial Personnel and their remuneration. The Board of Directors considers their recommendation and seek the approval of the shareholders for the appointment. This committee also lays down performance evaluation criteria for Independent Directors based on expertise and value offered and attendance at committee meetings. The Committee also recommends the remuneration of Senior Management Personnel of the Company.

   III. **Stakeholders Relationship Committee:** This committee oversees the timely and appropriate resolution of investor complaints. Members of this committee also formulate policies to service this stakeholder group.

   IV. **Risk Management Committee:** The committee is responsible for reviewing and evaluating all business risks identified by the Company's management, including those pertaining to the environment. Members of this committee oversee the formulation of Risk Management Policy and also provide strategic direction to minimize potential risks. They also oversee the establishment, implementation and monitoring of the organization's risk management system.

   V. **CSR Committee:** The Committee is entrusted with the social responsibility obligations of the company. This committee is responsible for developing and modifying the organization's CSR policy, as well as for identifying the CSR programs and related expenditure for the Company to undertake. The monitoring of CSR projects implemented including the financials is in the purview of this committee, as is keeping the Board updated of the organization's CSR activities.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

   Yes. The stakeholder consultation is used to support the identification and management of environmental and social topics of importance. The formulation of the Company Policies pertaining to Environment and Social have been a result of continuous interactions with the Government Regulatory Authorities, Distributors, Suppliers and the local community.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

   Company directly or through its manufacturing units promotes education and takes required steps for uplifting of under privileged in the society. Apart from these, Ramco also works in promotion of health care, supply of drinking water, create awareness in fields of Mental health (Atmaprasara), Environment (Ecopro), Rural development, water and sanitation and many such relevant fields. Detailed CSR activities are given in Corporate Social Responsibility Report.

## PRINCIPLE 5: Businesses should respect and promote human rights

### ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

| Category | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| **Employees** | | | | | | |
| Permanent | 2,554 | - | - | 2,345 | 47 | 2 |
| Other than Permanent | 302 | - | - | 300 | - | - |
| **Total Employees** | **2,856** | **-** | **-** | **2,645** | **47** | **2** |
| **Workers** | | | | | | |
| Permanent | 953 | 18 | 2 | 981 | - | - |
| Other than Permanent | 2,664 | - | - | 2,530 | - | - |
| **Total Workers** | **3,617** | **18** | **2** | **3,511** | **-** | **-** |

2. Details of minimum wages paid to employees and workers:

| Category | FY 2022 - 23 | | | | | FY 2021-22 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Permanent | 2,554 | - | - | 2,554 | 100 | 2,345 | - | - | 2,345 | 100 |
| Male | 2,510 | - | - | 2,510 | 100 | 2,318 | - | - | 2,318 | 100 |
| Female | 44 | - | - | 44 | 100 | 27 | - | - | 27 | 100 |
| Other than Permanent | 302 | - | - | 302 | 100 | 300 | - | - | 300 | 100 |
| Male | 255 | - | - | 255 | 100 | 249 | - | - | 249 | 100 |
| Female | 47 | - | - | 47 | 100 | 51 | - | - | 51 | 100 |
| **Workers** | | | | | | | | | | |
| Permanent | 953 | - | - | 953 | 100 | 981 | - | - | 981 | 100 |
| Male | 953 | - | - | 953 | 100 | 981 | - | - | 981 | 100 |
| Female | - | - | - | - | - | - | - | - | - | - |
| Other than Permanent | 2,664 | 2,542 | 95 | 122 | 5 | 2,530 | 2,414 | 95 | 116 | 5 |
| Male | 2,588 | 2,470 | 95 | 118 | 5 | 2,455 | 2,342 | 95 | 113 | 5 |
| Female | 76 | 72 | 95 | 4 | 5 | 75 | 72 | 96 | 3 | 4 |

3. Details of remuneration/salary/wages:

| Particulars | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Board of Directors (BoD)* | 6 | 10,87,500 | 1 | 7,50,000 |
| Key Managerial Personnel* | 4 | 9,64,65,827 | - | - |
| Employees other than BoD and KMP | 2,506 | 8,17,235 | 44 | 5,02,062 |
| Workers | 953 | 6,56,873 | - | - |

* Includes Managing Director

4 Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. We have dedicated committees, such as Joint Council Committee, Works Committee, Union of Association, Canteen Committee, Safety Committee and Internal Complaints Committee under PoSH, which act as the focal point on this.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

We have HCM Grievance portal, Works Committee and Joint Council Committee and they meet periodically or as and when the need arises.

6 Number of Complaints on the following made by employees and workers:

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | - | - | - | - | - | - |
| Discrimination at workplace | - | - | - | - | - | - |
| Child Labour | - | - | - | - | - | - |
| Forced Labour/Involuntary Labour | - | - | - | - | - | - |
| Wages | - | - | - | - | - | - |
| Other human rights related issues | - | - | - | - | - | - |

7 Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

a. The identity of the Aggrieved employee, Respondent, Witnesses, Statements and other evidence obtained in the course of inquiry process, recommendations of the committees, action taken by the Employer is considered as confidential and not published or made known to anyone.

b. Reporting relationship between complainant and complaintee is diverted till the enquiry process is completed.

c. Management always pay special attention towards complainant working condition and career growth to ensure that there are no adverse consequences due to the complaint.

8 Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Statutory and regulatory requirement clause stipulated regarding Human Values, Child Labour, Equal Remuneration and Social Security.

9 Assessments for the year

| Particulars | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% through statutory compliance |
| Forced/involuntary labour | 100% through statutory compliance |
| Sexual harassment | 100% through Internal complaints committee |
| Discrimination at workplace | 100% through statutory compliance |
| Wages | 100% through statutory compliance |
| Other than human rights related issues | 100% through Grievance redressal mechanism |

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No risk / concern has arisen and there is no necessity for corrective action.

### LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

   No Grievance / complaints received and there was no necessity for modification of business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

   Through Awareness and Robust legal & regulatory requirements compliances at all levels through our Internal HR Audit system & Safety Audit on periodical basis.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

   Yes. As per legal requirements.

4. Details on assessment of value chain partners:

| Particulars | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Child labour | 100% All the vendors who are having business in our Factory premises are educated on our various policies and statutory obligation. |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

   No necessity for corrective action and there is no risk / concerns reported or arisen during the year 2022-23.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Total electricity consumption (A) - TJ | 953 | 610 |
| Total fuel consumption* (B) - TJ | 42,346 | 37,985 |
| **Total energy consumption (A+B) (TJ)** | **43,299** | **38,595** |
| Revenue Energy Intensity (Total Energy Consumption in TJ / Turnover Rs. in crores) | 5.30 | 6.42 |

* Includes the fuel consumed in the thermal power plant and hence the same has not been included in (A) above.

***Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.***

No.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

| S. No | DCs ( Units of Ramco) | PAT Cycle |
|---|---|---|
| 1 | Ramasamy Raja Nagar | The unit is mapped under PAT cycle III, and the targets are achieved. |
| 2 | Alathiyur | The unit is mapped under PAT cycle II, and the targets are not achieved.<br>Adopted WHR system and exploring other energy conservation measures to achieve the target. Tradeable Net ESCerts of about 5,648 is available from PAT cycle I. |

| S. No | DCs ( Units of Ramco) | PAT Cycle |
|---|---|---|
| 3 | Ariyalur | The unit is mapped under PAT cycle II, and the targets are not achieved.<br>The remedial measures to achieve the target include increasing the renewable energy share (WE), Utilization of AFR and exploring other energy conservation measures. |
| 4 | Jayanthipuram | The unit is mapped under PAT cycle III, and the targets are not achieved.<br>The remedial measures to achieve the target include increasing the renewable energy share (WE), Utilization of AFR and exploring other energy conservation measures. |

3. Provide details of the following disclosures related to water:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 16,95,598 | 14,16,143 |
| (ii) Groundwater | 13,61,606 | 20,36,765 |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **30,57,204** | **34,52,908** |
| Total volume of water consumption (in kilolitres) | 30,57,204 | 34,52,908 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.0374 | 0.0574 |

***Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency***

No.

Consumption Meter/ Inspection well readings are recorded and monitored by PWD but the data has not been assured by any external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

During the cement manufacturing process there is no process effluents. The water utilized in plant and colonies are treated and used for in premise requirements.

- The TPP effluent water is treated in effluent treatment plant. The wastewater from boiler blow down, DM plant regeneration, UF & RO rejects and cooling tower blow down of TPP are being neutralized in neutralization tank. The treated water is utilized for equipment cooling in cement plant.
- The Sewage treatment plant is in operation to treat domestic sewage from township, plant, canteen and offices. The treated water is utilized for green belt development.
- The Automobile garage wash water is being treated separately at Oil & Grease Trap.
- The treated effluent water is used for greenbelt, fugitive emission suppression and in cement plant process activities.
- By adopting all these strategies zero liquid discharge is accomplished in our units.

5. Please provide details of air emissions (other than GHG emissions) by the entity:

| Parameter | UOM | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| NOx –Cement Plant | mg/Nm³ | Min 41<br>Max 557 | Min 46<br>Max 550 |
| SOx –Cement Plant | mg/Nm³ | Min 21<br>Max 55 | Min 35<br>Max 57 |
| Particulate matter (PM) – Cement Plant | mg/Nm³ | Min 19<br>Max 28 | Min 17<br>Max 29 |
| NOx -CPP | mg/Nm³ | Min 77<br>Max 258 | Min 73<br>Max 257 |

| Parameter | UOM | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| SOx -CPP | mg/Nm$^3$ | Min 98<br>Max 241 | Min 71<br>Max 247 |
| Particulate matter (PM)<br>CPP | mg/Nm$^3$ | Min 24<br>Max 28 | Min 21<br>Max 29 |
| Persistent organic pollutants (POP) | | Not Applicable | Not Applicable |
| Volatile organic compounds (VOC) | | Not Applicable | Not Applicable |
| Hazardous air pollutants (HAP) | | Not Applicable | Not Applicable |
| Others –Carbon Monoxide | | Not Applicable | Not Applicable |

Data represent here is group emissions in totality considering all the units.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No.

Meter/ Inspection readings are recorded and monitored by respective PCBs but the data has not been assured by any external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$) | Metric tonnes of $CO_2$ equivalent | 80,03,750 | 81,09,723 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$) | Metric tonnes of $CO_2$ equivalent | 7,80,469 | 1,15,683 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** | | $1.075 \times 10^{-4}$ | $1.368 \times 10^{-4}$ |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No.

7. Does the entity have any project related to reducing Green House Gas emission?

The company has initiated several measures to reduce the GHG emissions. The usage of Fossil fuels is reduced by adopting Waste Heat Recovery system and wheeling of wind energy. Rooftop solar panels are installed that adds to the share in green energy. The green energy share is about 22% of total energy utilization.

8. Provide details related to waste management by the entity:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 140.43 | 162.12 |
| E-waste (B) | 35.13 | 15.82 |
| Bio-medical waste (C) | 0.19 | 0.30 |
| Battery waste (D) | 21.44 | 21.66 |
| Other Hazardous waste (E) | 62.87 | 34.66 |
| Other Non-hazardous waste generated (F) | 6,385.98 | 8,856.68 |
| Ash from Captive Power Plant (G) | 98,778.00 | 98,767.17 |
| **Total (A + B + C + D + E + F + G)** | **1,05,424.04** | **1,07,858.41** |

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

| Category of waste | FY 2022-23 | FY 2021-22 |
|---|---|---|
| (i) Recycled | 1,05,325.85 | 1,07,807.63 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | - | - |
| **Total** | **1,05,325.85** | **1,07,807.63** |

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

| Category of waste | FY 2022-23 | FY 2021-22 |
|---|---|---|
| (i) Incineration | 0.19 | 0.30 |
| (ii) Landfilling | - | - |
| (iii) Authorised disposal facility | 98.00 | 50.48 |
| **Total** | **98.19** | **50.78** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No.

Meter/ Inspection readings are recorded and monitored by respective PCBs but the data has not been assured by any external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

| Type of waste | Disposal practice |
|---|---|
| Dust collected from cement plant pollution control equipment | The dust collected from the APC equipments are collected and re-utilized in the respective product section. |
| Bottom Ash from TPP | It is used as admixture in concrete pavements and levelling undulations on surface. |
| Fly ash generated from TPP | It is reutilized in the grinding process of pozzolana cement. |
| Sludge collected from Sewage Treatment Plant | It is being used as manure in greenbelt activities, in place of chemical fertilizers. The chemical fertilizers are avoided inside the premises by utilizing the sludge as bio manure. |
| Township garbage | The organic wastes are segregated and composted in a vermicomposting yard. The compost is utilized for the plantations in premise. Other wastes like wood, paper and plastics are utilized as alternate fuel in the kiln. |
| Kitchen waste from township | Bio-gas plant is operated in the premises using the kitchen waste that are collected from the township. The LPG is replaced by biogas in the industry canteen. |
| Mild Steel scrap | All the MS scrap are collected in premise and sent to local scrap processing units. |
| E-waste | The generated wastes are sent to PCB authorized disposing agencies. |
| Hazardous waste – Waste oil | The spent oils from the machineries are collected and sent to PCB authorized Recycler. |
| Hazardous waste – Used hi-chrome grinding media | Worn out Hi-chrome grinding media is reutilized as counter weights and is being disposed to authorized agencies. |
| Hazardous waste – waste lead acid batteries | The used batteries are replaced with the new batteries in replacement basis from the suppliers. |
| Plastic waste | The in-premise plastic waste are co-processed in the Kiln. |
| HDPE waste | They are collected and sent to nearby scrap dealers. |
| Bio-medical waste | The waste from the Occupational Health center are segregated based on the type of waste and sent to authorized Biomedical waste processor. |

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

| S. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Not Applicable, as none of our operations are in Ecologically sensitive areas. | | | |

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web Link |
|---|---|---|---|---|---|
| Expansion of Reddipalayam Lime stone Mine from 1.7 to 3.0 MTPA | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 01-08-2022 | Yes. EIA study done by M/s. ABC Techno Labs India private Ltd. | Yes | - |
| Ottakovil Lime kankar mine of extent 22.81.5 hectare | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 30-07-2022 | Yes. EIA study done by M/s. ABC Techno Labs India private Ltd. | Yes | - |
| Illuppaiyur Lime kankar mine of extent 18.03 hectare | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 30-07-2022 | Yes. EIA study done by M/s. ABC Techno Labs India private Ltd. | Yes | - |
| Maravarperungudi Lime kankar mine QL-II of extent 23.29.0 hectare | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 01-11-2022 | Yes. EIA study done by M/s. ABC Techno Labs India private Ltd. | Yes | - |
| Pandalgudi Limekankar Benefication plant of capacity of 2.0 MTPA | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 20-12-2022 | Yes. EIA study done by M/s. ABC Techno Labs India private Ltd. | Yes | - |
| Kanakadripalli Limestone mine of extent 435.24 Hectare | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 15-03-2023 | Yes. EIA study done by M/s. BS Envitech private Ltd. | Yes | - |
| Nayanapalli Limestone mine of extent 735.72 Hectare | EIA Notification, 2006), vide number S.O.1533 (E) and its amendments thereof | 15-03-2023 | Yes. EIA study done by M/s. BS Envitech private Ltd. | Yes | - |

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the noncompliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Compliant with all the relevant regulations | | | | |

## LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) (TJ) (Wind Energy + WHRS) | 946 | 105 |
| Total fuel consumption (B) (TJ) | 1,672 | 315 |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | **2,618** | **420** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) (TJ) (Grid Power + Thermal Power) | 3,391 | 3,079 |
| Total fuel consumption (E) (TJ) | 31,332 | 25,962 |
| Energy consumption through other sources (F) (TJ) | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | **34,723** | **29,041** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No.

2. Provide the following details related to water discharged:

| Parameter | FY 2022-23 | FY 2021-22 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | Not Applicable | Not Applicable |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (ii) To Groundwater | Not Applicable | Not Applicable |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iii) To Seawater | Not Applicable | Not Applicable |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (iv) Sent to third-parties | Not Applicable | Not Applicable |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| (v) Others | Not Applicable | Not Applicable |
| - No treatment | | |
| - With treatment – please specify level of treatment | | |
| **Total water discharged (in kilolitres)** | | |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

None of the manufacturing locations are in the water stressed locations and hence this section is not applicable.

4. Please provide details of total Scope 3 emissions & its intensity:

| Parameter | Unit | FY 2022-23 | FY 2021-22 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$) | Metric tonnes of $CO_2$ equivalent | - | - |
| Total Scope 3 emissions per rupee of turnover | Metric tonnes of $CO_2$ equivalent/ Rupee turnover | - | - |
| Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity | Metric tonnes of $CO_2$ equivalent/ Product turnover | - | - |

**Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. –**

No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated:

| Sr. No. | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|---|---|---|---|
| 1. | Installation of waste heat recovery system at Kolimigundla unit. | A new generator of 9 MW had been commissioned. | This reduced the utilization of fossil fuel.<br>Initial step to achieve Net Zero emission. |
| 2. | 330 kW capacity of solar panels are installed in Alathiyur unit. | The units generated through the systems is 4.21 Lakh Units. | Reduction in carbon emission by utilizing green energy. |

7. Does the entity have a business continuity and disaster management plan?

Yes.

All our units are aided with onsite emergency plan which holds in the disaster management plan. The plan is targeted to contain the incident, minimize causalities and prevent further injuries, migratory measures, quick and streamlined relief and rescue operation without unnecessary delay, speed up restoration of normalcy and ensure each member of the emergency operation including response team and employees are aware of their role in emergency. It is critical also to ensure the site's management system is designed to manage these risks. This can be achieved by:

- Informing the workplace hazards to the workers through awareness training.
- Identifying the areas where there is uncertainty in safety. What if analysis is carried out in appropriate area.
- Implementing controls to eliminate risk, or if elimination is not possible, reducing the risk to as low as is reasonably practicable.
- Monitoring implementation by inspecting & auditing controls to ensure they are working as expected.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Value chain partners have not been assessed for environmental Impacts. This process will be initiated in the upcoming years.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Value chain partners have not been assessed for environmental Impacts. This process will be initiated in the upcoming years.

## Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

   13 Nos.

   b. List the top trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Global Cement and Concrete Association | National |
| 2 | Bureau of Energy Efficiency | National |
| 3 | National Council for Cement and Building Materials | National |
| 4 | Confederation of Indian Industry | National |
| 5 | Federation of Indian Chamber of Commerce and Industry | National |
| 6 | Cement Manufacturers Association | National |
| 7 | Indian Wind Power Association | National |
| 8 | The Employers' Federation of Southern India | National |
| 9 | The Madras Chamber of Commerce & Industry | State |
| 10 | Madras Management Association | State |
| 11 | South India Cement Manufacturers' Association | National |
| 12 | Indian Chamber of Commerce | National |
| 13 | Virudhunagar Chamber of Commerce and Industry | State |

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

| Name of Authority | Brief of the case | Corrective Action Taken |
|---|---|---|
| Competition Commission of India | The Builders Association of India has filed a complaint against The Ramco Cements Limited (The Company) & Cement Manufacturers Association (CMA) and other leading cement companies, before the Competition Commission of India (CCI) in the year 2006. Vide its order dated 20-06-2012, a sum of Rs. 258.63 crores were imposed as penalty against The Ramco Cements Limited for contravening the provisions of section 3(1) read with section 3(3) (a) and 3(3)(b) of the Competition Act 2002. Against the said order, the cement companies went for an appeal to the Competition Appellate Tribunal (COMPAT) and the Honourable Appellate Tribunal was pleased to refer the matter before CCI for fresh adjudication. Thereafter, by order dated 31-08-2016, CCI reiterated the substantial portion of its earlier order imposing Rs. 258.63 crores towards alleged cartelisation. Aggrieved by the said order, the Company filed an appeal before COMPAT and obtained an interim order on 28-11-2016, wherein the Company was directed to deposit 10% of the penalty amount in the registry of COMPAT by way of Fixed deposit, within 60 days from the date of the order. Accordingly, the Company has deposited the amount of Rs. 25.86 crores (10% of Rs.258.63 crores) on 30-11-2016.<br><br>In the year 2017, central government abolished COMPAT and all its powers and functions were vested with NCLAT.<br><br>Vide order dated 25-07-2018, NCLAT dismissed the Company's appeal along with the appeals of other cement companies. Aggrieved by the NCLAT order, the company preferred an appeal before the Honourable Supreme Court and the Honourable court was pleased to admit the same and directed to continue the interim order passed by NCLAT. Accordingly, the Company re-deposited a sum of Rs. 25.86 crores [ i.e., 10% of the penalty amount of Rs.258.63 crores] and the said deposit is classified under "Bank Balances other than Cash and Cash Equivalents". | The proceedings are ongoing. |

### LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity

   Ramco Cements frequently engages with government bodies, regulatory agencies, and legislative bodies as part of its commitment to operating within the democratic and constitutional framework. The company recognizes its responsibilities to uphold the principles of democracy and comply with legal regulations and requirements.

   Ramco, as a leading cement manufacturer in India, endeavors to collaborate with chambers and associations. The company offers suggestions and proposals to government entities, regulators, legislative bodies, and chambers and associations to progress and enhance the cement industry in India. The company's representatives take part and actively contribute to associations established to improve and represent the cement industry, upon being invited.

   Company ensures constancy of its public communications, disclosures with the Code of Conduct and the principles as outlined in the relevant regulatory framework. Instead of conflict on policy and regulatory matters, the company will encourage consensus, cooperation, compliance, persuasion and meaningful discussions. The company strongly believes that policy advocacy should prioritize the expansion and preservation of the public good. Therefore, the company refrains from advocating any policy change that solely benefits itself or a particular group in a partisan manner.

## Principle 8: Businesses Should Promote Inclusive Growth And Equitable Development

### ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| | | | - | | |

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| | | | Not Applicable | | | |

3. Describe the mechanisms to receive and redress grievances of the community.

   All the units have a designated CSR team to interact with the community at large and address any grievances by planning projects towards the same. The teams have a good rapport with all stakeholders like the community, district administration & political parties and work towards finding the best solution.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

| Particulars | FY 2022-23 | FY 2021-22 |
|---|---|---|
| Directly sourced from MSMEs/small producers | 2.17% | 2.38% |
| Sourced directly from within the district and neighbouring districts | 28.30% | 25.05% |

### LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|---|---|
| - | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (In INR) |
|---|---|---|---|
| 1 | Tamil Nadu | Virudhunagar | Rs. 4,56,89,147 |
| 2 | Andhra Pradesh | Vizag | Rs. 1,28,08,705 |
| 3 | Tamil Nadu | Ramanathapuram | Rs. 50,40,000 |

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

   No such preferential procurement policy exists as of now.

   (b) From which marginalized /vulnerable groups do you procure?

   Not Applicable

   (c) What percentage of total procurement (by value) does it constitute?

   Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| | | Not Applicable | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

| Name of Authority | Brief of the Case | Corrective action taken |
|---|---|---|
| | Not Applicable | |

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | More than 30 major projects with a total spend of Rs. 17.29 crores. | 4,14,630 beneficiaries | 40 % (Women, children, SC/ST, economically backward, differently abled and elderly) |

## Principle 9: Businesses Should Engage With And Provide Value To Their Consumers In A Responsible Manner

### ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   The Company is educating all construction professionals – Masons, Architects, Contractors, Engineers – through its awareness/ promotional programs. All the complaints were resolved during the year and no customer complaints were pending at the end of the year.

   The Company carries out consumer surveys / consumer satisfaction trends, through interaction with end users and the information is utilized to improve the business operations/ services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| Particulars | As a percentage to total turnover |
|---|---|
| Environmental and social parameters relevant to the product | This information is presently not monitored. The organization has put in place a plan of action to incorporate these aspects as a part of labelling / product information over short to medium term as a part of corporate sustainability strategy |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. Number of consumer complaints in respect of the following:

| Particulars | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - |
| Cyber-security | - | - | - | - | - | - |
| Delivery of essential services | - | - | - | - | - | - |
| Restrictive Trade Practices | - | - | - | - | - | - |
| Unfair Trade Practices | - | - | - | - | - | - |

4. Details of instances of product recalls on account of safety issues:

| Particulars | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | Nil | Not applicable |
| Forced recalls | Nil | Not applicable |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

   Ramco has an internal framework to manage the risks related to cyber security. This will be made a full fledged policy and made available in the subsequent reporting years.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

   In order to minimize the impact of cyber-attacks on our business, Ramco Cements has installed firewalls and threat monitoring systems with immediate response capabilities to mitigate identified threats. We also maintain system for the control and reporting of access to our critical IT system, which is subjected to periodical testing of access controls.

**LEADERSHIP INDICATORS**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

   Ramco provides information about the product and services through its Website, News Paper /TV advertisements, Facebook and Instagram. Primary source of the information is our corporate website which can be accessed on https://www.ramcocements.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   Information regarding usage of product and end use applications are given in the respective Product catalogue, Website of the Company, etc. The information on proper usage of products is provided with live demonstrations to Masons, Architects and Distributors in Knowledge Centre set up.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

   The products and services offered by Ramco Cements does not constitute in the category of essential services and hence this disclosure is not applicable.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

   The required information are given on all the products of the Company as required by the applicable laws. For some products, information over and above the mandated requirement is also provided. Customer satisfaction survey and the feedback is a continuous process as the distributors are in constant touch with the customers to ensure that this is communicated transparently across the value chain.

5. Provide the following information relating to data breaches:

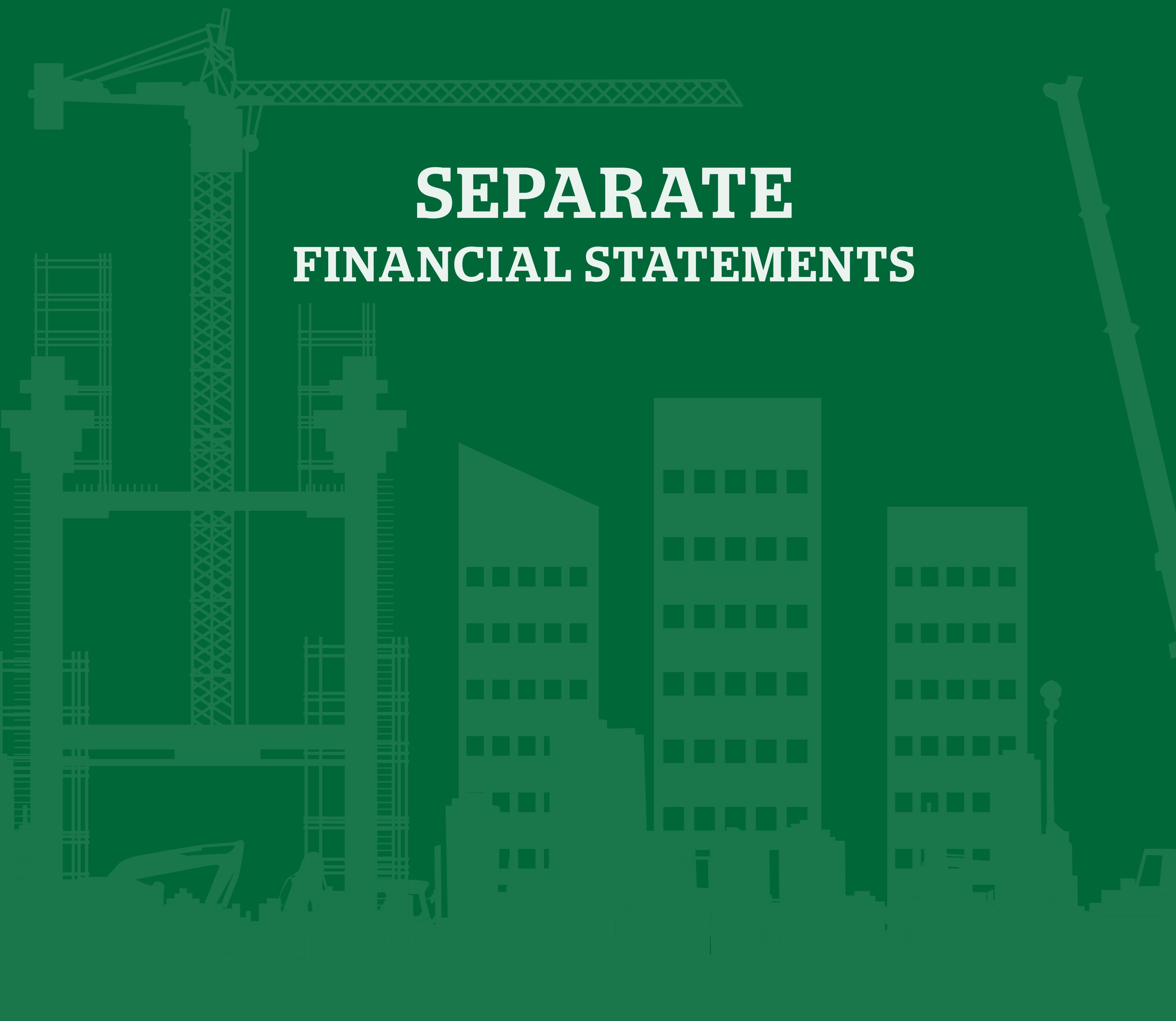
   a. Number of instances of data breaches along-with impact

   b. Percentage of data breaches involving personally identifiable information of customers

   No instances of data breach in the FY 2022-23.

*Note: Previous year's BRSR figures have been restated wherever necessary.*

# SEPARATE
## FINANCIAL STATEMENTS



# Independent Auditor's Report

To the Members of THE RAMCO CEMENTS LIMITED

## Report on the Audit of the Separate Financial Statements

### Opinion

We have audited the Separate Financial Statements of THE RAMCO CEMENTS LIMITED ("the Company"), which comprise the Separate Balance Sheet as at 31st March 2023, and the Separate Statement of Profit and Loss, the Separate Statement of Changes in Equity and the Separate Statement of Cash Flows for the year ended on that date, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the Separate Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid separate financial statements give the information required by the Companies Act 2013 ('the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| S. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1 | **Evaluation of uncertain Tax Position / Contingent liabilities**<br><br>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations, claims and other contingent liabilities. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.<br><br>**(Refer to Note No. 48.2.1 to 48.2.22 to the Separate Financial Statements)** | **Principal Audit Procedures**<br><br>The Audit addressed this Key Audit Matter by assessing the adequacy of tax provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.<br><br>We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.<br><br>We also reviewed to relevant judgments and the opinions given by the company's advisers, which were relied on by the management for such claims.<br><br>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements. |

| S. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 2 | **Disputes and potential litigations**<br><br>The Competition Commission of India (CCI) vide its order dated 31st August 2016 had imposed a penalty of Rs. 258.63 Crores on the company towards alleged cartelisation. The Company's appeal along with other cement companies had been dismissed by NCLAT vide its order dated 25th July 2018. Against the order, the Company appealed to the Hon'ble Supreme Court, which by its order dated 05th October 2018 admitted the appeal and directed to continue the interim order passed by NCLAT. Accordingly, the Company has re-deposited Rs. 25.86 Crores being 10% of the penalty. The Company, backed by legal opinion, believes that it has a good case and hence no provision is made. Management Judgment is involved in considering the probability of the claim being successful and we have accordingly designated this as a focus area of the audit.<br><br>**(Refer to Note No. 48.2.6 to the Separate Financial Statements)** | **Principal Audit Procedures**<br><br>In response to the risk of completeness of the disclosures and probability of claim being successful, we reviewed the legal advice obtained by the management from external legal advisor. We discussed the case with Management and reviewed the related documents. We also reviewed the stand taken by other companies in the cement industry who are all also involved in this issue. We reviewed the disclosures for completeness based on our audit procedures. |
| 3 | **Existence and impairment of Trade Receivables**<br><br>Trade Receivables are significant to the Company's financial statements. The collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgment, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.<br><br>**(Refer to Note No. 18 to the Separate Financial Statements)** | **Principal Audit Procedures**<br><br>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgment and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.<br><br>We also reviewed the system of obtaining monthly confirmation from the customers, which are kept in electronic mode by the company. We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.<br><br>Furthermore we assessed the adequacy and appropriateness of the disclosures in the separate financial statements. |

| S. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 4 | **Evaluation of Carrying value of Non-Current Investments**<br>The Company has Non-Current Investments in unlisted subsidiaries, associates and other companies, amounting to Rs. 83.79 crores as at 31st March 2023 which is 41.42% of the total non-current investments of the company. The Company's investments in unlisted subsidiaries and associates are valued at Cost less any impairment. These investments are assessed for impairment when an indicator of impairment exists. The management assess annually the existence of impairment indicators of each unlisted investment and assessed that there is no impairment in the value of such investment as on Balance Sheet date. The processes and methodologies for valuation and identification of impairment in the value of investments of unlisted companies requires application of significant judgment by the Company. The judgment has to be made with respect to the timing, quantity and estimation of future discounted cash flows of the unlisted entities. It involves significant estimates and judgment by the management because of the inherent uncertainty involved in forecasting the investee's future performance and discounting future cash flows. We consider the valuation and assessment of impairment in value of such investments to be significant to the audit, because of the materiality of the value of investments in the separate financial statements of the Company and estimates and judgments involved in assessing the various unobservable valuation inputs like estimating the future cash flows. Accordingly, the valuation and assessment of impairment value in such investments of unlisted entities is determined to be key audit matter in our audit of the separate financial statements.<br>**(Refer to Note No. 12 and 13 to the Separate Financial Statements)** | We examined the policies and methodologies used by the management to estimate the carrying value of each investment.<br>We evaluated the assessment techniques for forecasting the future cash flows and revenue estimates used by the management to assess the future prospect of the investee companies.<br>We examined the report of the valuation experts furnished to us by the management for the valuation of the business to assess the investment value in unlisted companies.<br>We reviewed and compared the estimates made by the management with the externally available industry data. |

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

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

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

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

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

## Management's Responsibility for the Separate Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these separate financial statements that give a true and fair view of the state of affairs, profit or loss including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of Companies Act 2013 read with relevant rules issued there under and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 separate financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the separate financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the separate financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the separate financial statements.

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

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

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

## Other Matters

The Separate Financial Statements includes financial performance of a foreign branch which reflects total assets of Rs. 1.12 Crores, total revenue of Rs. Nil and net cash inflow amounting to Rs. 0.48 Lakhs for the year ended on 31st March 2023, which was audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the separate financial statements solely based on such audited financial statements. The operations of the Foreign Branch in Sri Lanka are closed with effect from 27th July 2021 and the completion of winding up activities is in progress. The Management has assessed that, there is no material impact on the financial statements on account of the winding up of the branch. **(Refer Note No. 64 to the Separate Financial Statements)**.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Separate Balance Sheet, the Separate Statement of Profit and Loss including Other Comprehensive Income, the Separate Statement of changes in equity and the Separate statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(e) In our opinion, the aforesaid separate financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the details of the pending litigations and its impact on the financial position in its separate financial statements have been disclosed in Note No. 48.2.1 to 48.2.22 of the Notes to the Separate Financial Statements for the year ended 31st March 2023.

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. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provide under (a) and (b) above, contain any material mis-statement.

v. As stated in Note No. 62 to the separate financial statements, the final dividend proposed in the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable. The Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trial (edit log) facility is applicable to the Company with effect from 01st April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not appliable for the financial year ended 31st March 2023.

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

**P. SANTHANAM**
Partner
Membership No.: 018697
UDIN: 23018697BGVDMC5648

Place: Chennai
Date: 18th May 2023

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

**M. VIJAYAN**
Partner
Membership No.: 026972
UDIN: 23026972BGWGLA6293

# "Annexure A" To The Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of company on the Separate financial statements for the year ended 31st March 2023, we report the following:

(i) (a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

(c) According to the information and explanation given to us and on the basis of the verification of the records of the company the title deeds of immovable properties of the Company are held in the name of the Company. Reference is invited to the Note No. 48.2.16 of the separate financial statements wherein it is stated that there is a dispute regarding the patta of the land and matter is pending before the High Court.

In respect of immovable properties taken on lease and disclosed as right of use assets in the Separate financial statements, the lease agreements are in the name of company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

(ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) The discrepancies noticed on verification between the physical stocks and the books records were properly dealt with in the books of accounts and were not material.

(c) The Company has been sanctioned working capital limits in excess of five crore rupees from bankers on the basis of security of current assets and the quarterly statements filed with such banks are in agreement with the books of account of company.

(iii) (a) The company has made investments in / provided guarantee / granted loans / advances in the nature of loans during the year details of which are given below:

Rs. in Crores

| Particulars | Investments | Guarantees | Loans |
|---|---|---|---|
| **Aggregate amount granted during the year** | | | |
| (i) Subsidiaries & Associates | 0.52 | - | 49.07 |
| (ii) Other Companies | - | - | - |
| (iii) Others | 0.05 | - | 20.19 |
| **Balance outstanding as at Balance Sheet date** | | | |
| (i) Subsidiaries & Associates | 173.99 | - | 21.54 |
| (ii) Other Companies | 27.50 | - | - |
| (iii) Others | 0.82 | 100.00 | 27.67 |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in nature of loans and guarantees provided, prima facie, not prejudicial to the interest of the company.

(c) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, in respect of loans and advances in the nature of loans, where the schedule of repayment of principal and payment of interest has been stipulated, the repayments or receipts are regular.

(d) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not granted loans repayable on demand without specifying any terms or period of repayment.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has not granted any loans or advance in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, Clause 3 (iii) (f) of the Order is not applicable to the Company.

(iv) According to information and explanations given to us, the company has complied with the provisions of Section 186 of the Act in relation to loans, guarantees provided and investments made.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits or amounts which are deemed to be deposits during the year. Accordingly, reporting under this clause 3 (v) of the Order does not arise.

(vi) The Central Government, under section 148 (1) of the Companies Act 2013 has specified maintenance of cost records and such accounts and records have been so made and maintained by the Company.

(vii) (a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, goods and services tax, cess and any other statutory dues with the appropriate authorities. No undisputed amounts payable in respect of the above were in arrear as at 31st March 2023 for a period of more than six months from the date they become payable.

(b) As at 31st March 2023, according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

Rs. in Crores

| Sl. No. | Name of the Statute | Forum where dispute is pending | Period to which it relates | 31-03-2023 | 31-03-2022 |
|---|---|---|---|---|---|
| 1 | VAT / CST Act / Entry Tax | Assessing Authority | 1992-93 to 2005-06 | 0.46 | 0.46 |
| | | Assistant/Deputy Commissioner, Appeals | 2002-03 to 2009-10, 2014-15 & 2017-18 to 2022-23 | 48.29 | 4.24 |
| | | Appellate Tribunal | 1990-91 to 2010-11 & 2015-16 | 1.96 | 1.96 |
| | | High Court | 1990-91 to 2005-06 & 2014-15 to 2016-17 | 6.45 | 6.45 |
| 2 | Central Excise Act & Cenvat Credit Rules | Assistant/Deputy / Additional Commissioner | 2004-05 to 2017-18 | 74.36 | 98.58 |
| | | Commissioner Appeals | 2007-08 to 2016-17 | 1.87 | 1.44 |
| | | Appellate Tribunal | 2004-05 to 2017-18 | 153.47 | 142.81 |
| | | High Court | 2006-07 to 2011-12 | 77.74 | 77.74 |
| | | Supreme Court | 2004-05 to 2013-14 | 20.82 | 20.82 |
| 3 | Income Tax Act | Commissioner Appeals | 2010-11, 2014-15, 2015-16 & 2020-21 | 37.25 | 38.46 |
| | | Dispute Resolution Panel | 2017-18 | - | 13.05 |
| | | Appellate Tribunal | 2009-10 to 2014-15, 2015-16 to 2017-18 | 84.21 | 85.48 |
| | | High Court | 1992-93 to 2007-08 | 15.29 | 15.29 |
| **Total** | | | | **522.17** | **506.78** |

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under Income Tax Act, 1961 as income during the year.

(ix) (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have not been used for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the separate financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies as defined in the Act.

(f) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies as defined under the Act.

(x) (a) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised moneys by way of initial public offer or further public offer during the year. The company has raised money by way of Non-convertible debentures during the year and the proceeds have been applied for the purposes for which they were raised.

(b) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not raised funds by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materially outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle blower complaints received by the Company during the year. Accordingly, Clause 3 (xi) (c) of the Order is not applicable to the Company.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Separate Financial Statements, as required by the applicable accounting standards. (Refer Note No. 55 to the Separate Financial Statements)

(xiv) (a) Based on information and explanations given to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected to its Directors. Accordingly, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

(b) The Company has not conducted any non-banking financial or Housing finance activities during the year.

(c) The Company is not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations provided to us during the course of our audit, the Company does not have any CICs.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory Auditors during the year.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the separate financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report, that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the date of the balance sheet, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project under CSR. According clauses 3 (xx) (a) and 3 (xx)(b) of the Order are not applicable.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Separate Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

**P. SANTHANAM**
Partner
Membership No.: 018697
UDIN: 23018697BGVDMC5648

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

**M. VIJAYAN**
Partner
Membership No.: 026972
UDIN: 23026972BGWGLA6293

Place: Chennai
Date: 18th May 2023

# "Annexure B" to the Independent Auditor's Report

**of even date on the Separate Financial Statements prepared in accordance with the Indian Accounting Standards of The Ramco Cements Limited.**

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

We have audited the internal financial controls over financial reporting of M/s. THE RAMCO CEMENTS LIMITED ("the Company") as of March 31, 2023 in conjunction with our audit of the separate financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

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

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2023, 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 **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

**P. SANTHANAM**
Partner
Membership No.: 018697
UDIN: 23018697BGVDMC5648

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

**M. VIJAYAN**
Partner
Membership No.: 026972
UDIN: 23026972BGWGLA6293

Place: Chennai
Date: 18th May 2023

# Balance Sheet

as at 31st March 2023

Rs. in Crores

| Particulars | Note No. | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 7 | 9,865.67 | 7,463.42 |
| Capital Work in Progress | 8 | 1,926.89 | 2,992.15 |
| Investment Property | 9 | 218.57 | 220.72 |
| Intangible Assets | 10 | 90.04 | 67.44 |
| Intangible Assets under Development | 11 | 60.44 | 41.86 |
| Financial Assets | | | |
| *Investments in Subsidiaries & Associates* | 12 | 173.99 | 173.47 |
| *Other Investments* | 13 | 28.32 | 27.80 |
| *Loans* | 14 | 29.67 | 85.03 |
| *Other Financial Assets* | 15 | 36.61 | 29.05 |
| Other Non-Current Assets | 16 | 199.30 | 250.01 |
| | | **12,629.50** | **11,350.95** |
| **Current Assets** | | | |
| Inventories | 17 | 882.34 | 833.33 |
| Financial Assets | | | |
| *Trade Receivables* | 18 | 464.96 | 349.77 |
| *Cash and Cash Equivalents* | 19 | 135.97 | 143.74 |
| *Bank Balances other than Cash and Cash Equivalents* | 20 | 32.62 | 32.30 |
| *Loans* | 21 | 19.54 | 20.39 |
| *Other Financial Assets* | 22 | 214.19 | 154.30 |
| Other Current Assets | 23 | 137.77 | 170.73 |
| | | **1,887.39** | **1,704.56** |
| **Total Assets** | | **14,516.89** | **13,055.51** |
| **Equity & Liabilities** | | | |
| **Equity** | | | |
| Equity Share Capital | 24 | 23.63 | 23.63 |
| Other Equity | 25 | 6,769.90 | 6,501.23 |
| | | **6,793.53** | **6,524.86** |
| **Non-Current Liabilities** | | | |
| Financial Liabilities | | | |
| *Borrowings* | 26 | 3,622.16 | 2,857.29 |
| *Lease Liabilities* | 27 | 19.48 | 19.58 |
| Provisions | 28 | 53.34 | 41.25 |
| Deferred Tax Liabilities, net | 29 | 928.51 | 824.04 |
| Deferred Government Grants | 30 | 16.18 | 10.07 |
| | | **4,639.67** | **3,752.23** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| *Borrowings* | 31 | 865.26 | 1,072.66 |
| *Lease Liabilities* | 32 | 0.21 | 0.14 |
| *Trade Payables* | 33 | | |
| *- Total outstanding dues of micro enterprises and small enterprises* | | 6.05 | 13.06 |
| *- Total outstanding dues of creditors other than micro enterprises and small enterprises* | | 631.21 | 470.53 |
| *Other Financial Liabilities* | 34 | 1,145.93 | 902.85 |
| Other Current Liabilities | 35 | 391.55 | 270.73 |
| Provisions | 36 | 39.98 | 36.91 |
| Deferred Government Grants | 37 | 2.51 | 1.38 |
| Current Tax Liabilities, net | 38 | 0.99 | 10.16 |
| | | **3,083.69** | **2,778.42** |
| **Total Equity and Liabilities** | | **14,516.89** | **13,055.51** |
| *Significant Accounting Policies, Judgments and Estimates* | *1 - 6* | | |
| *See accompanying notes to the Financial Statements* | *7 - 64* | | |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Statement of Profit and Loss

**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | Note No. | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 39 | 8,135.27 | 5,979.98 |
| Other Income | 40 | 36.70 | 30.64 |
| **Total Income** | | **8,171.97** | **6,010.62** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 41 | 1,357.07 | 896.80 |
| Changes in Inventories of Finished Goods and Work-in-progress | 42 | (14.10) | (6.41) |
| Employee Benefits Expense | 43 | 460.00 | 456.73 |
| Finance Costs | 44 | 240.52 | 112.40 |
| Depreciation and Amortization Expense | 45 | 504.44 | 400.84 |
| Transportation and Handling Expenses | | 1,602.98 | 1,214.41 |
| Power and Fuel | | 2,661.60 | 1,388.76 |
| Other Expenses | 46 | 901.51 | 759.18 |
| | | **7,714.02** | **5,222.71** |
| Less: Captive Consumption of finished goods | | 15.74 | 13.33 |
| **Total Expenses** | | **7,698.28** | **5,209.38** |
| **Profit Before Tax** | | **473.69** | **801.24** |
| **Tax Expenses** | **29** | | |
| Current Tax | | 24.37 | 165.48 |
| Current Tax adjustments of earlier years | | 1.31 | 6.67 |
| **Net Current tax expenses** | | **25.68** | **172.15** |
| Deferred Tax | | 105.20 | 41.22 |
| MAT Credit reversal of earlier years | | - | 4.63 |
| Deferred tax adjustments of earlier years | | (0.73) | (309.46) |
| **Net Deferred tax expenses** | | **104.47** | **(263.61)** |
| **Total Tax Expenses** | | **130.15** | **(91.46)** |
| **PROFIT FOR THE YEAR** | **A** | **343.54** | **892.70** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| **Items that will not be reclassified to Profit or Loss** | | | |
| Remeasurement losses on defined benefit obligations, net | 43 | (5.87) | (3.28) |
| Tax credit on above | 29 | 1.48 | 0.83 |
| Fair value gain / (loss) on Equity Instruments through OCI | 13 | 0.48 | (0.20) |
| **TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR** | **B** | **(3.91)** | **(2.65)** |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | **A + B** | **339.63** | **890.05** |
| **Earnings per equity share of face value of Rs. 1 each** | **53** | | |
| Basic EPS in Rs. | | 15 | 38 |
| Diluted EPS in Rs. | | 15 | 38 |
| *Significant Accounting Policies, Judgments and Estimates* | *1 - 6* | | |
| *See accompanying notes to the Financial Statements* | *7 - 64* | | |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Statement of Changes in Equity

**for the year ended 31st March 2023**

## A. Equity Share Capital [Refer Note No.24]

Rs. in Crores

| | |
|---|---|
| **Balance as at 01-04-2021** | **23.59** |
| Changes in Equity Share Capital during the year 2021-22 | 0.04 |
| **Balance as at 31-03-2022** | **23.63** |
| Changes in Equity Share Capital during the year 2022-23 | - |
| **Balance as at 31-03-2023** | **23.63** |

## B. Other Equity [Refer Note No.25]

Rs. in Crores

| Particulars | Reserves and Surplus | | | | | | Items of OCI | | Total Other Equity |
|---|---|---|---|---|---|---|---|---|---|
| | Share Application money pending Allotment | Capital Redemption Reserve | Securities Premium | Employee Stock Options Reserve | General Reserve | Retained Earnings | FVTOCI Equity Instruments | Remeasurements of Defined Benefit Obligations | |
| **Other Equity as at 01-04-2021** | **-** | **1.63** | **22.24** | **20.38** | **5,353.81** | **200.00** | **5.15** | **-** | **5,603.21** |
| Add: Profit for the year | - | - | - | - | - | 892.70 | - | - | 892.70 |
| Add: Other Comprehensive Income | - | - | - | - | - | - | (0.20) | (2.45) | (2.65) |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **-** | **892.70** | **(0.20)** | **(2.45)** | **890.05** |
| Add: Proceeds from issue of equity shares pursuant to exercise of stock options | 2.29 | - | - | - | - | - | - | - | 2.29 |
| Less: Allotment of equity shares pursuant to exercise of stock options [Exercise Price - Face Value] | 2.25 | - | - | 26.10 | - | - | - | - | 28.35 |
| Less: Allotment of equity shares pursuant to exercise of stock options [Face Value] | 0.04 | - | - | - | - | - | - | - | 0.04 |
| Add: Amount credited pursuant to exercise of stock options upon allotment of equity shares | - | - | 28.35 | - | - | - | - | - | 28.35 |
| Add: Reserve created for ESOP granted during the year | - | - | - | 5.72 | - | - | - | - | 5.72 |
| Less: Transfer to Retained Earnings | - | - | - | - | - | - | - | (2.45) | (2.45) |
| Less: Transfer to General Reserve | - | - | - | - | - | 890.25 | - | - | 890.25 |
| Add: Transfer from Retained Earnings | - | - | - | - | 890.25 | - | - | - | 890.25 |
| Add: Transfer from OCI | - | - | - | - | - | (2.45) | - | - | (2.45) |
| **Other Equity as at 31-03-2022** | **-** | **1.63** | **50.59** | **-** | **6,244.06** | **200.00** | **4.95** | **-** | **6,501.23** |

# Statement of Changes in Equity

**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | Reserves and Surplus | | | | | | Items of OCI | | Total Other Equity |
|---|---|---|---|---|---|---|---|---|---|
| | Share Application money pending Allotment | Capital Redemption Reserve | Securities Premium | Employee Stock Options Reserve | General Reserve | Retained Earnings | FVTOCI Equity Instruments | Remeasurements of Defined Benefit Obligations | |
| **Other Equity as at 01-04-2022** | **-** | **1.63** | **50.59** | **-** | **6,244.06** | **200.00** | **4.95** | **-** | **6,501.23** |
| Add: Profit for the year | - | - | - | - | - | 343.54 | - | - | 343.54 |
| Add: Other Comprehensive Income for the year | - | - | - | - | - | - | 0.48 | (4.39) | (3.91) |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **-** | **343.54** | **0.48** | **(4.39)** | **339.63** |
| Less: Transfer to Retained Earnings | - | - | - | - | - | - | - | (4.39) | (4.39) |
| Less: Transfer to General Reserve | - | - | - | - | - | 268.19 | - | - | 268.19 |
| Add: Transfer from Retained Earnings | - | - | - | - | 268.19 | - | - | - | 268.19 |
| Add: Transfer from OCI | - | - | - | - | - | (4.39) | - | - | (4.39) |
| Less: Dividend (including TDS on Dividends) | - | - | - | - | - | 70.96 | - | - | 70.96 |
| **Other Equity as at 31-03-2023** | **-** | **1.63** | **50.59** | **-** | **6,512.25** | **200.00** | **5.43** | **-** | **6,769.90** |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Statement of Cash Flows

**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **Cash Flow from Operating Activities** | | | |
| **Profit Before Tax** | | 473.69 | 801.24 |
| *Adjustments to reconcile profit before tax to net cash flows:* | | | |
| Depreciation & Amortization | | 504.44 | 400.84 |
| Loss / (Profit) on derecognition of PPE and Investment Property, net | | (0.46) | 0.21 |
| Interest Income | | (12.54) | (13.89) |
| Dividend Income | | (1.46) | (0.10) |
| Grant Income | | (15.13) | (1.38) |
| Employee Stock Options expense | | - | 5.72 |
| Cash flow arising out of Actuarial loss on defined benefit obligations | | (5.87) | (3.28) |
| Fair value loss / (gain) on Mutual funds | | 0.01 | (0.07) |
| Lease Rental Receipts | | (9.69) | (9.78) |
| Finance costs | | 240.52 | 112.40 |
| Provisions / Other non-cash adjustments | | 16.01 | 11.66 |
| **Operating Profit before Working Capital changes** | | **1,189.52** | **1,303.57** |
| *Movements in Working capital:* | | | |
| Inventories | | (49.01) | (235.43) |
| Trade receivables and other assets | | (213.98) | 8.28 |
| Trade payables and other liabilities | | 510.11 | 210.10 |
| **Cash generated from Operations** | | **1,436.64** | **1,286.52** |
| Direct Taxes paid | | (31.64) | (157.47) |
| **Net Cash generated from Operating Activities** | **A** | **1,405.00** | **1,129.05** |
| **Cash Flow from Investing Activities** | | | |
| Purchase of Property, Plant & Equipment, Intangible Asset & Investment Properties (Including movements in CWIP, Capital Advances and payable for capital goods) | | (1,765.14) | (1,815.53) |
| Proceeds from sale / derecognition of Property, Plant & Equipment and Investment Properties | | 2.34 | 6.02 |
| Interest received | | 8.33 | 10.27 |
| Dividend received | | 1.41 | 0.06 |
| Loans (given to) / repaid by Subsdiaries / Associates, net | | 56.96 | (20.48) |
| Investment in Equity Shares of Associates | | (0.52) | (0.43) |
| Lease Rental Receipts | | 9.69 | 9.78 |
| **Net Cash used in Investing Activities** | **B** | **(1,686.93)** | **(1,810.31)** |
| **Cash Flow from Financing Activities** | | | |
| Proceeds from issue of equity shares, pursuant to exercise of stock options | | - | 2.29 |
| Proceeds from Long Term Borrowings | | 1,685.98 | 1,583.30 |
| Repayment of Long Term Borrowings | | (1,080.28) | (940.32) |
| Proceeds from / (Repayment) of Short Term Borrowings, net | | (26.73) | 182.74 |
| Payment of principal portion of lease liabilities | | (0.14) | (0.11) |
| Payment of Dividend including TDS on dividends | | (70.96) | - |
| Interest paid including interest on lease liabilities | | (233.39) | (112.46) |
| **Net Cash generated from Financing Activities** | **C** | **274.48** | **715.44** |
| **Net increase / (decrease) in Cash and Cash equivalents** | **D = (A+B+C)** | **(7.45)** | **34.18** |
| **Opening balance of Cash and Cash equivalents** | **E** | **176.04** | **141.86** |
| **Closing balance of Cash and Cash equivalents** | **D + E** | **168.59** | **176.04** |

# Statement of Cash Flows

**for the year ended 31st March 2023**

***Notes***

*(i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows.*

*(ii) For the purpose of Statement of Cash Flows, Cash and Cash Equivalents comprise of the following:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Cash and cash equivalents [Refer Note No.19]* | *135.97* | *143.74* |
| *Bank Balances other than cash and cash equivalents [Refer Note No.20]* | *32.62* | *32.30* |
| ***Cash and Bank Balances for Statement of Cash Flows*** | ***168.59*** | ***176.04*** |

*(iii) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Balance at the beginning of the year* | | |
| *Long Term Borrowings* | *2,857.29* | *2,162.62* |
| *Short Term Borrowings* | *1,072.66* | *939.10* |
| *Long Term Lease Liabilities* | *19.58* | *7.95* |
| *Short Term Lease Liabilities* | *0.14* | *0.11* |
| *Interest accrued* | *17.51* | *23.75* |
| ***Sub-total Balance at the beginning of the year*** | ***3,967.18*** | ***3,133.53*** |
| *Cash flows during the year* | | |
| *Proceeds from Long Term Borrowings* | *1,685.98* | *1,583.30* |
| *Repayment of Long Term Borrowings* | *(1,080.28)* | *(940.32)* |
| *Proceeds from / (Repayment) of Short Term Borrowings, net* | *(26.73)* | *182.74* |
| *Payment of principal portion of lease liabilities* | *(0.14)* | *(0.11)* |
| *Interest paid including interest on lease liabilities* | *(233.39)* | *(112.46)* |
| ***Sub-total Cash flows during the year*** | ***345.44*** | ***713.15*** |
| *Non-cash changes* | | |
| *Interest accrual for the year* | *240.52* | *112.40* |
| *Unwinding of discounts on provisions* | *(4.58)* | *(3.51)* |
| *Initial recognition of lease liability for Right-of-use asset* | *-* | *11.61* |
| *Recognition of difference between fair value of Soft Loan from Government and transaction value as Deferred Government Grant* | *(22.37)* | *-* |
| ***Sub-total Non-cash changes during the year*** | ***213.57*** | ***120.50*** |
| *Balance at the end of the year* | | |
| *Long Term Borrowings* | *3,622.16* | *2,857.29* |
| *Short Term Borrowings* | *865.26* | *1,072.66* |
| *Long Term Lease Liabilities* | *19.48* | *19.58* |
| *Short Term Lease Liabilities* | *0.21* | *0.14* |
| *Interest accrued* | *19.08* | *17.51* |
| ***Balance at the end of the year*** | ***4,526.19*** | ***3,967.18*** |
| *See accompanying notes to the financial statements 7 - 64* | | |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 1. Corporate Information

The Ramco Cements Limited ("the Company") is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act 1956. The Registered office of the Company is located at "Ramamandiram", Rajapalayam - 626 117, Tamilnadu. The Company's shares are listed in BSE Limited and National Stock Exchange of India Limited.

The Company is engaged in manufacture of Cement, Ready Mix Concrete and Dry Mortar products. The Company caters mainly to the domestic markets. The Company also sells cement in Srilanka through direct exports and Maldives through merchant exports. 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 18-05-2023.

## 2. Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, presentation requirements of Division II of Ind AS compliant Schedule III to the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, wherever applicable.

## 3. Basis of Preparation of Separate Financial Statements

3.1 The significant accounting policies used in preparing the financial statements are set out in Note No.4.

3.2 The Company has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.

3.3 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.

3.4 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. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 The financial statements are presented in Indian Rupees, which is the Company's functional currency, rounded to the nearest Crores with two decimals. The amount below the round off norm adopted by the Company is denoted as Rs. 0.00 Crores.

3.6 Previous year figures have been regrouped / restated, wherever necessary and appropriate.

### Basis of Measurement

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

## 4. Significant Accounting Policies

### 4.1 Inventories

4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses, or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

4.1.2 Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost, 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.

Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

with systematic allocation of production overheads based on normal capacity of production facilities and other costs but excluding borrowing cost, incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

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

**4.2 Statement of Cash Flows**

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

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

4.2.3 Bank borrowings are generally considered to be financing activities. However, where bank overdrafts that 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 Statement of Cash flows.

**4.3 Dividend distribution to Equity shareholders**

Interim dividend paid is recognised on approval by Board of Directors. Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Dividend together with applicable tax i.e TDS are recognised directly in Equity.

**4.4 Income Taxes**

4.4.1 The Company has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Company has opted for shifting to lower tax regime from FY 2021-22 onwards.

4.4.2 Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates under new tax regime, the provisions of the Income Tax Act, 1961 and other applicable tax laws including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

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

4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The Company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates, in view of adoption of new tax regime.

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

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

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

**4.5 Property, Plant and Equipments (PPE)**

4.5.1. PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditures are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Spares which meet the definition of PPE are capitalised from the date when it is available for use. 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 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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.

The cost of major inspection / overhauling is recognised in the carrying amount of the item of PPE 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.

The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.

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

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

| Asset type | Useful life ranging from |
|---|---|
| Buildings | 3 to 60 years |
| Plant and equipments | |
| - Cement | 2 to 60 years |
| - Ready mix concrete | 10 to 25 years |
| - Dry mortar products | 5 to 25 years |
| Thermal power plants | 5 to 60 years |
| Windmills | 5 to 30 years |
| Workshop and Quarry equipments | 8 to 25 years |
| Mobile Phones | 3 years |
| Motor cars given to employees as per company's scheme | 6 to 7 years |

4.5.3 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balance transaction amount. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

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

4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.

4.5.6 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.

4.5.7 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

***Capital Work in progress / Capital Advances***

4.5.8 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

4.5.9 Advances given towards acquisition / construction of PPE outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**4.6 Leases**

4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Company as a Lessee***

4.6.2 The company recognises a right-of-use asset (RoU) and a lease liability at the lease commencement date for all leases whose non-cancellable leases is more than 12 months. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4.6.3 The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

| Nature of RoU | Useful life ranging from |
|---|---|
| Land | 16 to 97 years |
| Building | 27 years |

4.6.4 The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

4.6.5 The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

4.6.6 Lease payments included in the measurement of the lease liability comprise the following:

(a) Fixed payments,

(b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

(c) Amount expected to be payable under a residual value guarantee

(d) The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

4.6.7 The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

4.6.8 When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit or Loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.6.9 The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on face of the Balance sheet.

4.6.10 The Company has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

***Company as a Lessor***

4.6.11 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 are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Company do not have any finance leases arrangements.

**4.7 Revenue Recognition**

**4.7.1 Revenue from Operations**

***Sale of Products***

Revenue from product sales is recognized when the company transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the company expects to

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

be entitled in exchange for transferring goods to the customer. The Company provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the company as per Ind AS 115. The company do not have any non-cash consideration.

***Power generated from Windmills***

Power generated from windmills that are covered under power purchase agreement with TANGEDCO and third parties, are recognised at the rate fixed by respective State Electricity Regulatory Commissions and rate agreed with such counter parties, respectively, upon transmission of energy to the grids of the State Electricity Board and the same is classified as "Sale of power generated from windmills".

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue.

***Scrap sales***

Scrap sales is recognized when the Company transfers control of the product to customers.

**4.7.2 Other Income**

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.

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

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

**4.8 Employee Benefits**

4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

4.8.3 The Company contributes monthly to Employees' Provident Fund & Employees' Pension Fund administered by the Employees' Provident Fund Organisation, Government of India, at 12% of employee's basic salary. The Company has no further obligations.

4.8.4 The Company contributes for Superannuation Fund on an annual basis, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto Rs. 1.50 Lacs per annum is remitted to the superannuation fund trust administered by the Company. The funds are managed by HDFC Life Insurance. The balance amount, if any, is either remitted to National Pension System (NPS) subject to applicable ceiling or paid as salary at the option of employees. There are no further obligations in respect of the above contribution plan.

4.8.5 The Company contributes to Defined Benefit Plan viz., an approved Gratuity Fund, for its employees including employees in subsidiary company. 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. Based on the valuation by an independent external actuary, the Company makes annual contributions to the trust administered by the company as at the reporting date using Projected Unit Credit method. The funds are managed by LIC of India.

4.8.6 The Company provides for expenses towards compensated absences provided to its employees. The expense is recognized at the present value of the amount payable determined based on an independent external actuarial valuation as at the Balance Sheet date, using Projected Unit Credit method. The Company presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.

4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

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.

***Employee Stock options***

4.8.8 The employees of the Company are entitled for grant of stock options based on the eligibility criteria set out in ESOS 2018, as determined by Nomination & Remuneration committee (NRC). The fair value of the equity settled stock options granted to employees are measured by an independent valuer using Black-Scholes Model.

4.8.9 The fair value determined at the grant date of the option is expensed on a straight-line basis in the Statement of Profit and Loss as 'Employee Benefits Expense', over the vesting period of the option, based on the Company's estimate of stock options that will eventually vest, with a corresponding increase in equity.

4.8.10 At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

4.8.11 When the options are exercised, the Company issues fresh issue of equity shares upon receipt of exercise price from the employees. The proceeds received are allocated to share capital upto the face value of shares issued, with any excess being accounted as Securities Premium in the Balance Sheet.

4.8.12 In case of forfeiture/lapse of stock option, which is not vested, then to such extent, expenses shall be reversed in Statement of Profit and Loss and if expires unexercised, the related balance standing to the credit of the Employee Stock Options Reserve Account is transferred within other equity.

4.8.13 The dilutive effect of outstanding options is reflected as additional share dilution in the computation.

**4.9 Government Grants**

4.9.1 Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

4.9.2 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".

4.9.3 The soft loan from government is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of soft loan from government at a below-market rate of interest is treated as a government grant and classified as "Deferred Grant". It is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The said deferred grant is amortized over the useful life of the underlying asset.

**4.10 Foreign currency transactions**

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

4.10.2 All transactions in foreign currency are recorded on initial recognition at their functional currency spot exchange rates prevailing on the date of transaction.

4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency spot rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

4.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction. The date of transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from advance consideration. If there are multiple receipts of payments in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

***Foreign Branch Operations***

4.10.5 Income and expenditure transactions are translated to functional currency using monthly moving average exchange rate.

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

4.10.6 Monetary assets and liabilities of foreign branch as at the reporting date are translated to the functional currency spot rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

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

**4.11 Borrowing Costs**

4.11.1 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 costs are expensed in the period in which they occur.

4.11.2 Borrowing cost include interest computed using Effective Interest Rate method, interest on lease liabilities, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**4.12 Earnings per Share**

4.12.1 Basic Earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year.

4.12.2 Diluted Earnings per share is calculated by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year and potential equity shares arising out of employee stock options.

4.12.3 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.

**4.13 Impairment of Non-Financial Assets**

4.13.1 The carrying amount of assets i.e property, plant and equipment including right-of-use asset, investment properties, cash generating units and intangible assets, are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.

4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

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

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

**4.14 Provisions, Contingent Liabilities and Contingent Assets**

4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

4.14.3 The Company provides for the estimated expenses at fair value that are required to restore mines. The estimated restoration expenses are determined based on the estimated mineral reserves available. The actual expenses may vary based on the nature of restoration and estimate of restoration expenses. Mines restoration expenses are incurred on an on-going

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

basis until the closure of mines. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates and expected timing of these costs. The provision for this expense is included under "Cost of materials consumed" to the extent such mineral reserves were used in the production. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

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

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

**4.15 Intangible Assets**

4.15.1 The costs incurred in connection with securing right to extract mineral reserves are capitalised under "Mining Rights" and the costs of stripping overburden to gain access to limestone deposits and the present value of restoration liability, if materially significant, to the extent of exposed overburden area are capitalised under "Mine Development".

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

4.15.3 The cost incurred for right to un-restricted usage of power transmission system for sale of power from Company's captive thermal power plants to State grid and for drawal of power from State grid to its plant were capitalized as the Company is expected to yield future economic benefits.

4.15.4 Intangible Assets are carried at cost less accumulated amortisation and impairment losses if any and are amortised over their estimated useful life based on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below:

| Nature of Intangible assets | Estimated useful life |
|---|---|
| Mining rights | Over the period of mining lease |
| Mine Development | Unit of production method |
| Computer software | 6 years |
| Power transmission system | 5 years |

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

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

**4.16 Investment Properties**

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

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

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

4.16.4 Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below, that are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013:

| Asset type | Useful life ranging from |
|---|---|
| Buildings under Investment properties | 3 to 60 years |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

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

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

**4.17 Operating Segments**

Operating segments are identified on the basis of nature and usage of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker. The Company's business operation comprises of single operating segment viz., cement and cementious materials.

**4.18 Financial Instruments**

4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Company has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.18.3 The Company initially determines the classification of financial assets and liabilities. After initial recognition, no re-classification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets / liabilities that are specifically designated as FVTPL. However, other financial assets are re-classifiable when there is a change in the business model of the Company. When the Company reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Company does not restate any previously recognised gains, losses including impairment gains or losses or interest.

***Financial Assets***

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

4.18.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

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

4.18.6 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. |

The Company has accounted for its investments in subsidiaries and associates at cost. 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 subsidiaries, associates, employees and related parties, deposits, IPA receivable, interest receivable, unbilled revenue and other advances recoverable in cash or kind. |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

| Classification | Name of Financial Assets |
|---|---|
| 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. |

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

a) significant risk and rewards of the financial asset, or

b) control of the financial asset

However, the Company continue to recognise the transferred financial asset and its associated liability to the extent of its continuing involvement, which are measured on the basis of retainment of its rights and obligations of financial asset.

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

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

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

***Financial Liabilities***

4.18.10 Financial liabilities comprise of Borrowings from Banks, Non-convertible debentures, Soft loan / Interest free loan from Government, Trade payables, Lease Liabilities, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.18.11 The Company measures its financial liabilities as below:

| Measurement basis | Name of Financial liabilities |
|---|---|
| Amortised cost | Borrowings, Soft Loan/Interest free loan from Government, Trade payables, Lease Liabilities, Interest accrued, Unclaimed dividends, Security deposits, Mines restoration obligation and other financial liabilities not for trading, |
| FVTPL | Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

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

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

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

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

**4.19 Fair value measurement**

4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

4.19.3 All assets and liabilities for which fair value is measured and 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 is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

4.19.5 For the purpose of fair value disclosures, the company has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

***Investments in Equity / Mutual Funds***

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

***Trade and other receivables***

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

***Forward exchange contracts***

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

***Non-derivative financial liabilities***

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

***Financial guarantee obligation***

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

***Investment Properties***

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

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 5. Amendments to the existing accounting standards effective from 01-04-2022 onwards

The details of amendment to the existing standards that are relevant to the Company with effect from 01-04-2022 are given below:

The amendment to Ind AS 16 on Property, Plant & Equipment has clarified that excess of net sale proceeds of items produced over the cost of testing (while bringing the asset to that location and condition) shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant, and Equipment.

## 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:

***Current Taxes***

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

***Deferred Tax Asset***

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.

***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 the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

***Revenue Recognition***

Significant management judgement is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The Company offers credit period to customers for which there is no financing component.

***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. An actuarial valuation involves making various assumptions that may differ from actual developments in future. 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. All assumptions are reviewed at each reporting date.

***Determination of lease term of contracts as non-cancellable term***

Significant management judgement is exercised in determining the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised, by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

***Employee Stock Options***

Significant management judgement is exercised in determination of the most appropriate valuation model, most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, risk free rate and the number of options that are expected to vest as at the reporting date. Management believes that the assumptions used by the valuer are reasonable.

***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.

***Supplier Financing arrangements***

With respect to supplier financing arrangements, the Company has exercised management judgment in determining the presentation of liabilities as part of trade payables, its related cash flows and the information for disclosure in the notes, since it is part of working capital used in the company's normal operating cycle considering its similar nature, function, payment terms and nature of security offered for such liabilities.

***Provisions***

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the company is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

***Mines Restoration Expenditure***

In determining the provision for Mines restoration expenditure, assumptions and estimates are made by the management, in relation to discount rates, the expected mineral reserves, estimated cost to restore the mines and the expected timing of those costs.

***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.

***Mine Development***

In determining the allocation of mine development cost based on the unit of production method, assumptions and estimates are made by the management, in relation to the estimated mineral reserves available for the remaining period.

***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.

***Impairment of Trade receivables***

The impairment for trade receivables 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 Investments in Subsidiaries / Associates***

Significant management judgement is exercised in determining whether the investment in subsidiaries / associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

***Interests in other entities***

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

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 7 Property, Plant and Equipment (PPE)

Rs. in Crores

| Particulars | Year | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As at the beginning of the year | Additions | Deductions / Adjustments | As at the end of the year | As at the beginning of the year | For the year (Note 45) | Deductions / Adjustments | As at the end of the year | As at the end of the year |
| Freehold Land | 2022-23 | 901.32 | 37.16 | 0.94 | 937.54 | - | - | - | - | 937.54 |
| | 2021-22 | 845.49 | 57.15 | 1.32 | 901.32 | - | - | - | - | 901.32 |
| Right-of-Use Asset - Land | 2022-23 | 12.09 | - | - | 12.09 | 1.70 | 0.64 | - | 2.34 | 9.75 |
| | 2021-22 | 14.95 | 0.67 | 3.53 | 12.09 | 1.14 | 0.65 | 0.09 | 1.70 | 10.39 |
| Right-of-Use Asset - Building | 2022-23 | 11.76 | - | - | 11.76 | 0.22 | 0.44 | - | 0.66 | 11.10 |
| | 2021-22 | - | 11.76 | - | 11.76 | - | 0.22 | - | 0.22 | 11.54 |
| Buildings | 2022-23 | 1,105.68 | 161.49 | - | 1,267.17 | 382.47 | 50.11 | - | 432.58 | 834.59 |
| | 2021-22 | 1,041.52 | 69.80 | 5.64 | 1,105.68 | 344.32 | 43.55 | 5.40 | 382.47 | 723.21 |
| Plant & Equipments | 2022-23 | 8,810.68 | 2,613.33 | 32.32 | 11,391.69 | 3,365.42 | 359.64 | 32.15 | 3,692.91 | 7,698.78 |
| | 2021-22 | 7,902.25 | 971.27 | 62.84 | 8,810.68 | 3,126.28 | 291.54 | 52.40 | 3,365.42 | 5,445.26 |
| Railway Siding | 2022-23 | 315.73 | 4.73 | 0.39 | 320.07 | 84.99 | 19.55 | 0.37 | 104.17 | 215.90 |
| | 2021-22 | 278.66 | 40.29 | 3.22 | 315.73 | 69.69 | 18.52 | 3.22 | 84.99 | 230.74 |
| Workshop, Quarry Equipments | 2022-23 | 78.59 | 12.52 | 2.07 | 89.04 | 34.11 | 7.09 | 1.90 | 39.30 | 49.74 |
| | 2021-22 | 63.49 | 23.20 | 8.10 | 78.59 | 36.32 | 5.52 | 7.73 | 34.11 | 44.48 |
| Research & Development Equipments | 2022-23 | 70.67 | 1.86 | 0.45 | 72.08 | 49.85 | 2.73 | 0.45 | 52.13 | 19.95 |
| | 2021-22 | 70.82 | 0.61 | 0.76 | 70.67 | 48.01 | 2.60 | 0.76 | 49.85 | 20.82 |
| Furniture & Fixtures | 2022-23 | 77.33 | 13.36 | 1.58 | 89.11 | 38.80 | 6.98 | 1.52 | 44.26 | 44.85 |
| | 2021-22 | 69.67 | 8.42 | 0.76 | 77.33 | 33.30 | 6.10 | 0.60 | 38.80 | 38.53 |
| Office Equipments | 2022-23 | 66.45 | 13.10 | 3.71 | 75.84 | 47.24 | 7.40 | 3.67 | 50.97 | 24.87 |
| | 2021-22 | 64.81 | 7.21 | 5.57 | 66.45 | 47.03 | 5.76 | 5.55 | 47.24 | 19.21 |
| Vehicles | 2022-23 | 39.91 | 5.11 | 2.80 | 42.22 | 21.99 | 3.93 | 2.30 | 23.62 | 18.60 |
| | 2021-22 | 37.67 | 4.60 | 2.36 | 39.91 | 20.38 | 3.62 | 2.01 | 21.99 | 17.92 |
| **Total** | **2022-23** | **11,490.21** | **2,862.66** | **44.26** | **14,308.61** | **4,026.79** | **458.51** | **42.36** | **4,442.94** | **9,865.67** |
| | **2021-22** | **10,389.33** | **1,194.98** | **94.10** | **11,490.21** | **3,726.47** | **378.08** | **77.76** | **4,026.79** | **7,463.42** |

***Notes***

*(a) The Company has capitalised finance cost amounting to Rs. 68.13 Crores (PY: Rs. 9.79 Crores) during the year. The rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings that are outstanding during the year is 6.84% p.a. (PY: 5.81% p.a).*

*(b) The carrying amount of movable fixed assets of the Company and immovable properties pertaining to Cement plant located at Alathiyur, Ariyalur, Ramasamy Raja Nagar, Chengalpattu, Salem have been pledged by way of pari passu first charge as security for Long term Borrowings [Refer Note No.26].*

*(c) During the previous year, Additions under Freehold Land & Building include reclassification from Investment Property Land & Buildings of Rs. 5.83 Crores and Rs. 7.31 Crores respectively in view of change in usage.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

*(d) Deductions / Adjustments in Gross Block comprises of:*

*Rs. in Crores*

| Particulars | 2022 - 23 | | | | 2021 - 22 | | | |
|---|---|---|---|---|---|---|---|---|
| | Sale of Assets | Scrap of Assets | Other adjustments | Total | Sale of Assets | Scrap of Assets | Other adjustments | Total |
| Freehold Land | 0.94 | - | - | 0.94 | 1.32 | - | - | 1.32 |
| Right-of-use Asset - Land | - | - | - | - | - | - | 3.53 | 3.53 |
| Building | - | - | - | - | - | 5.64 | - | 5.64 |
| Plant and Equipments | 0.63 | 31.69 | - | 32.32 | 1.02 | 40.60 | 21.22 | 62.84 |
| Railway Siding | 0.39 | - | - | 0.39 | - | 3.22 | - | 3.22 |
| Workshop and Quarry Equipments | 1.46 | 0.61 | - | 2.07 | 4.81 | 3.29 | - | 8.10 |
| Research and Development Equipments | - | 0.45 | - | 0.45 | - | 0.76 | - | 0.76 |
| Furnitures and Fixtures | 0.21 | 1.37 | - | 1.58 | 0.24 | 0.52 | - | 0.76 |
| Office Equipments | 0.25 | 3.46 | - | 3.71 | 0.18 | 5.39 | - | 5.57 |
| Vehicles | 2.67 | 0.13 | - | 2.80 | 2.36 | - | - | 2.36 |
| **Total** | **6.55** | **37.71** | **-** | **44.26** | **9.93** | **59.42** | **24.75** | **94.10** |

*(e) Scrap of assets represent component of assets that were derecognised due to wear and tear and damages, since no future benefit is expected from those components and thus replaced by new components.*

*(f) Other adjustments with respect to Right-of-use Asset - Land represent asset derecognised on account of surrender of land during the previous year.*

*(g) Other adjustments with respect to Plant & Equipments represent amount derecognised for retrofitting purpose during the previous year.*

*(h) All the title deeds of immovable properties are held in the name of the Company.*

*(i) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Company has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.*

## 8 Capital Work in Progress

Rs. in Crores

| Particulars | Year | As at the beginning of the year | Additions | Capitalised | As at the end of the year |
|---|---|---|---|---|---|
| Capital Work in Progress | 2022-23 | 2,992.15 | 1,714.29 | 2,779.55 | 1,926.89 |
| | 2021-22 | 2,325.46 | 1,748.05 | 1,081.36 | 2,992.15 |

***Notes***

*(a) Capital work in progress includes borrowing cost of Rs. 37.79 Crores (PY: Rs. 92.62 Crores), computed at a weighted average interest rate of 6.84% p.a. (PY: 5.81% p.a.) applicable to entity's borrowings outstanding during the year.*

*(b) Refer Note No.59(b) and 59(c) for information relating to Ageing Schedule and Completion schedule whose completion is overdue or cost exceeded as per the original plan.*

*(c) The amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress are furnished in Note No.60.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 9 Investment Property

Rs. in Crores

| Particulars | Year | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As at the beginning of the year | Additions | Deductions / Adjustments | As at the end of the year | As at the beginning of the year | For the year (Note 45) | Deductions / Adjustments | As at the end of the year | As at the end of the year |
| Land | 2022-23 | 140.09 | - | 0.00 | 140.09 | - | - | - | - | 140.09 |
| | 2021-22 | 145.92 | - | 5.83 | 140.09 | - | - | - | - | 140.09 |
| Buildings | 2022-23 | 107.66 | - | 0.54 | 107.12 | 27.03 | 2.15 | 0.54 | 28.64 | 78.48 |
| | 2021-22 | 114.97 | - | 7.31 | 107.66 | 24.87 | 2.40 | 0.24 | 27.03 | 80.63 |
| **Total** | **2022-23** | **247.75** | **-** | **0.54** | **247.21** | **27.03** | **2.15** | **0.54** | **28.64** | **218.57** |
| | **2021-22** | **260.89** | **-** | **13.14** | **247.75** | **24.87** | **2.40** | **0.24** | **27.03** | **220.72** |

***Notes***

(a) *The Company measured all of its Investment Property at Cost in accordance with Ind AS 40.*

(b) *Deductions / Adjustments in Gross Block comprises of:*

*Rs. in Crores*

| *Particulars* | *2022 - 23* | | | | *2021 - 22* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Sale of Assets* | *Reclassified under PPE* | *Scrap of Assets* | *Total* | *Sale of Assets* | *Reclassified under PPE* | *Scrap of Assets* | *Total* |
| *Land* | *0.00* | *-* | *-* | *0.00* | *-* | *5.83* | *-* | *5.83* |
| *Buildings* | *-* | *-* | *0.54* | *0.54* | *-* | *7.31* | *-* | *7.31* |
| ***Total*** | ***0.00*** | ***-*** | ***0.54*** | ***0.54*** | ***-*** | ***13.14*** | ***-*** | ***13.14*** |

*During the previous year, Deductions under Land amounting to Rs. 5.83 Crores and Buildings amounting to Rs. 7.31 Crores represent reclassification to Property, Plant & Equipment in view of its change in usage.*

(c) *Scrap of assets represent assets derecognised from financial statements since no future benefit is expected from its use or disposal.*

(d) *The company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.*

(e) *The fair valuation of the investment properties are determined annually by an internal technical team, measured using the technique of quoted prices for similar assets in the active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. All resulting fair value estimates for investment properties as given below are included in Level 2.*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Fair value of Investment Properties* | *590.10* | *558.67* |

(f) *Information regarding Income & Expenditure of Investment Properties are given below:*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Rental Income derived from Investment Properties* | *8.41* | *8.40* |
| *Less: Direct Operating Expenses (including Repairs & Maintenance) generating Rental Income* | *0.44* | *0.26* |
| *Less: Direct Operating Expenses (including Repairs & Maintenance) that did not generate Rental Income* | *-* | *-* |
| ***Profit from investment properties before depreciation*** | ***7.97*** | ***8.14*** |
| *Less: Depreciation* | *2.15* | *2.40* |
| ***Profit from Investment Properties*** | ***5.82*** | ***5.74*** |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 10 Intangible Assets

Rs. in Crores

| Particulars | Year | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As at the beginning of the year | Additions | Deductions / Adjustments | As at the end of the year | As at the beginning of the year | For the year (Note 45) | Deductions / Adjustments | As at the end of the year | As at the end of the year |
| Mining rights | 2022-23 | 40.07 | 5.80 | - | 45.87 | 23.59 | 2.12 | - | 25.71 | 20.16 |
| | 2021-22 | 40.07 | - | - | 40.07 | 21.41 | 2.18 | - | 23.59 | 16.48 |
| Mine Development | 2022-23 | 168.42 | 60.03 | - | 228.45 | 130.88 | 38.28 | - | 169.16 | 59.29 |
| | 2021-22 | 136.20 | 32.22 | - | 168.42 | 112.96 | 17.92 | - | 130.88 | 37.54 |
| Computer Software | 2022-23 | 28.03 | 1.50 | 0.02 | 29.51 | 14.61 | 4.33 | 0.02 | 18.92 | 10.59 |
| | 2021-22 | 26.92 | 1.85 | 0.74 | 28.03 | 11.11 | 4.24 | 0.74 | 14.61 | 13.42 |
| **Total** | **2022-23** | **236.52** | **67.33** | **0.02** | **303.83** | **169.08** | **44.73** | **0.02** | **213.79** | **90.04** |
| | **2021-22** | **203.19** | **34.07** | **0.74** | **236.52** | **145.48** | **24.34** | **0.74** | **169.08** | **67.44** |

***Notes***

(a) *Deductions / adjustments represent Intangible Assets de-recognised from the financial statements since no future economic benefit is expected.*

(b) *The Company has not revalued its Intangible Assets since the Company has adopted cost model as its accounting policy to an entire class of Intangible Assets in accordance with Ind AS 38.*

## 11 Intangible Assets under Development

Rs. in Crores

| Particulars | Year | As at the beginning of the year | Additions | Capitalised | As at the end of the year |
|---|---|---|---|---|---|
| Mine Development | 2022-23 | 41.86 | 78.61 | 60.03 | 60.44 |
| | 2021-22 | 29.73 | 44.35 | 32.22 | 41.86 |

***Notes***

(a) *Refer Note No.59(d) for information relating to Ageing Schedule of Intangible Assets under Development.*

(b) *The Company do not have mine development activity which was either suspended or whose cost has been exceeded as per the original plan.*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 12 Investments in Subsidiaries / Associates

Rs. in Crores

| Particulars | Face Value Rs. per Share | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|---|
| | | Numbers | Amount | Numbers | Amount |
| **Quoted Investments - Fully paid up Equity Shares** | | | | | |
| **Associates** | | | | | |
| Ramco Systems Limited | 10 | 54,17,810 | 90.56 | 54,17,810 | 90.56 |
| Ramco Industries Limited | 1 | 1,33,72,500 | 20.53 | 1,33,72,500 | 20.53 |
| Rajapalayam Mills Limited | 10 | 42,259 | 1.24 | 33,150 | 0.72 |
| **Total Quoted Investments (A)** | | | **112.33** | | **111.81** |
| **Unquoted Investments - Fully paid up Equity Shares** | | | | | |
| **Subsidiaries** | | | | | |
| Ramco Windfarms Limited | 1 | 71,50,000 | 1.84 | 71,50,000 | 1.84 |
| Ramco Industrial and Technology Services Limited | 10 | 45,00,000 | 4.50 | 45,00,000 | 4.50 |
| **Sub-total** | | | **6.34** | | **6.34** |
| **Associates** | | | | | |
| Madurai Trans Carrier Limited | 1 | 5,37,50,000 | 5.37 | 5,37,50,000 | 5.37 |
| Lynks Logistics Limited | 1 | 49,95,16,202 | 49.95 | 49,95,16,202 | 49.95 |
| **Sub-total** | | | **55.32** | | **55.32** |
| **Total Unquoted Investments (B)** | | | **61.66** | | **61.66** |
| **Total Investments in Subsidiaries / Associates (A) + (B)** | | | **173.99** | | **173.47** |
| **Aggregate Market Value of Quoted Investments** | | | **271.77** | | **428.05** |

***Notes***

(a) *The Company has accounted for investments in Subsidiaries and Associates at Cost. Refer Note No.54(a) and Note No.54(b) for information on principal place of business / country of incorporation and the Company's interest / percentage of shareholding in the above Subsidiaries and Associates.*

(b) *The Company has recognised the fair value of transaction cost amounting to Rs. 1.12 Crores and Rs. 2.50 Crores on financial guarantees as part of Cost of Investment on initial recognition, for the financial guarantees given on behalf of Ramco Wind farms Limited and Ramco Systems Limited respectively, in accordance with the requirements of Ind AS 109. The said transaction cost continue to be part of carrying amount until such investments are derecognised or impaired. Refer Note No.56 for information about valuation technique used for initial recognition under Disclosure of Fair value measurements.*

(c) *The carrying amount of Investment in Subsidiaries / Associates is tested for impairment in accordance with Ind AS 36. These investments are strategic and long term in nature. Impairment testing is carried out for listed securities based on fair market value prevailing in stock exchange. However, in case of unlisted securities, impairment testing is carried out based on the recent trade transactions with third parties or DCF method or valuation report by an indepenedent valuer provided by the investee, wherever applicable. Accordingly, no impairment is considered necessary as at the reporting date.*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 13 Other Investments

Rs. in Crores

| Particulars | Face Value Rs. per Share | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|---|
| | | Numbers | Amount | Numbers | Amount |
| **Quoted Investments** | | | | | |
| **Equity Investments fully paid up (designated at FVTOCI)** | | | | | |
| India Cements Limited | 10 | 58 | 0.00 | 58 | 0.00 |
| Andhra Cements Limited | 10 | 27 | 0.00 | 27 | 0.00 |
| Housing Development Finance Corporation Limited | 2 | 17,400 | 4.57 | 17,400 | 4.16 |
| HDFC Bank Limited | 1 | 5,000 | 0.80 | 5,000 | 0.73 |
| **Sub-total** | | | **5.37** | | **4.89** |
| **Investments in Mutual Funds (measured at FVTPL)** | | | | | |
| HDFC Mutual Fund | 10 | 5,91,890 | 0.82 | 5,54,097 | 0.78 |
| **Sub-total** | | | **0.82** | | **0.78** |
| **Total Quoted Investments (A)** | | | **6.19** | | **5.67** |
| **Aggregate Market Value of Quoted Investments** | | | **6.19** | | **5.67** |
| **Unquoted Investments - Fully paid up Equity Shares** | | | | | |
| **Other entities (designated at FVTOCI)** | | | | | |
| AP Gas Power Corporation Limited [Refer Note (a) below] | 10 | 16,08,000 | 22.12 | 16,08,000 | 22.12 |
| Sri Vishnu Shankar Mill Limited | 10 | 2,100 | 0.01 | 2,100 | 0.01 |
| Chennai Super Kings Cricket Limited | 0.10 | 58 | 0.00 | 58 | 0.00 |
| The Ramco Cements Employees' Co-operative Stores Ltd. | 10 | 250 | 0.00 | 250 | 0.00 |
| **Total Unquoted Investments (B)** | | | **22.13** | | **22.13** |
| **Total Other Investments (A) + (B)** | | | **28.32** | | **27.80** |

***Notes***

(a) *The company has invested Rs. 22.12 Crores in Andhra Pradesh Gas Power Corporation Limited (APGPCL) by purchasing its 16,08,000 equity shares. The investment entitles the company to source 6 MW power from APGPCL at economical rates compared to the rates charged by AP State Electricity Board. Considering the subsequent availability of captive power source at its plant, in order to ensure optimum usage of entitled power, 3,08,200 shares (PY: 3,08,200 shares) are being held jointly with the related parties as at the reporting date. Consequently, the related parties are entitled for 1.15 MW (PY: 1.15 MW) for which the charges were borne by them directly and balance power of 4.85 MW (PY: 4.85 MW) were available to the company for captive use. The Company is entitled to 10 paise per unit for the power consumed by the related parties by virtue of joint entitlement of power. [Refer Note No. 55(a)(13) & Note No. 55(c)(5)].*

(b) *Refer Note No.56 for information about fair value hierarchy under Disclosure of Fair value measurements.*

## 14 Loans (Non-current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured and Considered Good** | | |
| Loans to employees | 8.06 | 4.41 |
| Loans to service providers | 4.40 | 4.56 |
| **Unsecured and Considered Good** | | |
| Loans to Subsidiaries & Associates [Refer Note No.55(c)(2)] | 14.74 | 71.70 |
| Loans to employees | 2.47 | 4.36 |
| **Total** | **29.67** | **85.03** |

***Notes***

(a) *Loans are non-derivative financial assets and are carried at Amortized Cost, which generate a fixed or variable interest income for the Company.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(b) *Secured Loans and considered good are covered by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.*

(c) *Loans to Subsidiaries & Associates comprises Rs. 4.20 Crores (PY: Rs. 61.24 Crores) towards outstanding loans in connection with funding for acquisition of capital asset and Rs. 10.54 Crores (PY: Rs. 10.46 Crores) towards working capital in the normal course of business.*

(d) *The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand; or without specifying any terms or period of repayment.*

(e) *The details of loans outstanding with related parties are furnished in Note No.55(c)(10).*

## 15 Other Financial Assets (Non-current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Security Deposits with related parties [Refer Note No.55(c)(3)] | 9.52 | 6.90 |
| Deposit with Government Departments | 27.05 | 22.13 |
| Fixed Deposits with Banks (maturity more than 12 months) | 0.04 | 0.02 |
| **Total** | **36.61** | **29.05** |

***Note:*** *Fixed Deposits with Banks represent amount held as security towards Government departments.*

## 16 Other Non-Current Assets

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured and Considered Good** | | |
| Capital Advances | 42.30 | 119.67 |
| **Unsecured and Considered Good** | | |
| Capital Advances | 33.45 | 70.59 |
| Deposits under protest, in Appeals [Refer Note No.48.2.1 to 48.2.22] | 55.78 | 35.81 |
| Balance/Claims with Government Departments [Refer Note (b) & (c) below] | 43.06 | 2.75 |
| Income Tax Refund Receivable | 3.67 | 3.67 |
| Prepaid Expenses | 21.04 | 17.52 |
| **Total** | **199.30** | **250.01** |

***Notes***

(a) *Secured Capital Advances are covered by way of Bank guarantees.*

(b) *The Company's petition filed against the judgement upholding the validity of "The Cess and Other Taxes on Minerals (Validation) Act, 1992" in the Supreme Court has been ruled in Company's favour. Pursuant to the above judgement, the Company is entitled to receive a sum of Rs. 1.50 Crores (PY: Rs. 1.50 Crores) as at the reporting date, from the Government of Tamil Nadu, which is included in 'Balance / Claims with Government Departments.'*

(c) *The Company have been declared as the Preferred Bidder by Department of Mines and Geology, Government of Karnataka for the Bommanalli Limestone Block in Kalburgi District, Karnataka and have been issued Letter of Intent dated 11-05-2022 for the grant of mining lease. Accordingly, the Company has deposited Rs. 40.31 Crores (PY: Nil) with Government Departments as upfront payment, which are eligible for adjustment against royalty payable, upon commencement of production of mineral.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 17 Inventories (Valued at lower of Cost or Net Realisable Value)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Raw materials | 178.16 | 196.67 |
| Stores and Spares | 201.56 | 172.60 |
| Fuel | 366.61 | 340.62 |
| Packing Materials | 40.77 | 42.30 |
| Work-in-progress | 60.77 | 45.25 |
| Finished goods | 34.47 | 35.89 |
| **Total** | **882.34** | **833.33** |

***Notes***

*(a) Goods in transit included in Inventories -*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Raw materials* | *14.18* | *11.17* |
| *Stores and Spares* | *-* | *0.03* |
| *Packing Materials* | *0.10* | *-* |
| *Finished goods* | *10.74* | *8.78* |
| ***Total*** | ***25.02*** | ***19.98*** |

*(b) The Average Inventory Holding period stood at 39 days for the year ended 31-03-2023 (PY: 44 days).*

*(c) The total carrying amount of inventories as at the reporting date has been pledged as security for Short term Borrowings.*

## 18 Trade Receivables

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Secured and considered good | 242.95 | 172.75 |
| Unsecured and considered good | 222.01 | 177.02 |
| Unsecured and which have significant increase in credit risk | 5.77 | 6.25 |
| Allowance for expected credit loss | (5.77) | (6.25) |
| **Total** | **464.96** | **349.77** |

***Notes***

*(a) Unsecured Trade Receivables include dues from -*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *- State Electricity Boards towards Sale of Power* | *123.61* | *96.15* |
| *- State Government departments towards Sale of Cement* | *17.33* | *14.65* |
| *- Other Related parties [Refer Note No. 55(c)(1)]* | *0.81* | *1.51* |
| ***Total*** | ***141.75*** | ***112.31*** |

*(b) Trade receivables are neither due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(c) *Trade receivables in respect of cement are generally non-interest bearing. The average collection period stood at 18 days for the year ended 31-03-2023 (PY: 22 days).*

(d) *The receivables due from the related parties are furnished in Note No.55(c)(1).*

(e) *The Company has availed factoring facility for certain receivables from banks on without recourse basis, by assigning its rights and privileges to the banks, amounting to Rs. 647.92 Crores (PY: Rs. 399.38 Crores) and accordingly, the amount received has been reduced from the Trade receivables.*

(f) *Refer Note No.57 & 59(e) for information about risk profile of Trade Receivables under Financial Risk Management and Ageing Schedule respectively.*

(g) *The total carrying amount of Trade Receivables has been pledged as security for Short term Borrowings.*

## 19 Cash and Cash Equivalents

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Cash on hand | 0.08 | 0.08 |
| Imprest balances | 0.04 | 0.04 |
| Balances with Banks in Current Account | 135.85 | 143.62 |
| **Total** | **135.97** | **143.74** |

***Notes***

(a) *Balance with Banks in Current Account include Rs. 1.01 Crores held by a foreign branch that operates in a country where repatriation restrictions is enforceable as at the reporting date [Refer Note No.64].*

(b) *Refer Note No.57 for information about risk profile of cash and cash equivalents and the amount of undrawn borrowing facilities under Financial Risk Management.*

## 20 Bank Balances other than Cash and Cash Equivalents

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Fixed Deposits with Banks (maturity of more than 3 months but less than 12 months) | 31.06 | 30.07 |
| Earmarked Balance with Banks for Unclaimed Dividend | 1.56 | 2.23 |
| **Total** | **32.62** | **32.30** |

***Notes***

*Fixed Deposits with Banks include -*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *(i) Amount deposited by the Company as per the directions issued by Competition Appellate Tribunal in the matter of alleged cartelisation [Refer Note No.48.2.6]* | *25.86* | *25.86* |
| *(ii) Interest accrued on the above* | *5.06* | *4.04* |
| *(iii) Amount deposited which is held towards security to various Government departments* | *0.14* | *0.17* |

# Notes to the Separate Financial Statements
for the year ended 31st March 2023

## 21 Loans (Current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured and Considered Good** | | |
| Loans to employees | 4.02 | 3.43 |
| Loans to service providers | 3.49 | 4.85 |
| **Unsecured and Considered Good** | | |
| Loans to Subsidiaries [Refer Note No.55(c)(2)] | 6.80 | 6.80 |
| Loans to employees | 5.22 | 5.29 |
| Loans to service providers | 0.01 | 0.02 |
| **Total** | **19.54** | **20.39** |

***Notes***

(a) *Loans are non-derivative financial assets and are carried at Amortized Cost, which generate a fixed or variable interest income for the Company.*

(b) *Secured Loans and considered good are covered by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.*

(c) *Loans to Subsidiaries comprises Rs. 4.20 Crores (PY: Rs. 4.20 Crores) towards outstanding loans in connection with funding for acquisition of capital asset and Rs. 2.60 Crores (PY: Rs. 2.60 Crores) towards working capital in the normal course of business.*

(d) *The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand; or without specifying any terms or period of repayment.*

## 22 Other Financial Assets (Current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Security Deposits with related parties [Refer Note No.55(c)(3)] | - | 4.27 |
| Claims receivable | 140.83 | 76.18 |
| Advance recoverable in cash | 6.49 | 6.75 |
| Deposits with Government Departments | 0.93 | 0.84 |
| Industrial Promotion Assistance receivable | 60.54 | 60.40 |
| Interest receivable | 1.92 | 1.17 |
| Unbilled Revenue | 3.48 | 4.69 |
| **Total** | **214.19** | **154.30** |

***Notes***

(a) *Freight rebate receivable from Railways under LTTC Scheme of Rs. 126.50 Crores (PY: 68.21 Crores) is included in 'Claims receivable.'*

(b) *Industrial Promotion Assistance receivable represents amount receivable from Government of Andhra Pradesh.*

(c) *Unbilled Revenue being Contract assets represent power transmitted to grid for which the billing is done in the subsequent period as per the terms agreed with customer including the billing cycle.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(d) *Changes in Entity's balances of Contract assets required under Para 118 of Ind AS 115, Revenue from Contracts with Customers is given below:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Unbilled Revenue as at 1st April* | *4.69* | *4.46* |
| *Add: Generation of windpower net of wheeling and banking during the year [Refer Note No.39]* | *48.13* | *59.54* |
| *Less: Net Billing done during the year* | *49.34* | *59.31* |
| ***Unbilled Revenue as at 31st March*** | ***3.48*** | ***4.69*** |

(e) *Refer Note No.59(f) for information relating to Ageing Schedule for Unbilled Revenue.*

## 23 Other Current Assets

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Balance/Claims with Government Departments | 18.07 | 14.88 |
| Advances to Suppliers & Service providers [Refer Note (a) below] | 55.40 | 59.66 |
| Tax Credit - Indirect taxes [Refer Note (b) below] | 23.35 | 67.32 |
| Prepaid Expenses | 40.95 | 28.87 |
| **Total** | **137.77** | **170.73** |

***Notes***

(a) *Unadjusted advances pertaining to related parties of Rs. 2.18 Crores (PY: Rs. 2.17 Crores) included in Advances to Suppliers & Service providers are included in Note No.55(c)(3).*

(b) *Tax Credit - Indirect taxes represent un-utilised input tax credit availed under GST. These credits are available for set-off in the subsequent periods.*

## 24 Equity Share Capital

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Authorised** | | |
| 25,00,00,000 Equity Shares of Rs. 1/- each (PY: 25,00,00,000 Equity Shares of Rs. 1/- each) | 25.00 | 25.00 |
| **Issued, Subscribed and Fully paid-up** | | |
| 23,62,92,380 Equity Shares of Rs. 1/- each (PY: 23,62,92,380 Equity Shares of Rs. 1/- each) | 23.63 | 23.63 |

***Note:*** *2,33,600 bonus shares (PY: 2,33,600 bonus shares) of Rs. 1/- each remain unallotted pending completion of required formalities.*

### (i) Reconciliation of the number of shares

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| No. of equity shares at the beginning of the year | 23,62,92,380 | 23,58,89,945 |
| Shares allotted pursuant to exercise of stock options | - | 4,02,435 |
| No. of Equity shares at the end of the year | 23,62,92,380 | 23,62,92,380 |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

### (ii) Term/Rights/Restrictions attached to Equity Shares

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

### (iii) Shareholders holding more than 5 percent in the Company

| Particulars | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Ramco Industries Limited | 5,04,75,795 | 21.36 | 5,04,75,795 | 21.36 |
| Rajapalayam Mills Limited | 3,26,25,264 | 13.81 | 3,26,25,264 | 13.81 |
| Life Insurance Corporation of India | 2,05,54,576 | 8.70 | 1,61,66,688 | 6.84 |
| Kotak Mahindra Mutual Fund | 1,54,20,708 | 6.53 | 1,65,35,640 | 7.00 |

### (iv) Shareholding of Promoters

| Name of the Promoter | Shares held by Promoters at the end of the year | | |
|---|---|---|---|
| | No. of Shares | % of total shares | % change during the year |
| **PROMOTER** | | | |
| P.R.Venketrama Raja | 17,46,460 | 0.74 | - |
| **PROMOTER GROUP** | | | |
| Ramco Industries Limited | 5,04,75,795 | 21.36 | - |
| Rajapalayam Mills Limited | 3,26,25,264 | 13.81 | - |
| The Ramaraju Surgical Cotton Mills Ltd. | 33,13,175 | 1.40 | - |
| Sri Vishnu Shankar Mill Limited | 30,94,200 | 1.31 | - |
| Sudharsanam Investments Limited | 29,82,600 | 1.26 | - |
| Nalina Ramalakshmi | 18,61,460 | 0.79 | -0.03 |
| Saradha Deepa | 16,83,960 | 0.71 | - |
| R Sudarsanam | 12,86,960 | 0.55 | - |
| Ramachandra Raja Chittammal | 7,36,000 | 0.31 | - |
| S.R.Srirama Raja | 1,20,000 | 0.05 | - |
| N.R.K.Ramkumar Raja | 16,000 | 0.01 | - |
| **Total** | **9,99,41,874** | **42.30** | **-0.03** |

## 25 Other Equity

### Capital Redemption Reserve

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 1.63 | 1.63 |

***Nature of Reserve***

*Capital Redemption Reserve was created for a sum equivalent to its face value at the time of Buy-back of Shares. The Company can use this reserve for issuing fully paid up Bonus shares.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

### Securities Premium

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 50.59 | 22.24 |
| Add: Amount transferred from Employee Stock Options Reserve pursuant to exercise of stock options | - | 26.10 |
| Add: Amount transferred from Share Application Money pending allotment pursuant to exercise of stock options | - | 2.25 |
| **Total** | **50.59** | **50.59** |

***Nature of Reserve***

*Securities Premium was credited when shares are issued at a premium. The Company can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the Company.*

### General Reserve

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 6,244.06 | 5,353.81 |
| Add: Amount transferred from Retained Earnings | 268.19 | 890.25 |
| **Total** | **6,512.25** | **6,244.06** |

***Nature of Reserve***

*General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Company.*

### Employee Stock Options Reserve

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | - | 20.38 |
| Add: Reserve created for fair value of ESOPs recognised over the vesting period | - | 5.72 |
| Less: Amount transferred to Securities Premium pursuant to exercise of stock options | - | 26.10 |
| **Total** | **-** | **-** |

***Nature of Reserve***

*The share based payment reserve represent amount recognised towards the value of equity-settled share based payments granted to employees under ESOS 2018.*

### Retained Earnings

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 200.00 | 200.00 |
| Add: Profit for the year | 343.54 | 892.70 |
| Add: Transfer from FVTOCI Reserve | (4.39) | (2.45) |
| **Balance available for Appropriations** | **539.15** | **1,090.25** |
| **Less: Appropriations** | | |
| Final Dividend | 70.96 | - |
| Transfer to General reserve | 268.19 | 890.25 |
| **Total Appropriations** | **339.15** | **890.25** |
| **Total** | **200.00** | **200.00** |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

***Nature of Reserve***

*Retained Earnings represent the undistributed profits of the Company remaining after transfer to other Reserves.*

**Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 4.95 | 5.15 |
| Add: Other Comprehensive Income for the year | (3.91) | (2.65) |
| **Sub-Total** | **1.04** | **2.50** |
| Less: Transfer to Retained Earnings | (4.39) | (2.45) |
| **Total** | **5.43** | **4.95** |

***Nature of 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.*

| | | |
|---|---|---|
| **Total** | **6,769.90** | **6,501.23** |

## 26 Long Term Borrowings

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured** | | |
| Redeemable Non Convertible Debentures (NCDs) at par | | |
| 7.00% Non Convertible Debentures Series D | - | 100.00 |
| 5.50% Non Convertible Debentures Series E | 195.00 | 195.00 |
| 5.50% Non Convertible Debentures Series F | - | 100.00 |
| 6.90% Non Convertible Debentures Series G | 150.00 | 150.00 |
| 6.90% Non Convertible Debentures Series H | 150.00 | 150.00 |
| 7.90% Non Convertible Debentures Series I | 149.37 | - |
| 7.90% Non Convertible Debentures Series J | 149.35 | - |
| 7.90% Non Convertible Debentures Series K | 198.97 | - |
| Term Loans from Banks | 2,535.60 | 1,989.97 |
| Soft Loan from Government | 73.94 | 107.16 |
| **Unsecured** | | |
| Interest free Deferred Sales tax liability | 19.93 | 65.16 |
| **Total** | **3,622.16** | **2,857.29** |

***Notes***

***(a) Redeemable Non-Convertible Debentures (NCDs)***

*(i) Pari-Passu first charge by way of hypothecation on the movable fixed assets of the company (both present and future), excluding vehicles for all series of NCDs issued by the company.*

*(ii) Pari-Passu first charge by way of mortgage on the Immovable properties of the company (both present and future) relating to the company's cement plant at Alathiyur, Tamil Nadu for series D, E & F.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

*(iii) The debentures are repayable on the specified due dates. The rate of interest and redemption dates of debentures starting from farthest redemption is given below*

| *Particulars* | *Maturity Date* | *No. of Instalments* | *Rs. in Crores* |
|---|---|---|---|
| *Series K 7.90% Non Convertible Debentures (Effective Interest Rate: 8.03%)* | *29-03-2028* | *1* | *200.00* |
| *Series J 7.90% Non Convertible Debentures (Effective Interest Rate: 8.01%)* | *29-09-2027* | *1* | *150.00* |
| *Series I 7.90% Non Convertible Debentures (Effective Interest Rate: 8.02%)* | *29-03-2027* | *1* | *150.00* |
| *Series H 6.90% Non Convertible Debentures* | *24-03-2027* | *1* | *150.00* |
| *Series G 6.90% Non Convertible Debentures* | *24-12-2026* | *1* | *150.00* |
| *Series E 5.50% Non Convertible Debentures* | *20-05-2024* | *1* | *195.00* |
| *Series D 7.00% Non Convertible Debentures* | *26-05-2023* | *1* | *100.00* |
| *Series F 5.50% Non Convertible Debentures* | *26-04-2023* | *1* | *100.00* |
| ***Sub-Total*** | | ***8*** | ***1,195.00*** |
| *Less: Transferred to Current maturities of Long term borrowings (Refer Note No.31)* | | *2* | *200.00* |
| *Less: Impact of recognition of borrowings at Amortized Cost using Effective Interest Rate Method [Refer Note (v) below]* | | | *2.31* |
| ***Total*** | | ***6*** | ***992.69*** |

*(iv) As per Companies (Share capital and Debentures) Amendment Rules 2019 notified on 16-08-2019, Debenture Redemption Reserve is not required to be created for privately placed debentures issued by listed companies. Since the Company has issued debentures by way of private placement, the debenture redemption reserve is not created.*

*(v) The transaction cost on issue of NCDs pertaining to Series I, Series J & Series K is adjusted against NCDs upon initial recognition and the same is amortised based on Effective Interest Rate method over the tenure of the Borrowings based on Amortized Cost model in accordance with Ind AS 109. The un-amortised transaction cost adjusted against NCDs as at the reporting date is Rs. 2.31 Crores (PY: Nil).*

***(b) Term Loans from Banks***

*(i) Pari passu first charge, by way of hypothecation, on the entire movable fixed assets of the Company both present and future.*

*(ii) The maturity profile of the term loans repayable on various due dates are grouped as given below:*

| *Repayment Due* | *No. of Monthly Instalments* | *Rs. in Crores* |
|---|---|---|
| *2023 - 24* | *5* | *97.08* |
| *2024 - 25* | *12* | *801.68* |
| *2025 - 26* | *12* | *765.83* |
| *2026 - 27* | *12* | *465.63* |
| *2027 - 28* | *12* | *408.76* |
| *2028 - 29* | *4* | *93.70* |
| ***Sub-total*** | ***57*** | ***2,632.68*** |
| *Less: Transferred to Current maturities of Long term borrowings [Refer Note No.31]* | *5* | *97.08* |
| ***Total*** | ***52*** | ***2,535.60*** |

*(iii) The details of Term Loan Banks and its covenants are summarized below:*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

| Particulars | Interest Rate linked to | Interest Reset Frequency | Rs. in Crores |
|---|---|---|---|
| 8.45% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 327.97 |
| 8.75% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 123.57 |
| 8.14% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 125.00 |
| 8.56% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 13.49 |
| 8.10% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 9.97 |
| 8.45% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 7.25 |
| 8.82% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 119.24 |
| 8.21% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 3.47 |
| 8.42% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 39.43 |
| 8.36% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 160.73 |
| 8.44% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 26.12 |
| 8.48% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 13.28 |
| 8.77% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 50.66 |
| 8.23% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 2.64 |
| 8.24% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 6.41 |
| 8.25% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 6.40 |
| 8.43% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 64.37 |
| 8.60% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 225.00 |
| 8.60% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 20.50 |
| 8.00% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 1.50 |
| 7.75% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 97.97 |
| 8.11% Axis Bank repayable in 16 equal quarterly instalments | 1 year Govt.Sec | Annual | 75.00 |
| 9.20% Axis Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 125.00 |
| 7.75% Axis Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 16.88 |
| 8.45% Kotak Mahindra Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 75.00 |
| 8.20% Kotak Mahindra Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 100.00 |
| 8.55% Kotak Mahindra Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 125.00 |
| 8.70% HSBC Bank repayable in 3 equal annual instalments | 3 month T-Bill | Quarterly | 200.00 |
| 8.70% HSBC Bank repayable in 2 equal annual instalments | 3 month T-Bill | Quarterly | 50.00 |
| 8.08% HSBC Bank repayable in 2 equal annual instalments | 3 month T-Bill | Quarterly | 100.00 |
| 8.78% HSBC Bank repayable in 12 equal quarterly instalments | 1 month T-Bill | Monthly | 20.83 |
| 7.98% HSBC Bank repayable in 16 quarterly instalments | 3 month T-Bill | Quarterly | 50.00 |
| 8.21% HSBC Bank repayable in 16 quarterly instalments | 3 month T-Bill | Quarterly | 150.00 |
| 8.58% HSBC Bank repayable in 16 quarterly instalments | 3 month T-Bill | Quarterly | 100.00 |
| **Total** | | | **2,632.68** |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

***(c) Soft Loan from Government***

*(i) The Company has opted to apply the fair value measurements for the loans availed at a concessional rate prospectively and accordingly, the Company has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance sheet. The Company has measured the loans at fair value which are availed at a concessional rate subsequent to transition date. The difference between fair value of the loan and the carrying amount is classified as Deferred Grant.*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Balance as at the beginning of the year* | *107.16* | *135.39* |
| *Add: Fair value of Soft loan availed during the year* | *13.62* | *-* |
| *Add: Interest on the fair value of soft loan as at the reporting date* | *3.17* | *2.51* |
| ***Sub-total*** | ***123.95*** | ***137.90*** |
| *Less: Transferred to Current maturities of Long term borrowings [Refer Note No.31]* | *50.01* | *30.74* |
| ***Total*** | ***73.94*** | ***107.16*** |

*(ii) Pari passu first charge, by way of hypothecation on the movable fixed assets and mortgage on the immovable properties pertaining to Cement unit located in Ariyalur, Expansion at Ramasamyraja nagar Plant, Grinding units at Chengalpattu and Salem.*

*(iii) This loan carries an interest rate of 0.10% p.a. and are repayable upon completion of 10th year from the date of availment.*

*(iv) Undiscounted value of the non-current portion of soft loan from government being, Rs. 108.27 Crores (PY: Rs. 122.30 Crores), are repayable as per the schedule given below:*

| ***Repayment Due*** | ***No. of Instalments*** | ***Rs. in Crores*** |
|---|---|---|
| *April 2023* | *1* | *50.01* |
| *April 2024* | *1* | *30.02* |
| *April 2025* | *1* | *18.60* |
| *April 2026* | *1* | *10.00* |
| *April 2027* | *1* | *5.74* |
| *April 2028* | *1* | *4.95* |
| *April 2029* | *1* | *2.98* |
| *April 2032* | *1* | *35.98* |
| ***Sub-total*** | ***8*** | ***158.28*** |
| *Less: Transferred to Current maturities of Long term borrowings [Refer Note No.31]* | *1* | *50.01* |
| ***Total*** | ***7*** | ***108.27*** |

***(d) Interest free Deferred Sales tax Liability***

*(i) The Company has opted to apply the fair value measurements for the loans availed at a concessional rate prospectively and accordingly, the Company has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance sheet. The Company has not availed any interest free loan after the transition date.*

*(ii) The Company has availed Interest free Deferred Sales tax liability from State Government under Deferral Sales tax scheme for the Investments made in Alathiyur and Jayanthipuram plant, which are measured at transaction value.*

*(iii) The maturity profile of Interest free Deferred Sales tax liability is given below:*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

| *Repayment Due* | *No. of Instalments* | *Rs. in Crores* |
|---|---|---|
| *2023 - 24* | *9* | *40.04* |
| *2024 - 25* | *4* | *16.38* |
| *2025 - 26* | *2* | *3.55* |
| ***Sub-total*** | ***15*** | ***59.97*** |
| *Less: Transferred to Current maturities of Long term borrowings [Refer Note No.31]* | *9* | *40.04* |
| ***Total*** | ***6*** | ***19.93*** |

***(e) The disclosures with regard to borrowings of large corporates in terms of SEBI Circular No.SEBI/HO/DDHS/CIR/P/2018/144 dated 26-11-2018 (as amended from time to time) is as below:***

| *Particulars* | | *Rs. in Crores* |
|---|---|---|
| *(i)* | *3-year block period (Financial years: T, T+1, T+2)* | *FY 2022-23, 2023-24 & 2024-25* |
| *(ii)* | *Incremental borrowings done in FY 2022-23 (T)* | *1,685.98* |
| *(iii)* | *Mandatory borrowing to be done through issuance of debt securities [25% of ii]* | *421.50* |
| *(iv)* | *Actual borrowings done through debt securities, Non-convertible debentures in FY (T)* | *500.00* |
| *(v)* | *Shortfall in the borrowing through debt securities, if any for FY (T-1) carried forward to FY (T)* | *95.83* |
| *(vi)* | *Quantum of (v), which has been met from (iv)* | *95.83* |
| *(vii)* | *Shortfall, if any, in the mandatory borrowings through debt securities for FY (T)* | *17.33* |

*T-1, T, T+1 & T+2 refers to FY 2021-22, 2022-23, 2023-24 & 2024-25 respectively. The requirement of mandatory incremental borrowing by a large corporate i.e Company, need to be met over contiguous block of three years i.e T, T+1 & T+2. In accordance with SEBI regulations, the Company shall have time till 31-03-2025 to meet the shortfall of Rs.17.33 crores in the mandatory borrowings through debt securities.*

*(f) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.*

*(g) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.*

*(h) Refer Note No.57 for information about risk profile of borrowings under Financial Risk Management.*

## 27 Lease Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Lease Liabilities [Refer Note No.52] | 19.48 | 19.58 |
| **Total** | **19.48** | **19.58** |

## 28 Provisions (Long term)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Provision for Mines Restoration Obligation | 53.34 | 41.25 |
| **Total** | **53.34** | **41.25** |

***Notes***

*(a) The Company provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in Cost of materials consumed. The unwinding of discount on provision is shown as Finance Costs in the Statement of Profit and Loss.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(b) *Movement in Provisions for Mines Restoration Obligation*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Carrying amount as at the beginning of the year* | *41.25* | *32.06* |
| *Add: Provision created during the year* | *7.51* | *5.68* |
| *Add: Unwinding of discount on provisions* | *4.58* | *3.51* |
| ***Carrying amount as at the end of the year*** | ***53.34*** | ***41.25*** |

## 29 Deferred Tax Liabilities, net

Rs. in Crores

| Particulars | As at 01-04-2021 | Recognised in Profit and Loss | As at 31-03-2022 | Recognised in Profit and Loss | As at 31-03-2023 |
|---|---|---|---|---|---|
| Tax Impact on difference between book depreciation and depreciation under the Income Tax Act, 1961 | 1,106.35 | (267.26) | 839.09 | 108.40 | 947.49 |
| Tax impact on provision for compensated absences | (10.94) | 2.34 | (8.60) | (1.28) | (9.88) |
| Tax impact on allowance for expected credit losses | (2.38) | 0.81 | (1.57) | 0.12 | (1.45) |
| Tax Impact on lease accounting as per Ind AS 116 | (0.18) | (0.08) | (0.26) | (0.23) | (0.49) |
| Tax Impact on Asset related subsidy from Government | (0.06) | 0.04 | (0.02) | 0.01 | (0.01) |
| Tax Impact on capitalisation of borrowing cost as per ICDS | - | (4.22) | (4.22) | (2.55) | (6.77) |
| Unused tax credits (i.e) MAT Credit Entitlement | (4.63) | 4.63 | - | - | - |
| Others | (0.51) | 0.13 | (0.38) | - | (0.38) |
| **Total** | **1,087.65** | **(263.61)** | **824.04** | **104.47** | **928.51** |

### Reconciliation of Deferred tax Liabilities (Net)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Balance at the beginning of the year** | **824.04** | **1,087.65** |
| Deferred Tax Expense during the year recognised in Statement of Profit and Loss | 104.47 | (263.61) |
| **Balance at the end of the year** | **928.51** | **824.04** |

### Components of Tax Expenses

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **(i) Profit or Loss Section** | | |
| **Current Tax** | | |
| Current Income Tax charge | 24.37 | 165.48 |
| Current Tax adjustments of earlier years | 1.31 | 6.67 |
| **Deferred Tax** | | |
| Relating to the origination and reversal of temporary differences | 105.20 | 41.22 |
| MAT Credit reversal of earlier years | - | 4.63 |
| Deferred Tax adjustments of earlier years | (0.73) | (309.46) |
| **Total Tax Expenses recognised in Profit or Loss section** | **130.15** | **(91.46)** |

# Notes to the Separate Financial Statements
**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| (ii) | **Other Comprehensive Income Section** | | |
| | Current Tax credit on remeasurement losses on defined benefit obligations (net) | (1.48) | (0.83) |
| | **Total Tax Credit to OCI** | **(1.48)** | **(0.83)** |
| **(iii)** | **Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)** | **128.67** | **(92.29)** |

**Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarised below:**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Accounting Profit before Tax (including OCI)** | **468.30** | **797.76** |
| Corporate Tax Rate % | 25.168% | 25.168% |
| **Computed Tax Expense** | **117.86** | **200.78** |
| **Increase/(reduction) in taxes on account of:** | | |
| Tax adjustments of earlier years [Refer Note (b) below] | 0.58 | 7.42 |
| Non-deductible expenses | 10.91 | 6.26 |
| Income exempt / eligible for deduction under chapter VI-A | (0.37) | (0.23) |
| Additional allowances / deductions for tax purposes | (0.31) | (0.94) |
| Change in tax rate during the year [Refer Note (a) below] | - | (305.58) |
| **Tax Expenses recognised in the Statement of Profit and Loss** | **128.67** | **(92.29)** |

***Notes***

(a) *The Company had an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Company had opted for shifting to lower tax regime from FY 2021-22 onwards. Accordingly, the Company had restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates i.e 25.168% as against the old tax rate i.e 34.944% and thus reversed Rs.305.58 Crores during the previous year ended 31-03-2022. Hence, tax figures are not comparable with the previous period.*

(b) *Tax adjustments of earlier years represent amount provided for / written back based on recent assessment orders or completion of filing return of income before the due date.*

## 30 Deferred Government Grants (Non-current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Deferred Government Grant | 16.18 | 10.07 |
| **Total** | **16.18** | **10.07** |

***Notes***

(a) *Deferred Government Grants comprises of -*

(i) *Fair value of Interest benefit below market rate of Interest pertaining to Soft Loan from Government is recognised as Deferred Grant and amortized over the useful life of the underlying PPE as Grant Income in the Statement of Profit and Loss.*

(ii) *Industrial Promotion Assistance (IPA) provided by Department of Industries, Government of Andhra Pradesh towards creation of infrastructure facilities is recognised as 'Grant Income' over the useful life of the underlying PPE.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(b) *Movement in Government Grants*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *As at the beginning of the year* | *11.45* | *12.83* |
| *Add: Recognition of Deferred Grant - Soft Loan from Government [Refer Note No.26(c)]* | *22.37* | *-* |
| *Less: Recognised as Grant Income in the Statement of Profit and Loss [Refer Note No.39]* | *15.13* | *1.38* |
| ***Total Deferred Government Grant*** | ***18.69*** | ***11.45*** |
| *Less: Current portion of Government Grant [Refer Note No.37]* | *2.51* | *1.38* |
| ***Non-Current Deferred Government Grants*** | ***16.18*** | ***10.07*** |

(c) *There are no unfulfilled conditions or contingencies attached to these grants.*

## 31 Short Term Borrowings

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured** | | |
| Loan from Banks | 0.15 | 25.29 |
| Current Maturities of Long Term Borrowings [Refer Note No.26] | 347.09 | 551.56 |
| **Unsecured** | | |
| Loans and advances from Director [Refer Note No.55(c)(4)] | 0.14 | 0.09 |
| Loan from Banks | 280.00 | 305.00 |
| Current Maturities of Long Term Borrowings [Refer Note No.26] | 40.04 | 16.24 |
| Commercial Papers | 197.84 | 174.48 |
| **Total** | **865.26** | **1,072.66** |

***Notes***

(a) *Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.*

(b) *Current maturities of Long term Borrowings comprises of maturities towards:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| ***Secured*** | | |
| *Non-convertible debentures* | *200.00* | *200.00* |
| *Term Loan from Banks* | *97.08* | *320.82* |
| *Soft Loan from Government* | *50.01* | *30.74* |
| ***Current Maturities of Long Term Borrowings - Secured*** | ***347.09*** | ***551.56*** |
| ***Unsecured*** | | |
| *Interest Free Deferred Sales Tax Liability* | *40.04* | *16.24* |
| ***Current Maturities of Long Term Borrowings - Unsecured*** | ***40.04*** | ***16.24*** |

*The details with regard to nature of security are furnished in Note No.26*

(c) *Loans and advances from Director represents amount due to Managing Director, which carry an interest rate linked to SBI one-year Domestic Bulk Term Deposit Interest rate. The interest accrued during the year amounts to Rs. 0.04 Crores (PY: Rs. 0.09 Crores).*

(d) *Other Short term borrowings availed during the year carry interest rates ranging from 4.11% to 7.55% p.a.in respect of Loan from Banks, 6.95% to 8.20% in respect of Cash credit and 3.94% to 7.84% in respect of Commerical Papers.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(e) *The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.*

(f) *Refer Note No.57 for information about risk profile of borrowings under Financial Risk Management.*

## 32 Lease Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Lease Liabiliites [Refer Note No.52] | 0.21 | 0.14 |
| **Total** | **0.21** | **0.14** |

## 33 Trade Payables

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Dues of Micro and Small Enterprises | 6.05 | 13.06 |
| Dues of Creditors other than Micro and Small Enterprises | | |
| - Payables to Related parties [Refer Note No.55(c)(8)] | 0.32 | - |
| - Others | 630.89 | 470.53 |
| **Total** | **637.26** | **483.59** |

***Notes***

(a) *The disclosures as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006 are furnished in Note No.58.*

(b) *The disclsoures relating to Supplier financing arrangements are given below:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *(i) The carrying amount of financial liabilities recognised that are part of supplier financing arrangement and presented within Trade payables* | *162.62* | *-* |
| *(ii) Out of (i) above, the suppliers / service providers have received payment for* | *162.62* | *-* |
| *(iii) The range of payment due dates for the trade payables that are part of supplier financing arrangment* | *30 to 45 days from the Invoice date* | |
| *(iv) The range of payment due dates for the trade payables that are not part of supplier financing arrangment* | *Upto 90 days from the Invoice date* | |

(c) *The Average Payable period stood at 26 days for the year ended 31-03-2023 (PY: 26 days).*

(d) *Refer Note No.57 for information about risk profile of Trade payables under Financial Risk Management.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 34 Other Financial Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Foreign Exchange Forward Contracts, not designated as hedges | 0.23 | - |
| Interest accrued | 19.08 | 17.51 |
| Unclaimed dividends | 1.56 | 2.23 |
| Security Deposits from | | |
| - Subsidiaries & Associates [Refer Note No.55(c)(6)] | 0.03 | 0.11 |
| - Other related parties [Refer Note No.55(c)(5)] | 0.12 | 0.12 |
| - Customers | 942.36 | 705.50 |
| - Service providers | 9.12 | 6.54 |
| Payables for Capital Goods | 153.94 | 151.25 |
| Financial Guarantee Obligation [Refer Note No.49] | - | 0.77 |
| Book overdraft | 9.06 | 9.54 |
| Other payables | 10.43 | 9.28 |
| **Total** | **1,145.93** | **902.85** |

***Notes***

(a) *Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables in foreign currencies. These are not designated for hedge accounting and thus are measured at fair value through profit or loss. The details of forward contract outstanding as at the reporting date are given below:*

| *Particulars* | | *31-03-2023* | *31-03-2022* |
|---|---|---|---|
| *Forward Contracts (Sell)* | *USD in Million* | *22.88* | - |
| *Net Loss on Mark to Market in respect of forward contracts outstanding as at the reporting date* | *INR in Crores* | *0.23* | - |

*Refer Note No.56 for information about fair value hierarchy under Disclosure of Fair value measurements.*

(b) *Unclaimed Dividends represent amount not due for transfer to Investor Education and Protection Fund.*

(c) *The Company has recognised financial guarantee obligation at fair value towards the corporate guarantees issued to the bankers on behalf of Related parties, and the same is recognised as other Income over the tenure of the corporate guarantee [Refer Note No.40].*

(d) *The payables for capital goods due to related parties are furnished in Note No.55(c)(9).*

(e) *The disclosures as per the requirement of The Micro, Small and Medium Enterprises Development Act, 2006 are furnished in Note No.58.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 35 Other Current Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Statutory liabilities payable | 127.86 | 76.81 |
| Advance received against sale of assets [Refer Note (c) below] | 1.05 | - |
| Advances from / Credit balances with Customers [Refer Note (a) & (b) below] | 262.64 | 193.92 |
| **Total** | **391.55** | **270.73** |

***Notes***

*(a) Advances / Credit balances with Customers / Advances received against sale of assets represent contract liabilities for which performance obligations are pending as at the reporting date. These amounts are available for adjustment against subsequent supplies in future periods.*

*(b) The Company has applied the exemption specified in Paragraph 121 of Ind AS 115, since all the goods supplied by the Company are due for delivery within the next 12 months.*

*(c) Advance received against sale of assets represent advance received from related party against sale of immovable property. Refer Note No.55(c)(11) for disclosures pertaining to related party.*

## 36 Provisions (Short term)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Provision for Compensated absences [Refer Note No.50] | 39.27 | 34.19 |
| Provision for disputed income tax liabilities | 0.71 | 2.72 |
| **Total** | **39.98** | **36.91** |

***Notes***

*(a) 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 reporting date, using Projected Unit Credit method.*

*(b) Movement in Provisions for compensated absences*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Carrying amount as at the beginning of the year* | *34.19* | *31.30* |
| *Add: Current Service Cost* | *1.36* | *1.27* |
| *Add: Interest Cost* | *2.35* | *2.04* |
| *Add: Actuarial Loss* | *4.95* | *3.60* |
| *Less: Benefits paid* | *3.58* | *4.02* |
| ***Carrying amount as at the end of the year*** | ***39.27*** | ***34.19*** |

*(c) The Company provides for income tax liability based on the various disallowances in the assessments.*

*(d) Movement in Provisions for disputed income tax liabilities*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Carrying amount as at the beginning of the year* | *2.72* | *0.71* |
| *Add: Amount transferred from Liabilities for Current Tax* | *0.18* | *-* |
| *Add: Provision created based on disallowances in Assessment orders* | *1.49* | *2.01* |
| *Less: Excess tax provision written back during the year* | *0.18* | *-* |
| *Less: Paid during the year* | *3.50* | *-* |
| ***Carrying amount as at the end of the year*** | ***0.71*** | ***2.72*** |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 37 Deferred Government Grants (Current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Deferred Government Grants [Refer Note No.30] | 2.51 | 1.38 |
| **Total** | **2.51** | **1.38** |

## 38 Current Tax Liabilities, net

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Provision for Current tax | 22.89 | 164.65 |
| Less: Advance Tax | 16.40 | 149.42 |
| Less: TDS / TCS | 5.50 | 5.07 |
| **Total** | **0.99** | **10.16** |

## 39 Revenue from Operations

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Sale of Products** | | |
| **Domestic Sales** | | |
| Cement | 7,838.79 | 5,798.57 |
| Clinker | 30.94 | - |
| Dry Mortar Products | 135.28 | 70.33 |
| Ready Mix Concrete | 14.45 | 14.81 |
| **Export Sales** | | |
| Cement - Direct Exports | - | 4.00 |
| Cement - Deemed Exports | 32.68 | 9.12 |
| Cement - Sale through Foreign branch | - | 0.27 |
| Dry Mortar Product - Direct Exports | - | 0.01 |
| Dry Mortar Product - Deemed Exports | 0.14 | 0.08 |
| **Other Operating Revenue** | | |
| Sale of power generated from Windmills | 48.13 | 59.54 |
| Scrap Sales | 19.59 | 21.87 |
| Industrial Promotion Assistance | 0.14 | - |
| Deferred Grant Income [Refer Note No.30] | 15.13 | 1.38 |
| **Total** | **8,135.27** | **5,979.98** |

***Notes***

*(a) The disaggregation of revenue as required under Ind AS 115 is given below*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Gross Revenue from Operations* | *11,744.34* | *9,018.36* |
| *Less: Rebates & Discounts* | *1,356.27* | *1,357.80* |
| *Less: GST* | *2,252.80* | *1,680.58* |
| ***Revenue from Operations (net of GST)*** | ***8,135.27*** | ***5,979.98*** |

*(b) The Company has generated 22.33 Crore units (PY: 23.25 Crore units) net of wheeling and banking at windfarms for a monetary value of Rs. 48.13 Crores (PY: Rs. 59.54 Crores). Refer Note No.22(d) for information relating to changes in entity's contract assets.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

*(c) Income recognised as Industrial Promotion Assistance represents amount receivable from Government of Andhra Pradesh under IDP 2015-20 Scheme. There are no unfulfilled conditions or contingencies attached to these grants.*

*(d) The Company's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point in time. Revenue from sale of power generated from windmills is recognised upon transmission of energy to the grids of state electricity boards.*

*(e) No single customer contributed 10% or more to the Company's revenue for the year ended 31-03-2023 and 31-03-2022.*

## 40 Other Income

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Interest Income | 12.54 | 13.89 |
| Dividend Income | 1.46 | 0.10 |
| Lease Rental Receipts | 9.69 | 9.78 |
| Profit on sale of carbon credits | 1.37 | 1.16 |
| Gain on Exchange Difference, net | 1.30 | - |
| Fair value gain on Mutual Funds | - | 0.07 |
| Profit on Sale of PPE & Investment Property, net | 0.46 | - |
| Other non-operating income | 9.88 | 5.64 |
| **Total** | **36.70** | **30.64** |

***Notes***

*(a) Interest Income comprises of amount recognised as income from financial assets that are measured at Amortized Cost calculated using effective interest rate method.*

*(b) Dividend Income comprises of amount received towards securities measured at:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Deemed Cost (Subsidiaries and Associates)* | *1.34* | *0.00* |
| *Fair value through Profit and Loss (FVTPL)* | *0.06* | *0.05* |
| *Fair value through Other Comprehensive Income (FVTOCI)* | *0.06* | *0.05* |
| ***Total*** | ***1.46*** | ***0.10*** |

*(c) Profit on sale of Carbon Credits of Rs. 1.37 Crores (PY: Rs. 1.16 Crores) is presented after netting of directly attributable expenses to such income amounting to Nil (PY: Rs. 1.59 Crores).*

*(d) The disclosures pertaining to lease rental receipts as required under Ind AS 116 are disclosed in Note No.52.*

*(e) Other non-operating income of Rs. 9.88 Crores (PY: Rs. 5.64 Crores) is presented after netting of directly attributable expenses to such income amounting to Rs. 0.25 Crores (PY: Rs. 25.93 Crores). It includes Duty Drawback from Customs towards Exports: Nil (PY: Rs. 0.04 Crores) and fair value recognition of financial guarantee contracts of Rs. 0.77 Crores (PY: Rs. 1 Crore).*

## 41 Cost of Materials Consumed

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Opening Inventories | 196.67 | 144.74 |
| Add: Purchases | 1,338.56 | 948.73 |
| Less: Closing Inventories | 178.16 | 196.67 |
| **Total** | **1,357.07** | **896.80** |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

**Details of cost of materials consumed**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Lime stone | 469.22 | 331.33 |
| Freight & Handling - Inter unit clinker transfer | 328.99 | 174.88 |
| Pozzolona Material | 131.47 | 99.74 |
| Gypsum | 126.80 | 85.33 |
| Purchased Clinker | 29.67 | 39.43 |
| Aggregates | 44.93 | 33.05 |
| Other Additives | 203.95 | 113.23 |
| Material handling expenses | 22.04 | 19.81 |
| **Total** | **1,357.07** | **896.80** |

## 42 Changes in Inventories of Finished goods and Work-in-progress

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Closing Stock** | | |
| Finished Goods | 34.47 | 35.89 |
| Work-in-progress | 60.77 | 45.25 |
| | **95.24** | **81.14** |
| **Opening stock** | | |
| Finished Goods | 35.89 | 34.91 |
| Work-in-progress | 45.25 | 39.82 |
| | **81.14** | **74.73** |
| **Total** | **(14.10)** | **(6.41)** |

## 43 Employee Benefits Expense

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **For Employees Other than Directors** | | |
| Salaries and Wages | 358.98 | 336.17 |
| Workmen and Staff welfare | 40.46 | 38.94 |
| Contribution to Provident Fund and other funds [Refer Note No.50] | 42.10 | 36.91 |
| Employee Stock Options Expense [Refer Note No.51] | - | 5.72 |
| **For Directors** | | |
| Managing Director Remuneration (including commission) | 24.07 | 42.04 |
| Contribution to Provident Fund and other funds [Refer Note No.50] | 0.14 | 0.14 |
| Sitting Fees [Refer Note No.55(a)(20)] | 0.12 | 0.09 |
| **Sub-total** | **465.87** | **460.01** |
| Less: Amount recognised in Other Comprehensive Income [Refer Note No.50] | 5.87 | 3.28 |
| **Total** | **460.00** | **456.73** |

***Notes***

*(a) Amount recognised in Other Comprehensive Income represent remeasurement losses on defined benefit obligations i.e Gratuity fund, recognised in OCI.*

*(b) Refer Note No.50 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.*

*(c) Refer Note No.60 for the information relating to amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

(d) *The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the codes") in the Gazette of India, interalia, subsuming various existing labour and industrial laws which deals with employees including post-employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognized post notification of relevant provisions.*

(e) *Employee Benefits Expense include Rs. 0.86 Crores (PY: Nil) pertaining to employees working under CSR Division of the Company, which qualify as Adminsitrative Overheads in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.*

(f) *Managing Director's Remuneration and Sitting fees are presented under 'Employee Benefits Expense' in accordance with para 7 of Ind AS 19 on Employee Benefits read with para no. 9.5.4.1 of Guidance Note on Ind AS Schedule III issued by ICAI. Accordingly, previous year figures have also been reclassified.*

## 44 Finance Costs

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Interest on Term loans | 157.43 | 53.46 |
| Interest on Debentures | 49.67 | 41.77 |
| Interest expense on lease liabilities [Refer Note No.52] | 1.97 | 0.93 |
| Others | 31.45 | 16.24 |
| **Total** | **240.52** | **112.40** |

***Notes***

(a) *Interest on Term loans and Debentures represent interest calculated using the effective interest rate method.*

(b) *The above Finance Costs is net of capitalised portion of Rs. 105.92 Crores (PY: Rs. 102.41 Crores) attributable to the qualiying assets [Refer Note No.60].*

(c) *Others include unwinding of discounts on provisions of Rs. 4.58 Crores (PY: Rs. 3.51 Crores) and Rs. 0.90 Crores (PY:Rs. 3.31 Crores) towards interest on shortfall in payment of advance tax.*

(d) *Refer Note No.57 for information about Interest rate risk exposure under Financial Risk Management.*

## 45 Depreciation & Amortization Expense

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Depreciation on Property, Plant & Equipment [Refer Note No.7] | 458.51 | 378.08 |
| Depreciation on Investment Property [Refer Note No.9] | 2.15 | 2.40 |
| Amortization of Intangible Assets [Refer Note No.10] | 44.73 | 24.34 |
| **Sub-total** | **505.39** | **404.82** |
| Less: Depreciation adjustments [Refer Note below] | 0.95 | 3.98 |
| **Total** | **504.44** | **400.84** |

***Note:*** *Depreciation adjustments represent amount capitalised or transferred to Capital Work-in-progress since future economic benefits embodied in an asset are absorbed in producing other assets [Refer Note No.60].*

# Notes to the Separate Financial Statements
**for the year ended 31st March 2023**

## 46 Other Expenses

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Packing Materials consumption | 320.55 | 260.89 |
| Stores and Spares consumption | 72.29 | 70.47 |
| Repairs to Plant and equipments | 113.43 | 95.83 |
| Repairs to Buildings | 18.11 | 17.54 |
| Repairs to Vehicles and locomotives | 15.32 | 10.78 |
| General repairs | 1.17 | 2.65 |
| **Establishment Expenses** | | |
| IT & Communication expenses | 19.41 | 20.18 |
| Insurance | 28.02 | 27.00 |
| Exchange Difference (net) | - | 0.79 |
| Outsourced establishment expenses | 12.47 | 10.56 |
| General Administration Expenses | 6.93 | 5.38 |
| Travelling expenses | 48.51 | 40.40 |
| Training & Development Expenses | 0.63 | 0.15 |
| Filing & Registration Fees | 0.41 | 0.28 |
| Lease Rent [Refer Note (a) below] | 15.65 | 14.37 |
| Miscellaneous Expenses | 12.13 | 7.90 |
| Legal and Consultancy expenses | 10.24 | 9.85 |
| Bank Charges | 0.72 | 0.60 |
| Audit Fees and Expenses [Refer Note (b) below] | 0.56 | 0.57 |
| Security Charges | 31.01 | 28.28 |
| Board Meeting expenses | 0.06 | - |
| Sitting fees to Non-Executive Directors [Refer Note No.55(a)(20)] | 0.52 | 0.38 |
| Donations [Refer Note (d) below] | 26.07 | 6.60 |
| CSR expenditure [Refer Note (e) below] | 17.29 | 18.29 |
| Rates and taxes | 18.86 | 15.91 |
| Loss on Sale of PPE & decognition of Right-of-use asset (net) | - | 0.21 |
| **Selling and Distribution Expenses** | | |
| Advertisement expenses | 36.17 | 34.85 |
| Sales Promotion expenses | 56.02 | 37.37 |
| Selling Agents' Commission | 17.32 | 18.76 |
| Other Selling expenses | 1.64 | 2.34 |
| **Total** | **901.51** | **759.18** |

***Notes***

*(a) The disclosures pertaining to lease rent as required under Ind AS 116 are disclosed in Note No.52.*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

(b) Audit Fees and Expenses (net of tax credits)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Statutory Auditors** | | |
| - Statutory Audit [include Foreign Branch Audit fees of Rs. 0.01 Crores (PY: 0.01 Crores)] | 0.34 | 0.31 |
| - Other Certification work | 0.05 | 0.11 |
| - Reimbursement of Expenses | 0.02 | 0.01 |
| **Tax Auditors** | | |
| - Tax Audit | 0.03 | 0.03 |
| - Other Certification work | 0.00 | 0.00 |
| - Reimbursement of Expenses | 0.00 | 0.00 |
| **Cost Auditors** | | |
| - Cost Audit | 0.06 | 0.06 |
| - Reimbursement of Expenses | 0.00 | 0.00 |
| **Secretarial Auditors** | | |
| - Secretarial Audit | 0.06 | 0.05 |
| - Reimbursement of Expenses | 0.00 | 0.00 |
| **Total** | **0.56** | **0.57** |

(c) Refer Note No.60 for the information relating to amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress.

(d) Donations include Contribution to Political parties through Electoral Bonds / Cheque amounts to Rs. 20.50 Crores (PY: Nil).

(e) The Company is required to spend gross CSR expenditure of Rs. 18.10 Crores for the year (PY: Rs. 17.48 Crores) in accordance with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. As against this, the Company has spent Rs. 17.29 Crores (PY: Rs. 18.29 Crores) in the following categories, in cash, for the purposes other than the construction / acquisition of assets and Rs. 0.86 Crores (PY: Nil) towards employee benefits expenses pertaining to employees working under CSR division. Consequently the Company has spent an excess of Rs. 0.05 Crores (PY: 0.81 Crores) for the year and carried forward excess spent CSR of Rs. 3.73 Crores (PY: 3.68 Crores) as at the reporting date, which is eligible for adjustment in subsequent years.

Rs. in Crores

| Categories / Nature of CSR Activities | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Rural Development Projects | 1.67 | 1.84 |
| Promotion of Education | 3.90 | 3.74 |
| Promotion of Health Care including Preventive Health Care | 2.29 | 6.65 |
| Protection of Art and Culture | 0.01 | 0.02 |
| Restoration of Building and Sites of Historical importance and Works of Art | 3.85 | 0.97 |
| Eradication of Hunger | 0.01 | 0.31 |
| Making available Safe Drinking Water | 1.66 | 1.55 |
| Protection of National heritage, Art and Culture | 0.87 | 0.11 |
| Promotion of Nationally recognised Sports, Rural sports & Paralympics sports | 0.32 | 0.10 |
| Environmental Sustainability | 1.17 | 1.20 |
| Vocational Skill Training | 1.41 | 0.56 |
| Promotion and Development of Traditional Art | 0.00 | 0.00 |
| Livelihood Enhancement Projects | 0.05 | 0.05 |
| Contribution for setting up of Homes and Hostels for Women and Orphans | 0.06 | 0.01 |
| Measures for the benefit of Armed forces | 0.01 | 0.01 |
| Disaster Management, Including Relief, Rehabilitation And Reconstruction Activities | 0.00 | 1.16 |
| Administration Overheads | 0.01 | 0.01 |
| **Total** | **17.29** | **18.29** |

CSR Expenditure of previous year include Contribution of Rs. 1 Crore to TamilNadu State Disaster Management Authority.

(f) The details of related party transactions in relation to CSR Expenditure are furnished in Note No.55(a)(24).

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 47. Commitments

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 486.24 | 894.35 |

## 48. Contingent Liabilities

Rs. in Crores

| | Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 48.1 | Guarantees given by the bankers on behalf of company | 446.65 | 337.46 |
| 48.2 | Demands/Claims not acknowledged as Debts in respect of matters in appeals relating to - | | |
| | Income Tax [Refer Note No. 48.2.1] | 158.57 | 156.79 |
| | VAT & Input Tax Credit, CST, GST [Refer Note No. 48.2.2] | 56.00 | 9.80 |
| | Excise Duty, CENVAT Credit [Refer Note No.48.2.3] | 348.51 | 361.15 |
| | Other demands [Refer Note No.48.2.4 to 48.2.22] | 314.23 | 314.23 |

48.2.1 Income tax assessments have been completed up to the accounting year ended 31-03-2018 i.e., Assessment Year 2018-19. As against the tax demand of Rs. 158.57 Crores (PY: Rs. 156.79 Crores), the Company has paid so far Rs. 18.83 Crores (PY: Rs. 2.54 Crores) as pre-deposit in compliance of Income tax laws for filing appeals with appellate authorities. Besides, the department had appropriated Rs. 2.99 Crores (PY: Rs. 1.97 Crores) against refund due / tax credits. The amount paid and the refunds appropriated so far are held in "Deposits under protest, in appeals" under other non-current assets. The company has preferred appeals before appellate authorities in respect of various disallowances in assessments and the appeals are pending. Out of the disputed tax demands of Rs. 158.57 Crores (PY: Rs. 156.79 Crores), a sum of Rs. 99.93 Crores (PY: Rs. 99.38 Crores) may not crystalize into a liability since the similar issues covered under the appeals are backed by judgements in favour of the company. In respect of issues decided in company's favour before lower authorities, the department has preferred appeals for the disputed tax amounting to Rs. 48.57 Crores (PY: Rs. 48.57 Crores), which is pending before various appellate fora. The management believes that the above issues may not crystalize into tax liability based on the decisions favourable to the Company.

48.2.2 In respect of statutory appeals with the Appellate Authorities under State Sales Tax Acts / VAT Acts & CST Act in various states, as against net tax demands amounting to Rs. 9.80 Crores (PY: Rs. 9.80 Crores), a sum of Rs. 3.23 Crores (PY: Rs. 3.23 Crores) have been paid under protest. The amount paid under protest is held in "Deposits under protest, in appeals" under other non-current assets.

In respect of GST, the Assessing Officer had raised demand of Rs. 46.01 Crores (PY: Nil) in respect of disallowances of GST on post supply discounts for the period 2018-19, 2019-20, Apr 2022 and May 2022 on the ground of non-submission of confirmation for tax reversals on post supply discounts by the buyers. Besides the department has also levied interest of Rs. 0.19 Crores for delayed filing of return for the month of July 2017 due to technical glitches in the GST portal. As against these demands of Rs. 46.20 Crores (PY: Nil), the Company filed an appeal for Rs. 23.94 Crores and paid Rs. 2.16 Crores (PY: Nil) as pre-deposit and the appeals are pending. The amount paid is held in "Deposits under protest, in appeals" under other non-current assets. The Company has sufficient time to file an appeal for the balance demand of Rs. 22.26 Crores. Consequently, Rs. 44.04 Crores (PY: Nil) remain un-paid as at the reporting date. The Management believes that these demands may not crystalize into a liability since the requisite documentary evidences were collected by the Company subsequently for submission to appellate authorities at the time of hearing.

48.2.3 In respect of levy of differential Excise Duty on bulk cement and supplies to industrial consumers, levy of excise duty on cement / dry mortar based on MRP including interest and penalty amounting to Rs. 140.92 Crores (PY: Rs. 140.98 Crores) demanded by the Department, a sum of Rs. 136.13 Crores (PY: Rs. 136.64 Crores) remain un-paid as at 31-03-2023. The Company has paid so far Rs. 4.79 Crores (PY: Rs. 4.34 Crores) as pre-deposit in compliance of the interim orders by the appellate authorities and is held in "Deposits under protest, in appeals" under other non-current assets as at the

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

reporting date. The levy of excise duty on cement has been decided by various tribunals in favour of the industry including the company. The management believes that out of the disputed demands of Rs. 140.92 Crores (PY: Rs. 140.98 Crores), a sum of Rs. 128.73 Crores (PY: Rs. 128.79 Crores) may not crystalize into a liability since the issues covered under the appeals are backed by favourable judgements from various tribunals. However, in the matter of levy of excise duty on cement, the department has preferred appeal before the Hon'ble Supreme Court against the favourable order received by the company for one of its units, which is pending.

In respect of disallowance of CENVAT credit on inputs, capital goods, service tax on goods transports agency amounting to Rs. 207.59 Crores (PY: Rs. 220.17 Crores), a sum of Rs. 192.13 Crores (PY: Rs. 204.75 Crores) remain un-paid as at 31-03-2023. The Company has paid so far Rs. 15.46 Crores (PY: Rs. 15.42 Crores) as pre-deposit in compliance of the interim orders by the appellate authorities and such pre deposits were held in "Deposits under protest, in appeals" under other non-current assets as at the reporting date. The management believes that out of the disputed demands of Rs. 207.59 Crores (PY: Rs. 220.17 Crores), a sum of Rs. 155.89 Crores (PY: Rs. 161.98 Crores) may not crystalize into a liability since the issues covered under the appeals are backed by favourable judgements.

48.2.4 TANGEDCO has raised a demand towards compensation charges of Rs. 0.92 Crores alleging that the Company has exceeded the quota of power consumption during evening peak hours. The Company has filed writ petition before the High Court of Madras and the same has been admitted. However, the Company had deposited the amount of Rs. 0.92 Crores under protest and the same is held in "Deposits under protest, in appeals" under other non-current assets.

48.2.5 Government of Karnataka has imposed Environmental Protection Fee of Rs. 5.80 crores, in connection with Company's mining leases. In the writ petitions filed by the Company and other similarly affected companies, the High Court of Karnataka, has stayed the imposition of the fee. As per the interim order, the Company has deposited a sum of Rs. 2.90 Crores (PY: Rs. 2.90 Crores) and the same is held in "Deposits under protest, in appeals" under other non-current assets.

48.2.6 The Competition Commission of India (CCI) vide its order dated 31-08-2016 had imposed a penalty of Rs. 258.63 Crores on the company towards alleged cartelisation. Our appeal along with the appeals of other cement companies had been dismissed by NCLAT vide its order dated 25-07-2018. Against the order, the company appealed to the Honourable Supreme Court, which by its order dated 05-10-2018 admitted the appeal and directed to continue the interim order passed by NCLAT. Accordingly, the company re-deposited Rs. 25.86 Crores being 10% of the penalty and the said deposit is classified under "Bank Balances other than Cash and Cash Equivalents". The Company backed by legal opinion, believes that it has a good case and hence no provision is made.

48.2.7 The Writ Petitions filed by the company in the Madras High Court against Tamil Nadu Electricity Board (TNEB) towards levy of electricity tax at 15% on the generation of power from captive generator sets using furnace oil are pending. The levy pertains to the period 01-01-1992 to 30-10-1997. The total disputed amount of Rs. 1.34 Crores has been paid under protest and the same is held in "Deposits under protest, in appeals" under other non-current assets.

48.2.8 Southern Power Distribution Company of Andhra Pradesh Limited has demanded an amount of Rs. 0.32 Crores towards alleged excess load factor incentives allowed by them. The Company has filed an appeal before High Court of Andhra Pradesh and obtained an order of interim stay.

48.2.9 Andhra Pradesh Transmission Corporation Limited (APTRANSCO) has levied Rs. 5.91 Crores as Fuel Surcharge Adjustment (FSA) for the period from Apr 2008 to Dec 2012. Out of that, the company has paid and expensed Rs. 3.85 Crores and the balance amount of Rs. 2.06 Crores is not presently enforceable for the reasons that a part of the amount is covered in the appeal filed by the APTRANSCO before Supreme Court and the interim order granted in favour of the company by the Honourable AP High court. APERC has ordered that this FSA is not leviable from Jan 2013 onwards.

48.2.10 The Director of Geology & Mining, Government of Tamil Nadu had raised additional Royalty demand on limestone, based on production of cement by the company instead of basing it on actual quantity of limestone mined. The demand for the company is Rs. 9.66 Crores for the period from the year 1989 to year 2001. In the Writ petitions filed by the company and other similarly affected companies, the Madras High court has directed the companies to pay the Royalty

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

as demanded in the impugned notice. Aggrieved by that, the Company has filed a review petition against the impugned order and it is pending.

48.2.11 Water Resources Department of Public Works Department, Government of Tamil Nadu had raised a demand of Rs. 1.13 Crores contending that water charges are to be paid on the contracted quantity and not on the actual quantity of water drawn by the company from Arjuna River in Virudhunagar District. The demand pertains to the period from the year 1990 to year 2009. The company has obtained interim stay from the High Court of Madras. As per the interim order, the Company has deposited a sum of Rs. 0.30 Crores with the Department and the same is held in "Deposits under protest, in appeals" under other non-current assets.

48.2.12 Environment, Forests Science & Technology Department, Government of Andhra Pradesh has increased the Royalty on the Limestone mined from the Forest Area from Rs. 5/- per permit to Rs. 10/- per ton from the year 2010-11 onwards. The company filed a writ petition before the High Court of Andhra Pradesh and obtained an interim order, to pay 1/3rd of the demand. As per the Court order, the company has paid and expensed Rs. 1.57 Crores, being the 1/3rd portion up to 31-03-2017. The balance amount of Rs. 3.15 Crores being 2/3rd portion remain unpaid. However, there is no dispute with effect from 01-04-2017 onwards.

48.2.13 New Industries set up in Tamil Nadu were eligible for Power Tariff Concession as per G.O.Ms. No.29 dated 31-01-1995, which was sought to be withdrawn to Industries set up after 14-02-1997 as per G.O.Ms. No.17 dated 14-02-1997. The eligibility for Power Tariff Concession for Alathiyur unit became a dispute between the Company and TNEB. Based on the interim order of the High Court of Madras, the Company had availed power tariff concession to the tune of Rs. 11.41 Crores and sought refund of un-availed concession of Rs. 1.80 Crores. The matter was finally settled by the Supreme Court, vide its judgement dated 16-05-2008, wherein it laid down criteria for ascertaining the eligibility for Power Tariff Concession for new industries and directed the TNEB to decide the eligibility for the Company based on the said criteria. However, vide its order dated 30-06-2008, the TNEB sought to introduce new criteria not enumerated in the Supreme Court judgement. Aggrieved, the Company filed a writ petition (WP No: 16348 of 2008) before the High Court of Madras, which by its judgement dated 13-11-2008 set aside the additional criteria not mentioned in the Supreme Court Judgement and confirmed the eligibility of Power Tariff Concession for the Company. TNEB has filed a writ appeal (WA No: 629 of 2010) in the High Court of Madras against the said order seeking disentitlement of power tariff concession already availed. The matter is pending before the High Court of Madras.

48.2.14 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 9% and 0.5% of their energy requirements from wind and solar sources respectively. The non-complainants are required to purchase Renewable Energy Certificates (REC) from markets @ 1 REC per 1000 units of shortage or deposit an equivalent amount in a separate designated fund. Even though the Company is consuming wind energy generated from its 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 Madras High Court and obtained an interim stay against the implementation of the said regulation.

48.2.15 TANGEDCO has levied "Scheduling & System Operation charges" for windmills under "Sale to Board" category at Rs. 600 per day per 2 MW based on their internal circular dated 25-11-2014. The annual impact of "Scheduling & System Operation charges" will be Rs. 1.02 Crores. The Company has filed a Writ Petition before the Madras High Court challenging the collection of said charges and obtained an interim stay against the "Scheduling & System Operation charges".

48.2.16 The Company had purchased around 40.36 acres of lands in Tamil Nadu after verification of title documents based on revenue records of the year 1987 as basis. Thereafter, the revenue officials verified the title documents and transferred the patta in the name of the Company. While this being so, the Sub-Collector, Ariyalur, by the order dated 10-02-2015, cancelled the said patta and reclassified the said land as Government poromboke 'Anadheenam lands' by placing reliance

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

on revenue records of the year 1927. The Company has filed a Writ Petition before the Madras High Court challenging the said cancellation of patta and obtained an interim stay.

48.2.17 TANGEDCO had raised a demand of Rs. 4.28 Crores towards alleged incorrect adjustments of wind energy based on its Audit objections. Against the above demand, a sum of Rs. 2.54 crores was appropriated by TANGEDCO from the Company's Deposits with them and balance amount of Rs. 1.74 crores remain unpaid. The amount appropriated is held in "Deposits under protest, in appeals" under other non-current assets. The Company has challenged the said demand before the TNERC by filing a Petition on 30-05-2014 and the same is pending before the Commission.

48.2.18 The Department of Mines and Geology, Government of Karnataka by its order dated 31-10-2014 withdraw its mining lease granted to the company already granted for 30 hectares of forest land on a technical ground. Based on the writ petition filed by the company, the Honourable Karnataka High court has directed the State Government to consider the company's representation. The Government vide its order dated 10-01-2016 has rejected the company's representation. Aggrieved by the said order, the Company has again filed a writ petition before the Honourable Karnataka High Court and the same is pending.

48.2.19 The Special Deputy Collector (Stamps), Ariyalur had issued a notice demanding an amount of Rs. 0.65 Crores for alleged deficiency in stamp duty in purchase of lands. Against the demand, the Company filed an appeal before Honourable High Court of Madras and it is pending.

48.2.20 As per the Grid Connectivity and Intra State Open Access Regulations, the TNERC has authorised TANGEDCO to collect Parallel Operation Charges of Rs. 30,000/- per MW from the power generators whoever availing only parallel operation with grid but without availing open access. Even though the Company had open access approval, TANGEDCO had sent demand notice for parallel operation charges for a sum of Rs. 9.17 Crores levied retrospectively from 07-05-2014 to 31-12-2016. The Company has filed writ petition in the Honourable High Court of Madras and obtained the final order directing the TANGEDCO to settle the matter in TNERC within a reasonable period. TNERC ordered that the levy of parallel operation charges was leviable. Aggrieved by the said order, the company has filed an appeal before Appellate Tribunal for Electricity (APTEL) and has obtained interim stay against the order of TNERC.

48.2.21 The company along with other companies have challenged the validity of the "The West Bengal Tax on Entry of Goods into Local Areas Act, 2012" in the writ petitions before the Kolkata High court. The court had held the said Act was ultra-vires. Aggrieved by that, the Government preferred an appeal before the Division bench. The bench had passed an interim order not to enforce any demand until disposal of the writ petitions but permitted the department to do the assessment proceedings. The estimated contingent liability for the period from August, 2013 to June, 2017 is Rs. 9.24 crores. The company has paid and expensed the said taxes upto July, 2013 from its inception.

The Asst. Commissioner (CT) LTU, Vijayawada has issued a demand on 12-02-2019 for Rs. 1.29 crores for the period from April, 2014 to March, 2017 towards entry tax on petroleum products viz., Diesel, Furnace oil under the Andhra Pradesh Tax of Entry of Goods into Local Areas Act, 2001. The company had filed a writ petition before Honourable AP High court, Vijayawada against the demand. As per the interim order, the Company has deposited a sum of Rs. 0.32 Crores (PY: Rs. 0.32 Crores) with the Department and the same is held in "Deposits under protest, in appeals" under other non-current assets. The appeal is pending.

48.2.22 The Company had held Mining Lease for an extent of 18.11.5 Ha for a period of 20 years from 25-10-1993 to 24-10-2013, which holding was later reduced to 4.68 Ha of leasehold area. The Company received a Memorandum dated 26-08-2019 issued by the District Collector, Perambalur, wherein the Company was directed to remit the amount of Rs. 6.59 Crores being the 100% of the cost of mineral of 1.45 Lac metric tons of limestone mined from our leasehold area covering the period from 15-01-2016 to 10-01-2017, allegedly without Environmental Clearance. The Company believes that there is no violation and hence initiated steps to challenge this demand by way of a Writ Petition before the Honourable High Court of Madras, was dismissed. The Company has filed an appeal before division bench against the impugned order and the matter is now pending.

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 49. Financial guarantees

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| ***Corporate Guarantees given to banks to avail loan facilities by Related party:*** | | | |
| - | Raja Charity Trust | 100.00 | 100.00 |

***Notes***

(a) *There were no fresh guarantees given on behalf of related party during the year.*

(b) *The loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the company are furnished below:*

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Raja Charity Trust | - | 5.75 |

(c) *Since the loans availed on the strength of Corporate Guarantee was completely repaid by the related party during the year ended 31st March 2023, the Company is in the process of taking back the corporate guarantee and it is pending as at the reporting date due to completion of required procedural formalities with banks.*

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

**Defined Contribution Plan**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Employer's Contribution to Provident Fund | 19.22 | 17.94 |
| Employer's Contribution to National Pension System (NPS) | 1.59 | 1.46 |
| Employer's Contribution to Superannuation Fund | 10.95 | 9.96 |

**Defined Benefit Plan – Gratuity**

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Company and is in accordance with the rules of the Company read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Company makes annual contributions to "The Ramco Cements Limited Employees' Gratuity Fund" administered by trustees and managed by LIC of India, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Company has the exposure of actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

**Defined Benefit Plan (Gratuity) and Other Long term benefits (Compensated Absences)**

***Reconciliation of Opening and Closing balances of Present Value of Obligation***

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| As at the beginning of the year | 85.22 | 78.80 | 34.19 | 31.30 |
| Current Service Cost | 5.03 | 4.71 | 1.36 | 1.27 |
| Interest Cost | 6.03 | 5.27 | 2.35 | 2.04 |
| Actuarial Loss | 5.84 | 2.67 | 4.95 | 3.60 |
| Benefits paid | (-) 4.53 | (-) 6.23 | (-) 3.58 | (-) 4.02 |
| **As at the end of the year** | **97.59** | **85.22** | **39.27** | **34.19** |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

*Reconciliation of Opening and Closing balances of Fair Value of Plan Assets*

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| As at the beginning of the year | 85.22 | 78.80 | - | - |
| Expected Return on Plan Assets | 6.41 | 5.54 | - | - |
| Actuarial (Loss) / Gain | (-) 0.03 | (-) 0.61 | - | - |
| Employer contribution | 10.52 | 7.72 | 3.58 | 4.02 |
| Benefits paid | (-) 4.53 | (-) 6.23 | (-) 3.58 | (-) 4.02 |
| **As at the end of the year** | **97.59** | **85.22** | **-** | **-** |

*Actual Return on Plan Assets*

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Expected Return on Plan Assets | 6.41 | 5.54 | - | - |
| Actuarial (Loss) / Gain on Plan Assets | (-) 0.03 | (-) 0.61 | - | - |
| **Actual Return on Plan Assets** | **6.38** | **4.93** | **-** | **-** |

*Reconciliation of Fair Value of Assets and Obligations*

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Fair Value of Plan Assets | 97.59 | 85.22 | - | - |
| Present value of Obligation | 97.59 | 85.22 | 39.27 | 34.19 |
| Difference | - | - | 39.27 | 34.19 |
| **Amount recognized in Balance Sheet** | **-** | **-** | **39.27** | **34.19** |

*Expenses recognized in the Statement of Profit and Loss*

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Current Service Cost | 5.03 | 4.71 | 1.36 | 1.27 |
| Net Interest on obligations | (-) 0.38 | (-) 0.27 | 2.35 | 2.04 |
| Actuarial Loss / (Gain) recognized during the year | - | - | 4.95 | 3.60 |
| **Expenses recognised in Profit and Loss section (^)** | **4.65** | **4.44** | **8.66** | **6.91** |
| Actuarial changes arising from: | | | | |
| - Experience adjustments on Plan liabilities | 7.69 | 0.99 | - | - |
| - Experience adjustments on Plan Assets | 0.03 | 0.61 | - | - |
| - Changes in financial assumptions | (-) 1.85 | 1.68 | - | - |
| - Changes in demographic assumptions | - | - | - | - |
| **Expenses recognised in Other Comprehensive Income** | **5.87** | **3.28** | **-** | **-** |
| **Expenses recognised in Total Comprehensive Income** | **10.52** | **7.72** | **8.66** | **6.91** |

*(^) Expenses recognised in Statement of Profit and Loss in respect of Gratuity Plan include Rs. 0.04 Crores (PY: Rs. 0.03 Crores) pertaining to amount contributed in respect of Subsidiary company. However, the same was recovered from Subsidiary and credited to Contribution to Gratuity Fund.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

***Investment Details***

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Funds with LIC | 91.12 | 72.44 | - | - |
| Bank balance | 0.06 | 7.50 | - | - |
| Interest, IT refund receivable and Others | 6.41 | 5.28 | - | - |
| **Total** | **97.59** | **85.22** | **-** | **-** |

***Actuarial assumptions***

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Indian Assured Lives Mortality (2012-14) Table | Yes | Yes | Yes | Yes |
| Discount rate p.a | 7.34% | 7.27% | 7.34% | 7.27% |
| Expected rate of Return on Plan Assets p.a | 7.34% | 7.27% | - | - |
| Rate of escalation in salary p.a | 6.00% | 5.50% | 6.00% | 5.50% |
| Rate of Employee turnover | 3.00% | 3.00% | 3.00% | 3.00% |

***Estimate of Expected Benefit Payments***

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Unfunded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Year 1 | 4.77 | 8.96 | 1.71 | 2.77 |
| Year 2 | 14.34 | 8.69 | 4.58 | 2.29 |
| Year 3 | 9.52 | 5.26 | 3.18 | 1.87 |
| Year 4 | 11.65 | 4.90 | 4.17 | 1.14 |
| Year 5 | 9.12 | 5.74 | 3.17 | 2.13 |
| Next 5 years | 46.06 | 37.39 | 16.50 | 13.23 |

**Gratuity Plan *(Funded)***

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Enterprise's best estimate of contribution during next 12 months | 9.00 | 6.25 |
| Average Duration of defined benefit obligations (in years) | 9.30 | 10.70 |

***Quantitative Sensitivity Analysis for significant assumptions***

Rs. in Crores

| Particulars | Effect on Gratuity Obligation | | Effect on provision for Compensated Absences | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| 0.50% Increase in Discount Rate | 93.57 | 81.21 | 37.47 | 32.37 |
| 0.50% Decrease in Discount Rate | 101.92 | 89.59 | 41.21 | 36.17 |
| 0.50% Increase in Salary Growth Rate | 102.00 | 89.69 | 41.23 | 36.20 |
| 0.50% Decrease in Salary Growth Rate | 93.46 | 81.08 | 37.44 | 32.33 |
| 0.50% Increase in Attrition Rate | 98.14 | 86.01 | 39.48 | 34.52 |
| 0.50% Decrease in Attrition Rate | 97.00 | 84.38 | 39.04 | 33.83 |

*The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 51. Disclosures pertaining to Share Based Payments as per Ind AS 102

### (a) ESOS Schemes

The Company instituted Employee Stock Option Schemes (ESOS 2018) approved by shareholders at the Annual General Meeting held on 03-08-2018. The Board of Directors and Nomination & Remuneration Committee granted 5,15,600 options and 2,00,000 options to its eligible employees under various plan in different tranches at its meeting held on 07-08-2019 and 09-09-2020 respectively. Each option entitles the option holder thereof to apply for one equity share of the company, upon satisfaction of performance condition during the vesting period and payment of exercise price during the exercise period. Options are granted for no consideration and carries no dividend or voting rights. There are no market conditions attached to the grant / vesting of options. The Company has recognized Rs. 5.72 Crores as Employee stock options expense towards equity-settled share based transactions during the previous year. There are no cash settlement options alternatives. The details of tranches under each of the plan under ESOS 2018 Scheme are tabled below:

| Particulars | PLAN-A | | PLAN-B | |
|---|---|---|---|---|
| | Tranche-1 | Tranche-2 | Tranche-1 | Tranche-2 |
| No. of Options granted | 2,31,000 | 1,00,000 | 2,84,600 | 1,00,000 |
| Vesting Plan | 100% vesting at the end of 1st year | | | |
| Grant Date | 21st August 2019 | 9th Sep 2020 | 21st August 2019 | 9th Sep 2020 |
| Vesting Date | 6th August 2020 | 8th Sep 2021 | 6th August 2020 | 8th Sep 2021 |
| Exercise Period | Before 31st December of succeeding FY from the date of vesting | | | |
| Exercise Price (Rs. per Share) | 1 | 1 | 100 | 100 |
| Fair value of option on the date of grant (In Rs.) | 707.08 | 694.22 | 614.54 | 601.92 |
| Method of Settlement | Equity-Settled option | | | |

### (b) Movement of Options granted along with Weighted Average Exercise Price (WAEP)

In Rs.

| Particulars | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | No. of Options | WAEP / Option | No. of Options | WAEP / Option |
| Outstanding at the beginning of the year | - | - | 4,02,435 | 56.99 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | 4,02,435 | 56.99 |
| Forfeited during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

***Notes***

*(i) There is no grant or exercise of stock options during the year.*

*(ii) The weighted average share price determined based on market price prevailing at each date of exercise by the option holders is Nil per share (PY: Rs. 996 per share).*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

**(c) Fair Valuation of Employee Stock Options**

The Company has not granted options during the year ended 31-03-2023. For the options granted in the earlier years, the fair value of options had been done on the date of grant by an independent firm of chartered accountants using the Black-Scholes Model. The key assumptions in the Black-Scholes model for calculating fair value as on the date of grant under each of the Plans under ESOS 2018 is given below:

| Particulars | Tranche-1 | Tranche-2 |
|---|---|---|
| Market Price of the underlying asset – Rs. Per share | Rs. 710.90 as at 21st August 2019 | Rs. 698.15 as at 9th September 2020 |
| Risk Free Rate | 7% p.a. | |
| Option Life | Vesting period of 352 days | Vesting period of 1 year (365 days) |
| Expected Volatility | 10% | |
| Dividend Yield | 0.42% | 0.43% |

*Expected Volatility is based on historical volatility of the observed market prices on National Stock Exchange up to the grant date.*

## 52. Disclosures on Leases

**COMPANY AS A LESSEE**

**Nature of leasing activities**

The Company has entered into operating lease on certain assets i.e land and building. Lease rentals are determined based on agreed terms. There is escalation clause in certain lease agreements after a specified period and no restriction imposed by the lease arrangements.

**Maturity analysis of lease liabilities**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Not later than one year | 0.21 | 0.14 |
| One to five years | 1.24 | 1.05 |
| More than five years | 18.24 | 18.53 |
| **Lease liabilities as at 31st March** | **19.69** | **19.72** |

**Other disclosures as required by Ind AS 116**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Depreciation charge for Right-of-use asset | 1.08 | 0.87 |
| Interest on lease liabilities | 1.97 | 1.38 |
| Expenses relating to short-term leases | 15.65 | 14.37 |
| Income from sub-leasing right-of-use assets | - | - |
| Total cash outflow for leases including principal and interest | 2.00 | 1.33 |
| Additions to Right-of-use assets upon transition to Ind AS 116 | - | 12.43 |
| Carrying amount of Right-of-use assets at 31st March | 20.85 | 21.93 |

***Notes***

*(a) Depreciation charge for Right-of-Use Asset include capitalized portion: Nil (PY: Rs. 0.29 Crores) and Interest on lease liabilities include capitalized portion: Nil (PY: Rs. 0.45 Crores).*

*(b) Expenses relating to Short-term lease include leases whose lease term ends within 12 months and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

### COMPANY AS A LESSOR

The Company has entered into operating leases i.e Land & Building. The Company has not entered into any Finance leases. Future minimum rental receivable under non-cancellable operating leases as at the reporting date is given below:

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Not later than one year | 7.30 | 9.44 |
| One to five years | 2.34 | 9.07 |
| More than five years | 8.37 | 8.68 |

## 53. Earnings per Share

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Basic Earnings Per Share** | | |
| Net profit after tax (A) [Rs. in Crores] | 343.54 | 892.70 |
| Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Crores] | 23.65 | 23.65 |
| Nominal value per equity share [in Rs.] | 1 | 1 |
| **Basic Earnings per share (A)/(B) [in Rs.]** | **15** | **38** |
| **Diluted Earnings Per Share** | | |
| Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Crores] | 23.65 | 23.65 |
| Weighted average number of Equity shares including un-allotted Bonus share for computing Dilutive EPS (C) [In Crores] | 23.65 | 23.65 |
| **Diluted Earnings per Share (A) / (C) [in Rs.]** | **15** | **38** |

## 54. 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 2023:

### (a) Subsidiaries

| Name of the Company | Place of Business / Country of Incorporation | % of Shareholding / Ownership Interest as at | |
|---|---|---|---|
| | | 31-03-2023 | 31-03-2022 |
| Ramco Windfarms Limited | India | 71.50 | 71.50 |
| Ramco Industrial and Technology Services Limited | India | 94.11 | 94.11 |

### (b) Associates

| Name of the Company | Place of Business / Country of Incorporation | % of Shareholding / Ownership Interest as at | |
|---|---|---|---|
| | | 31-03-2023 | 31-03-2022 |
| Ramco Industries Limited | India | 15.40 | 15.43 |
| Ramco Systems Limited | India | 15.38 | 17.58 |
| Rajapalayam Mills Limited | India | 0.46 | 0.39 |
| Madurai Trans Carrier Limited | India | 29.86 | 29.86 |
| Lynks Logistics Limited | India | 29.72 | 38.37 |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

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

| Name of the Key Management Personnel | Designation |
|---|---|
| P.R. Venketrama Raja | Chairman and Managing Director upto 3rd June 2022<br>Managing Director with effect from 4th June 2022 |
| M.F. Farooqui | Independent Director upto 3rd June 2022<br>Chairman & Independent Director with effect from 4th June 2022 |
| A.V. Dharmakrishnan | Chief Executive Officer |
| S. Vaithiyanathan | Chief Financial Officer |
| K. Selvanayagam | Company Secretary |
| R.S. Agarwal | Independent Director |
| M.B.N. Rao | Independent Director |
| M.M. Venkatachalam | Independent Director |
| Justice Chitra Venkataraman (Retd.) | Independent Director |
| M.S.Krishnan | Independent Director |

**(d) Relative of Key Management Personnel**

| Name of the Relative of KMP | Relationship |
|---|---|
| A.V. Dharmakrishnan (HUF) | A. V. Dharmakrishnan, Karta for HUF |
| R. Sudarsanam | Mother of P.R.Venketrama Raja |
| P.V.Nirmala Raju | Spouse of P.R.Venketrama Raja |
| R. Nalina Ramalakshmi | Sister of P.R.Venketrama Raja |
| S. Saradha Deepa | Sister of P.R.Venketrama Raja |
| B. Sri Sandhya Raju | Daughter of P.R.Venketrama Raja |
| P.V. Abinav Ramasubramaniam Raja | Son of P.R. Venketrama Raja |

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

| | |
|---|---|
| Rajapalayam Textile Limited | The Ramaraju Surgical Cotton Mills Limited |
| Sandhya Spinning Mill Limited | Shri Harini Media Limited |
| Sri Harini Textiles Limited | Sri Vishnu Shankar Mill Limited |
| JKR Enterprise Limited | Sudharsanam Investments Limited |
| Ramco Management Private Limited | |

**(f) Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager (Section 2(76)(vi) of Companies Act, 2013)**

| |
|---|
| Coromandel International Limited |
| Coromandel Engineering Company Limited |

**(g) Employee Benefit Funds where control exists**

| |
|---|
| The Ramco Cements Limited Officers' Superannuation Fund |
| The Ramco Cements Limited Employees' Gratuity Fund |

**(h) Other entities over which there is a significant influence**

| | |
|---|---|
| Smt. Lingammal Ramaraju Shastra Prathishta Trust | Gowrishankar Screws |
| 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 | Nachiar Charity Trust |
| Gowrihouse Metal Works LLP | PAC Ramasamy Raja Centenary Trust |
| R. Sudarsanam & Co. | Sudarsanam Estate |
| The Ramco Cements Limited Educational and Charitable Trust | Ramasubrahmaneya Rajha Ramco Foundation |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

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

a. **Transactions during the year at Arm's length basis or its equivalent**

Rs. in Crores

| S. No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | **Sale of Goods – Cement & Dry Mortar** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 11.78 | 14.28 |
| | Rajapalayam Mills Limited | 0.12 | 0.20 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sandhya Spinning Mill Limited | 0.03 | 0.01 |
| | Sri Harini Textiles Limited | 0.00 | - |
| | The Ramaraju Surgical Cotton Mills Limited | 0.14 | 0.11 |
| | Rajapalayam Textile Limited | 0.02 | 0.01 |
| | Sri Vishnu Shankar Mill Limited | 0.05 | 0.05 |
| | ***Other entities over which there is a significant influence*** | | |
| | Gowrihouse Metal Works LLP | 0.00 | - |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel International Limited | 0.99 | 0.73 |
| | Coromandel Engineering Company Limited | 4.45 | 1.34 |
| | ***Relative of Key Management Personnel*** | | |
| | B. Sri Sandhya Raju | - | 0.00 |
| | **Total** | **17.58** | **16.73** |
| 2 | **Sale of Goods – Flyash and Scrap** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.20 | 0.63 |
| | Rajapalayam Mills Limited | 0.01 | - |
| | **Total** | **0.21** | **0.63** |
| 3 | **Purchase of Goods – Fibre Sheet and Silicate Boards, Packing materials & Raw materials** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.14 |
| | Rajapalayam Mills Limited | 0.00 | 0.00 |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel International Limited | - | 0.01 |
| | **Total** | **0.00** | **0.15** |
| 4 | **Purchase of Goods - Diesel and Petrol** | | |
| | ***Other entities over which there is a significant influence*** | | |
| | Smt. Lingammal Ramaraju Shastra Prathishta Trust | 17.70 | 0.95 |
| | PACR Sethuramammal Charity Trust | 1.21 | 1.49 |
| | Ramco Welfare Trust | 5.99 | 1.72 |
| | PAC Ramasamy Raja Centenary Trust | 11.22 | 0.14 |
| | PACR Sethuramammal Charities | 0.22 | 0.19 |
| | Shri Abhinava Vidya Theertha Seva Trust | 0.39 | 0.34 |
| | **Total** | **36.73** | **4.83** |
| 5 | **Purchase of Goods – Magazine** | | |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Shri Harini Media Limited | 0.27 | 0.25 |
| | **Total** | **0.27** | **0.25** |
| 6 | **Purchase of Goods - Stores and Spares** | | |
| | ***Other entity over which there is a significant influence*** | | |
| | R. Sudarsanam & Co. | 0.09 | 0.07 |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| S. No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | The Ramaraju Surgical Cotton Mills Limited | 0.00 | - |
| | **Total** | **0.09** | **0.07** |
| 7 | **Purchase of RoDTEP Scrips & Verified Carbon Credits** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.32 |
| | Rajapalayam Mills Limited | 0.42 | 1.11 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | The Ramaraju Surgical Cotton Mills Limited | - | 0.11 |
| | Sandhya Spinning Mill Limited | 0.43 | 0.11 |
| | Sri Vishnu Shankar Mill Limited | 0.40 | 0.18 |
| | **Total** | **1.25** | **1.83** |
| 8 | **Receiving of Services – Transportation** | | |
| | ***Subsidiaries*** | | |
| | Ramco Industrial and Technology Services Limited | 17.73 | 18.15 |
| | **Total** | **17.73** | **18.15** |
| 9 | **Receiving of Services – Manpower Supply** | | |
| | ***Subsidiaries*** | | |
| | Ramco Industrial and Technology Services Limited | 16.29 | 14.16 |
| | **Total** | **16.29** | **14.16** |
| 10 | **Receiving / Sharing of Services – Advertisement / Workshop / Sponsorship / AMC / Others** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.06 | 0.07 |
| | Rajapalayam Mills Limited | - | 0.01 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Shri Harini Media Limited | 0.11 | 0.12 |
| | **Total** | **0.17** | **0.20** |
| 11 | **Receiving of Services – Software Related Services** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 10.71 | 15.03 |
| | **Total** | **10.71** | **15.03** |
| 12 | **Receiving of Services – Air Charter Services** | | |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | 45.43 | 31.46 |
| | **Total** | **45.43** | **31.46** |
| 13 | **Usage charges received for Power Consumed by virtue of Joint Ownership of Shares with APGPCL** | | |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Harini Textiles Limited | - | 0.02 |
| | **Total** | **-** | **0.02** |
| 14 | **Leasing Arrangements – Rent Received** | | |
| | ***Subsidiaries*** | | |
| | Ramco Windfarms Limited | 0.09 | 0.09 |
| | Ramco Industrial and Technology Services Limited | 0.01 | 0.01 |
| | ***Associates*** | | |
| | Ramco Systems Limited | 9.30 | 9.30 |
| | Ramco Industries Limited | 0.09 | 0.21 |
| | Rajapalayam Mills Limited | 0.00 | 0.00 |
| | Madurai Trans Carrier Limited | 0.01 | 0.01 |
| | Lynks Logistics Limited | 1.00 | 0.99 |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| S. No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Harini Textiles Limited | 0.00 | 0.00 |
| | The Ramaraju Surgical Cotton Mills Limited | 0.00 | 0.00 |
| | ***Other entity over which there is a significant influence*** | | |
| | Raja Charity Trust | 0.54 | 0.52 |
| | PAC Ramasamy Raja Centenary Trust | 0.02 | 0.02 |
| | Shri Abhinava Vidya Theertha Seva Trust | 0.01 | 0.01 |
| | The Ramco Cements Limited Educational and Charitable Trust | 0.04 | 0.02 |
| | **Total** | **11.11** | **11.18** |
| 15 | **Leasing Arrangements – Rent Paid** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.13 | 0.13 |
| | ***Relative of Key Management Personnel*** | | |
| | A.V. Dharmakrishnan (HUF) | 0.07 | 0.07 |
| | ***Other entity over which there is a significant influence*** | | |
| | Raja Charity Trust | 0.00 | 0.00 |
| | **Total** | **0.20** | **0.20** |
| 16 | **Dividend received** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 1.34 | - |
| | Rajapalayam Mills Limited | 0.00 | 0.00 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Vishnu Shankar Mill Limited | 0.00 | - |
| | **Total** | **1.34** | **0.00** |
| 17 | **Dividend Paid** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja | 0.52 | - |
| | A.V. Dharmakrishnan | 0.00 | - |
| | S. Vaithiyanathan | 0.01 | - |
| | K. Selvanayagam | 0.01 | - |
| | ***Relative of Key Management Personnel*** | | |
| | A.V. Dharmakrishnan (HUF) | 0.13 | - |
| | R. Sudarsanam | 0.39 | - |
| | R. Nalina Ramalakshmi | 0.58 | - |
| | S. Saradha Deepa | 0.51 | - |
| | ***Associates*** | | |
| | Ramco Industries Limited | 15.14 | - |
| | Rajapalayam Mills Limited | 9.79 | - |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Vishnu Shankar Mill Limited | 0.93 | - |
| | The Ramaraju Surgical Cotton Mills Limited | 0.99 | - |
| | Sudharsanam Investments Limited | 0.89 | - |
| | Ramco Management Private Limited | 0.14 | - |
| | **Total** | **30.03** | **-** |
| 18 | **Remuneration to Key Management Personnel (Sitting Fees / ESOP considered separately)** | | |
| | P.R.Venketrama Raja | 24.21 | 42.18 |
| | A.V. Dharmakrishnan | 17.24 | 16.42 |
| | S. Vaithiyanathan | 2.05 | 1.81 |
| | K. Selvanayagam | 1.45 | 1.35 |
| | **Total** | **44.95** | **61.76** |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| S. No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 19 | **ESOP Perquisites on exercise of stock options** | | |
| | ***Key Management Personnel*** | | |
| | A.V. Dharmakrishnan | - | 19.01 |
| | S. Vaithiyanathan | - | 3.20 |
| | K. Selvanayagam | - | 2.27 |
| | **Total** | **-** | **24.48** |
| 20 | **Sitting Fees** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja | 0.12 | 0.09 |
| | R.S. Agarwal | 0.11 | 0.08 |
| | M.B.N. Rao | 0.12 | 0.07 |
| | M.M. Venkatachalam | 0.11 | 0.10 |
| | M.F. Farooqui | 0.06 | 0.04 |
| | Justice Chitra Venkataraman (Retd.) | 0.07 | 0.05 |
| | M.S. Krishnan | 0.05 | 0.04 |
| | **Total** | **0.64** | **0.47** |
| 21 | **Purchase of Fixed Assets / Receiving of Capital Goods / Services** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.09 | - |
| | Madurai Trans Carrier Limited | 0.03 | - |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 32.94 | 16.89 |
| | **Total** | **33.06** | **16.89** |
| 22 | **Sale of Fixed Assets** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 0.13 | - |
| | Rajapalayam Mills Limited | - | 0.05 |
| | ***Other entities over which there is a significant influence*** | | |
| | The Ramco Cements Limited Educational and Charitable Trust | 0.07 | - |
| | **Total** | **0.20** | **0.05** |
| 23 | **Interest Received / (Paid)** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja [Interest Rate: 7.25% (PY: 3.50%)] | (0.04) | (0.09) |
| | ***Subsidiaries*** | | |
| | Ramco Windfarms Limited [Interest Rate: 10% (PY: 10%)] | 1.20 | 1.66 |
| | Ramco Industrial & Technology Services Limited [Interest Rate: 10% (PY: 10%)] | 1.28 | 0.92 |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited [Interest Rate: 10% (PY: 10%)] | 1.65 | 5.07 |
| | **Total** | **4.09** | **7.56** |
| 24 | **CSR / Donations given** | | |
| | ***Other entities over which there is a significant influence*** | | |
| | Ramasubrahmaneya Rajha Ramco Foundation | 0.56 | 1.18 |
| | PACR Sethuramammal Charity Trust | 0.02 | - |
| | PAC Ramasamy Raja Education Charity Trust | - | 2.77 |
| | Raja Charity Trust | 1.64 | - |
| | **Total** | **2.22** | **3.95** |
| 25 | **Contribution to Superannuation Fund / Gratuity Fund** | | |
| | ***Employee Benefit Funds where Control Exists*** | | |
| | The Ramco Cements Limited Officers' Superannuation Fund | 10.95 | 9.96 |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| S. No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| | The Ramco Cements Limited Employees' Gratuity Fund | 10.48 | 7.69 |
| | **Total** | **21.43** | **17.65** |
| 26 | **Investment in Equity Shares during the year** | | |
| | ***Associates*** | | |
| | Rajapalayam Mills Limited | 0.52 | 0.43 |
| | **Total** | **0.52** | **0.43** |
| 27 | **Maximum amount of loans outstanding during the year** | | |
| | ***Subsidiaries*** | | |
| | Ramco Windfarms Limited | 15.43 | 19.78 |
| | Ramco Industrial & Technology Services Limited | 14.60 | 11.71 |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | 91.54 | 57.09 |
| | **Total** | **121.57** | **88.58** |
| 28 | **Share of Enterprise Agreement License System for Microsoft Products** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.11 | 0.05 |
| | Rajapalayam Mills Limited | 0.37 | 0.17 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sandhya Spinning Mill Limited | 0.13 | 0.07 |
| | Sri Harini Textiles Limited | - | 0.01 |
| | Sri Vishnu Shankar Mill Limited | 0.15 | 0.08 |
| | The Ramaraju Surgical Cotton Mills Limited | 0.20 | 0.07 |
| | Rajapalayam Textile Limited | 0.04 | 0.03 |
| | **Total** | **1.00** | **0.48** |
| 29 | **Rendering of Services – supply of manpower on deputation and other services** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 0.34 | 2.04 |
| | Ramco Industries Limited | 0.42 | 0.53 |
| | Rajapalayam Mills Limited | 0.25 | 0.38 |
| | Madurai Trans Carrier Limited | 0.35 | 0.26 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | The Ramaraju Surgical Cotton Mills Limited | - | 0.03 |
| | Sandhya Spinning Mill Limited | - | 0.03 |
| | Sri Vishnu Shankar Mill Limited | - | 0.05 |
| | ***Other entities over which there is a significant influence*** | | |
| | The Ramco Cements Limited Educational and Charitable Trust | 0.04 | 0.03 |
| | **Total** | **1.40** | **3.35** |
| 30 | **Loans given / (repaid) during the year, net** | | |
| | ***Subsidiaries*** | | |
| | Ramco Windfarms Limited | (4.60) | (4.60) |
| | Ramco Industrial and Technology Services Limited | 0.48 | 2.93 |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | (52.84) | 22.15 |
| | ***Key Management Personnel*** | | |
| | A.V. Dharmakrishnan | 4.00 | (0.00) |
| | S. Vaithiyanathan | (0.01) | 0.03 |
| | **Total** | **(52.97)** | **20.51** |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

**b. Transactions during the year not on Arm's length basis**

Rs. in Crores

| S. No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | **Sale of Goods – Cement** | | |
| | ***Other entities over which there is a significant influence*** | | |
| | Raja Charity Trust | 0.03 | 0.00 |
| | PAC Ramasamy Raja Education Charity Trust | 0.01 | 0.09 |
| | PACR Sethuramammal Charities | 0.00 | 0.01 |
| | **Total** | **0.04** | **0.10** |

**c. Outstanding balances including commitments**

Rs. in Crores

| S. No. | Nature of Outstanding Balances, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | **Trade Receivables** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.00 |
| | Ramco Systems Limited | - | 0.77 |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 0.66 | 0.61 |
| | Coromandel International Limited | 0.15 | 0.13 |
| | **Total** | **0.81** | **1.51** |
| 2 | **Loans** | | |
| | ***Subsidiaries*** | | |
| | Ramco Windfarms Limited | 10.23 | 14.83 |
| | Ramco Industrial and Technology Services Limited | 11.31 | 10.83 |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | - | 52.84 |
| | **Total** | **21.54** | **78.50** |
| 3 | **Security Deposits / Advances given towards goods or services** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.05 | 0.05 |
| | Madurai Trans Carrier Limited | 6.66 | 8.92 |
| | ***Other entities over which there is a significant influence*** | | |
| | Smt. Lingammal Ramaraju Shastra Prathishta Trust | 1.30 | 1.03 |
| | PACR Sethuramammal Charity Trust | 1.95 | 1.50 |
| | Ramco Welfare Trust | 1.11 | 0.77 |
| | PACR Sethuramammal Charities | 0.45 | 0.40 |
| | PAC Ramasamy Raja Centenary Trust | 0.18 | 0.21 |
| | Shri Abhinava Vidya Theertha Seva Trust | - | 0.02 |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | - | 0.44 |
| | **Total** | **11.70** | **13.34** |
| 4 | **Borrowings** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja | 0.14 | 0.09 |
| | **Total** | **0.14** | **0.09** |
| 5 | **Security Deposits received by virtue of Joint Ownership of shares with APGPCL** | | |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Harini Textiles Limited | 0.12 | 0.12 |
| | **Total** | **0.12** | **0.12** |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| S. No. | Nature of Outstanding Balances, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 6 | **Security Deposit received towards lease arrangement** | | |
| | ***Subsidiaries*** | | |
| | Ramco Windfarms Limited | 0.00 | 0.00 |
| | Ramco Industrial and Technology Services Limited | 0.01 | 0.01 |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.08 |
| | Lynks Logistics Limited | 0.02 | 0.02 |
| | Madurai Trans Carrier Limited | 0.00 | 0.00 |
| | **Total** | **0.03** | **0.11** |
| 7 | **Corporate Guarantees given to lenders of Related parties [Refer Note(c) below]** | | |
| | ***Other entity over which there is a significant influence*** | | |
| | Raja Charity Trust | 100.00 | 100.00 |
| | **Total** | **100.00** | **100.00** |
| 8 | **Trade Payables** | | |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 0.11 | - |
| | ***Other entity over which there is a significant influence*** | | |
| | Shri Abhinava Vidya Theertha Seva Trust | 0.21 | - |
| | **Total** | **0.32** | **-** |
| 9 | **Payables for Capital Goods** | | |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 0.40 | - |
| | **Total** | **0.40** | **-** |
| 10 | **Loans (as per company's policy for employees)** | | |
| | ***Key Management Personnel*** | | |
| | A.V. Dharmakrishnan | 4.00 | 0.00 |
| | S. Vaithiyanathan | 0.05 | 0.06 |
| | **Total** | **4.05** | **0.06** |
| 11 | **Advance received against sale of Fixed Assets** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 1.05 | - |
| | **Total** | **1.05** | **-** |

***Notes***

*(a) The above outstanding balances at the respective reporting dates are unsecured and settlement occurs in cash in case of loans and security deposits, or through provision of goods / services, in case of unadjusted advances.*

*(b) The Company has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand; or without specifying any terms or period of repayment.*

*(c) The Loan balance with Banks by the related parties, on the strength of the Corporate Guarantees given by the company are furnished* below:

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Raja Charity Trust* | *-* | *5.75* |

# Notes to the Separate Financial Statements
for the year ended 31st March 2023

**Key Management Personnel compensation in total and for each of the following categories:**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Short – Term Benefits | 44.93 | 61.60 |
| Defined Contribution Plan | 0.66 | 0.63 |
| Fair value of ESOP given to KMPs | Refer Note (c) below | |
| Defined Benefit Plan / Other Long-term benefits | Refer Note (d) below | |
| **Total** | **45.59** | **62.23** |

***Notes***

*(a) Short-Term Benefits comprises of salaries, bonus, sitting fees, and value of perquisites excluding value of ESOP perquisites.*

*(b) Defined Contribution Plan comprises of contribution to Provident fund and Superannuation fund.*

*(c) The amortized fair value of ESOP pertaining KMPs for the year ended 31st March 2023 included under the head 'Employee Stock Option Expenses' is Nil (PY: Rs. 5.72 Crores).*

*(d) 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.*

## 56 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**

Rs. in Crores

| Particulars | Amortised Cost | FVTPL | FVTOCI | Carrying Amount | Fair Value |
|---|---|---|---|---|---|
| **As at 31-03-2023** | | | | | |
| **Financial Assets** | | | | | |
| Other Investments | - | 0.82 | 27.50 | 28.32 | 28.32 |
| Loans | 49.21 | - | - | 49.21 | 49.21 |
| Trade Receivables | 464.96 | - | - | 464.96 | 464.96 |
| Cash and Bank Balances | 168.59 | - | - | 168.59 | 168.59 |
| Other Financial Assets | 250.80 | - | - | 250.80 | 250.80 |
| **Financial Liabilities** | | | | | |
| Borrowings | 4,487.42 | - | - | 4,487.42 | 4,487.42 |
| Lease Liabilities | 19.69 | - | - | 19.69 | 19.69 |
| Trade Payables | 637.26 | - | - | 637.26 | 637.26 |
| Other Financial Liabilities | 1,145.70 | 0.23 | - | 1,145.93 | 1,145.93 |
| **As at 31-03-2022** | | | | | |
| **Financial Assets** | | | | | |
| Other Investments | - | 0.78 | 27.02 | 27.80 | 27.80 |
| Loans | 105.42 | - | - | 105.42 | 105.42 |
| Trade Receivables | 349.77 | - | - | 349.77 | 349.77 |
| Cash and Bank Balances | 176.04 | - | - | 176.04 | 176.04 |
| Other Financial Assets | 183.35 | - | - | 183.35 | 183.35 |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| Particulars | Amortised Cost | FVTPL | FVTOCI | Carrying Amount | Fair Value |
|---|---|---|---|---|---|
| **Financial Liabilities** | | | | | |
| Borrowings | 3,929.95 | - | - | 3,929.95 | 3,929.95 |
| Lease Liabilities | 19.72 | - | - | 19.72 | 19.72 |
| Trade Payables | 483.59 | - | - | 483.59 | 483.59 |
| Other Financial Liabilities | 902.85 | - | - | 902.85 | 902.85 |

***Note:*** *Though investments in subsidiaries and associates are presented within 'Financial Assets,' Ind AS 107 disclosure requirements are not applicable.*

**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:

Rs. in Crores

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Instruments at FVTOCI** | | | | |
| ***Investments in listed equity securities*** | | | | |
| **As at 31-03-2023** | 5.37 | - | - | 5.37 |
| As at 31-03-2022 | 4.89 | - | - | 4.89 |
| ***Investment in unlisted securities*** | | | | |
| **As at 31-03-2023** | - | - | 22.13 | 22.13 |
| As at 31-03-2022 | - | - | 22.13 | 22.13 |
| **Financial Instruments at FVTPL** | | | | |
| ***Investment in mutual funds*** | | | | |
| **As at 31-03-2023** | 0.82 | - | - | 0.82 |
| As at 31-03-2022 | 0.78 | - | - | 0.78 |
| ***Foreign Exchange Forward Contracts, not designated as hedges (Derivative Liability)*** | | | | |
| **As at 31-03-2023** | - | 0.23 | - | 0.23 |
| As at 31-03-2022 | - | - | - | - |

***Notes***

*(a) The Company designates certain equity shares at FVTOCI as they are not held for trading purpose and disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.*

*(b) There were no transfers between level 1 and level 2 fair value measurement during the year ended 31-03-2023 and 31-03-2022.*

*(c) There were no movements in the financial instruments categorized under Level 3 during the year ended 31-03-2023 and 31-03-2022.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

**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 / Assumptions |
|---|---|---|
| Investment in Listed securities / Mutual Funds | Market Value | Closing Price as at 31st March in Stock Exchange |
| Investment in Unlisted securities | Discounted Cash Flow Method | Discount Rate of 8.50% p.a (PY: 8.50%) is used to determine the discounted cash flow [Refer Note(a) below] |
| Financial Guarantee Obligation | Differential Interest Rate | Interest rates quote have been obtained from the Banker |
| Foreign Exchange Forward Contracts (Derivative Liability) | Mark to Market | Based on MTM valuations provided by the Banker |

***Notes***

(a) *Assuming cash flows estimated in perpetuity are constant over the period, an increase in 100 bps in the discount rate will decrease the fair value by Rs. 2.33 Crores (PY:Rs. 2.33 Crores) and a decrease in the 100 bps in the discount rate will increase the fair value by Rs. 2.95 Crores (PY: Rs. 2.95 Crores).*

(b) *There were no significant inter-relationships between unobservable inputs that materially affect fair values.*

## 57. 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 |
| | Commodity price 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.

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

***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. In case of institutional segment, credit risks are mitigated by way of enforceable securities. 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. Besides, the Company also avails factoring facility on non-recourse basis by assigning its rights and privileges to the counterparty.

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:

Rs. in Crores

| Particulars | Not Due | Less than 90 days | 90 to 180 days | More than 180 days | Total |
|---|---|---|---|---|---|
| **As at 31-03-2023** | | | | | |
| Gross carrying amount | 285.98 | 18.67 | 14.64 | 151.44 | 470.73 |
| Expected Loss Rate | - | 0.16% | 1.98% | 3.60% | 1.22% |
| Expected Credit Losses | - | 0.03 | 0.29 | 5.45 | 5.77 |
| Carrying amount of trade receivables net of impairment | 285.98 | 18.64 | 14.35 | 145.99 | 464.96 |
| **As at 31-03-2022** | | | | | |
| Gross carrying amount | 198.69 | 25.26 | 15.25 | 116.82 | 356.02 |
| Expected Loss Rate | - | 0.11% | 1.82% | 5.09% | 1.76% |
| Expected Credit Losses | - | 0.03 | 0.28 | 5.94 | 6.25 |
| Carrying amount of trade receivables net of impairment | 198.69 | 25.23 | 14.97 | 110.88 | 349.77 |

**Reconciliation of impairment allowance on trade receivables**

| Particulars | Rs. in Crores |
|---|---|
| Impairment allowance as at 1st April 2021 | 6.80 |
| Less: Change in loss allowance for the year 2021-22 | 0.55 |
| Impairment allowance as at 31st March 2022 | 6.25 |
| Less: Change in loss allowance for the year 2022-23 | 0.48 |
| **Impairment allowance as at 31st March 2023** | **5.77** |

***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. Besides, the Company also avail supplier financing facility through reverse factoring arrangements for early payment to suppliers / service providers and the company shall pay such outstanding to the finance providers on the due date along with interest.

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

***Fund Management***

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:

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Expiring within one year** | | |
| Bank Overdraft and other facilities | 100.29 | 884.62 |
| Term Loans | 375.00 | 250.00 |
| **Expiring beyond one year** | | |
| Term Loans | - | - |

***Note:*** *Undrawn limit in respect of bank overdraft and other facilities has been calculated based on the adequacy of drawing power. In respect of term loans, undrawn limit is reckoned based on available valid sanction letters at each reporting dates.*

***Maturities of Financial Liabilities***

Rs. in Crores

| Nature of Financial Liability | < 1 Year | 1 – 5 Years | >5 years | Total |
|---|---|---|---|---|
| **As at 31-03-2023** | | | | |
| Borrowings from Banks, NCDs, Director | 775.21 | 3,436.90 | 93.70 | 4,305.81 |
| Soft Loan from Government | 50.01 | 64.36 | 43.91 | 158.28 |
| Deferred Sales Tax Liability | 40.04 | 19.93 | - | 59.97 |
| Trade payables | 637.26 | - | - | 637.26 |
| Security Deposits payable | 951.63 | - | - | 951.63 |
| Lease Liabilities | 1.89 | 9.65 | 40.68 | 52.22 |
| Other Financial Liabilities | 194.30 | - | - | 194.30 |
| **As at 31-03-2022** | | | | |
| Borrowings from Banks, NCDs, Director | 1,025.68 | 2,576.22 | 108.75 | 3,710.65 |
| Soft Loan from Government | 30.74 | 108.63 | 13.67 | 153.04 |
| Deferred Sales Tax Liability | 16.24 | 65.16 | - | 81.40 |
| Trade payables | 483.59 | - | - | 483.59 |
| Security Deposits payable | 712.27 | - | - | 712.27 |
| Lease Liabilities | 1.89 | 7.84 | 42.71 | 52.44 |
| Other Financial Liabilities | 190.58 | - | - | 190.58 |

***Notes***

(a) *The above table has been drawn up based on the undiscounted contractual maturities of the financial liabilities.*

(b) *Security deposits do not have a contractual payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above-mentioned maturity analysis, the Company has assumed that these deposits will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount can differ based on the date on which these deposits are settled to the customers.*

***Foreign Currency Risk***

The Company's exposure in USD and other foreign currency denominated transactions in connection with import of capital goods, spares and fuel, 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:

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

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 are detailed below:

| Currency | Trade Payables | Trade and other Receivables | Balance with Banks | Derivative Liability (Forward Contracts) |
|---|---|---|---|---|
| **USD in Millions** | | | | |
| **As at 31-03-2023** | 29.40 | - | - | 2.30 |
| As at 31-03-2022 | 35.99 | - | 0.08 | - |
| **EURO in Millions** | | | | |
| **As at 31-03-2023** | 0.13 | - | - | - |
| As at 31-03-2022 | 0.99 | - | - | - |
| **LKR in Millions** | | | | |
| **As at 31-03-2023** | 0.35 | 4.41 | 40.14 | - |
| As at 31-03-2022 | 0.42 | 4.75 | 38.91 | - |

***Risk sensitivity on foreign currency fluctuation***

Rs. in Crores

| Foreign Currency | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | 1 % Increase | 1% decrease | 1% increase | 1% decrease |
| USD | (-) 2.61 | 2.61 | (-) 2.72 | 2.72 |
| EURO | (-) 0.01 | 0.01 | (-) 0.08 | 0.08 |
| LKR | 0.18 | (-) 0.18 | 0.17 | (-) 0.17 |

***Note:*** *The above sensitivity analysis is based on a change in an interest rate by 100 bps while holding all other things constant for the monetary items outstanding as at the reporting date.*

***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***

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Variable rate borrowings | 2,910.66 | 2,310.88 |
| Fixed rate borrowings | 1,516.79 | 1,537.67 |
| Interest free borrowings | 59.97 | 81.40 |

***Note:*** *The Company does not have any interest rate swap contracts.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

***Sensitivity on Interest rate fluctuation***

Rs. in Crores

| Total Interest Cost in Profit and Loss works out to | 31-03-2023 | 31-03-2022 |
|---|---|---|
| 1% Increase in Interest Rate | 266.87 | 135.51 |
| 1% Decrease in Interest Rate | 214.21 | 89.29 |

***Note:*** *The above sensitivity analysis is based on a change in an interest rate by 100 bps while holding all other things (viz. Availment and Repayment of borrowings) as constant during the reporting period.*

***Commodity price risk***

Commodity price risk arises on account of fluctuations in price of raw materials and fuels viz. coal and pet coke, which are linked to various external factors. Since these are primary costs in cement production, any adverse fluctuation in these prices can lead to significant drop in operating profitability.

To mitigate this risk, the Company closely observe the prices and buy when the prices tend to come down and also taken steps to maintain three to four months inventory to beat the impact of upward cycle of commodity index, usage of other alternate fuels and optimum fuel mix to manage over fuel cost. The Company also enters into long term contracts with suppliers at competitive prices. These processes and procedures are reviewed by the management at regular intervals and measures have been taken to curb it.

***Sensitivity on commodity price fluctuation***

Rs. in Crores

| Nature of Fuel | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | 1 % Increase | 1% decrease | 1% increase | 1% decrease |
| Coal | (-) 2.56 | 2.56 | (-) 2.53 | 2.53 |
| Pet coke | (-) 16.07 | 16.07 | (-) 6.60 | 6.60 |

## 58. Disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006:

The categorization of supplier as MSME registered under the Act under the new definition, has been determined based on the information available with the Company as at the reporting date. The Company has also considered suppliers as MSME who possess the erstwhile MSME certificate for the period upto the reporting date, for the purpose of categorization and disclosures. The disclosures as required under Micro, Small, and Medium Enterprises Development Act, 2006:

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| (a) (i) The principal amount remaining unpaid to any supplier at the end of the financial year included in - | | |
| - Trade Payables | 6.05 | 13.06 |
| - Other Current Financial Liabilities | 0.07 | 7.08 |
| (ii) The interest due on the above | - | - |
| (b) The amount of interest paid by the buyer in terms of section 16 of the Act | - | - |
| (c) The amount of the payment made to the supplier beyond the appointed day during the financial year | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of financial year | - | - |
| (e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act | - | - |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 59 Additional regulatory information as required under Companies Act 2013 / Indian Accounting Standards

### (a) Trade Payables Ageing Schedule

Rs. in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | | | | | | |
| MSME | 4.09 | 1.96 | - | - | - | 6.05 |
| Others | 57.13 | 398.02 | 4.75 | 1.92 | 2.31 | 464.13 |
| Disputed Dues – MSME | - | - | - | - | - | - |
| Disputed Dues – Others | - | - | - | - | 14.07 | 14.07 |
| Unbilled dues | 153.01 | - | - | - | - | 153.01 |
| **Total** | **214.23** | **399.98** | **4.75** | **1.92** | **16.38** | **637.26** |
| **As at 31-03-2022** | | | | | | |
| MSME | 1.91 | 10.68 | 0.24 | 0.14 | 0.09 | 13.06 |
| Others | 15.79 | 245.85 | 3.82 | 1.89 | 1.63 | 268.98 |
| Disputed Dues – MSME | - | - | - | - | - | - |
| Disputed Dues – Others | - | - | - | - | 14.07 | 14.07 |
| Unbilled dues | 187.48 | - | - | - | - | 187.48 |
| **Total** | **205.18** | **256.53** | **4.06** | **2.03** | **15.79** | **483.59** |

### (b) Capital Work-in-Progress Ageing Schedule

Rs. in Crores

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | 1,284.34 | 383.78 | 149.32 | 109.45 | 1,926.89 |
| **As at 31-03-2022** | 1,522.02 | 986.12 | 478.32 | 5.69 | 2,992.15 |

***Note:*** *The Company do not have any projects whose activity has been suspended.*

### (c) Completion Schedule for Capital Work-in-Progress whose completion is overdue or cost exceeded as per the original plan

Rs. in Crores

| Particulars | To be completed in | | | |
|---|---|---|---|---|
| | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years |
| **As at 31-03-2023** | | | | |
| Limestone Stacker and Reclaimer Shed, Cross belt Analyser Conveyor at Jayanthipuram | 122.73 | - | - | |
| Infrastructure for Budawada Mines at Jayanthipuram | 187.86 | - | - | - |
| Integrated Unit in Kalavatala, Andhra Pradesh | 542.70 | - | - | - |
| Railway siding in Kalavatala, Andhra Pradesh | 323.53 | - | - | - |
| Material Handling System, Raw Mill-4, Raw Mill Silo, Limestone Stacker & Reclaimer, Clinker Silo, Truck Tippler at R R Nagar | 394.33 | - | - | - |
| Limestone Benefication Plant at R R Nagar | 63.66 | | | |
| Dry Mortar Plant at Jayanthipuram & Orissa | 67.68 | - | - | - |
| **Total** | **1,702.49** | **-** | **-** | **-** |
| **As at 31-03-2022** | | | | |
| Clinker Line III at Jayanthipuram | 254.67 | - | - | - |
| Grinding Unit in Haridaspur, Odisha | 71.70 | - | - | - |
| Integrated Unit in Kalavatala, Andhra Pradesh | 1,837.49 | 88.61 | - | - |
| Railway siding in Kalavatala, Andhra Pradesh | - | 161.35 | - | - |
| Clinker Line III Ramasamy Raja Nagar | 184.49 | - | - | - |
| Dry Mortar Plant at Ramasamy Raja Nagar, Salem Grinding Plant, Jayanthipuram, Orissa | 79.46 | - | - | - |
| **Total** | **2,427.81** | **249.96** | **-** | **-** |

***Note:*** *Completion is overdue mainly due to pandemic caused by COVID-19 and changes in the scope of work.*

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

(d) **Intangible Asset under development Ageing Schedule**

**Projects in Progress**

Rs. in Crores

| Particulars | Amount in Intangible Assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | 30.96 | 12.23 | 10.91 | 6.34 | 60.44 |
| **As at 31-03-2022** | 20.16 | 15.37 | 2.12 | 4.21 | 41.86 |

(e) **Trade Receivables Ageing Schedule**

Rs. in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months – 1 year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | | | | | | | |
| Undisputed Trade receivables - considered good | 285.98 | 32.99 | 44.31 | 84.40 | 3.46 | 11.46 | 462.60 |
| Undisputed Trade receivables - which have significant increase in credit risk | - | 0.32 | 1.29 | 3.20 | 0.16 | 0.67 | 5.64 |
| Disputed Trade receivables - considered good | - | - | - | 0.05 | - | 2.31 | 2.36 |
| Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | 0.13 | 0.13 |
| **Total** | **285.98** | **33.31** | **45.60** | **87.65** | **3.62** | **14.57** | **470.73** |
| **As at 31-03-2022** | | | | | | | |
| Undisputed Trade receivables - considered good | 198.69 | 40.19 | 53.49 | 37.72 | 2.97 | 13.99 | 347.05 |
| Undisputed Trade receivables - which have significant increase in credit risk | - | 0.31 | 2.19 | 2.20 | 0.21 | 1.14 | 6.05 |
| Disputed Trade receivables - considered good | - | 0.01 | 0.03 | 0.03 | 0.18 | 2.47 | 2.72 |
| Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | 0.01 | 0.19 | 0.20 |
| **Total** | **198.69** | **40.51** | **55.71** | **39.95** | **3.37** | **17.79** | **356.02** |

(f) **Unbilled Revenue Ageing Schedule**

Rs. in Crores

| Particulars | Outstanding for following periods from date of recognition of revenue | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months – 1 year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | 1.34 | - | - | 0.25 | 1.89 | 3.48 |
| **As at 31-03-2022** | 1.70 | - | 0.32 | 0.78 | 1.89 | 4.69 |

*Note: Out of Unbilled Revenue of Rs. 3.48 Crores as at 31-03-2023, a sum of Rs. 2.14 Crores remain unbilled to BESCOM for more than 2 years towards windmill units generated and pumped into the grids for want of confirmation from the counterparty.*

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

**(g) Undisclosed Income**

The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

**(h) Relationship with Struck off Companies**

The Company did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Company.

**(i) Details of Crypto Currency or Virtual Currency**

The Company did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable.

**(j) Benami property**

The Company did not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

**(k)** The Company has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

## 60. The amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress are given below:

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **Pre-operative expenses included in CWIP as at the beginning of the year** | **(A)** | **275.12** | **172.83** |
| **Expenditure incurred during the year** | | | |
| (a) Employee Benefits Expenses | | 21.12 | 28.16 |
| (b) Finance Costs | | 105.92 | 102.41 |
| (c) Depreciation and Amortization expenses | | 0.95 | 3.98 |
| (d) Stores and Spares consumption | | 1.21 | 1.69 |
| (e) Repairs and maintenance | | 4.58 | 2.80 |
| (f) Insurance | | 0.93 | 0.55 |
| (g) Outsourced establishment expenses | | 0.75 | 1.44 |
| (h) Traveling expenses | | 0.14 | 0.16 |
| (i) Lease Rent | | 0.14 | 0.16 |
| (j) Legal and consultancy expenses | | 0.33 | 0.38 |
| (k) IT & Communication expenses | | 0.01 | 0.04 |
| (l) Power | | 9.02 | 9.81 |
| (m) Security Charges | | 1.15 | 1.41 |
| (n) Bank Charges | | 1.02 | - |
| (o) Rates & taxes | | 1.72 | - |
| (p) Miscellaneous expenses | | 2.72 | 3.63 |
| **Sub Total** | **(B)** | **151.71** | **156.62** |
| **Less: Capitalised during the year** | **(C)** | **325.17** | **54.33** |
| **Pre-operative expenses included in CWIP as at the end of the year** | **(A) + (B) - (C)** | **101.66** | **275.12** |

# Notes to the Separate Financial Statements

for the year ended 31st March 2023

## 61. Key Financial Ratios

| Particulars | UOM | 31-03-2023 | 31-03-2022 | Variation in % |
|---|---|---|---|---|
| (a) Current Ratio | In multiple | 1.08 | 1.14 | -5% |
| (b) Debt-Equity Ratio | In multiple | 0.66 | 0.60 | 10% |
| (c) Debt Service Coverage Ratio | In multiple | 1.31 | 1.35 | -3% |
| (d) Return on Equity Ratio | In % | 5% | 15% | -10% |
| (e) Inventory Turnover Ratio | In Days | 39 | 44 | -11% |
| (f) Trade receivables Turnover Ratio | In Days | 18 | 22 | -18% |
| (g) Trade payables Turnover Ratio | In Days | 25 | 26 | -4% |
| (h) Net Capital Turnover Ratio | In Days | 32 | 40 | -20% |
| (i) Net Profit Ratio | In % | 4% | 15% | -11% |
| (j) Return on Capital Employed | In % | 5% | 10% | -5% |
| (k) Return on Investment (Assets) | In % | 2% | 7% | -5% |

***Note:*** *There is no variation beyond 25% in any of the ratios given above*

***Formula adopted for above Ratios:***

*(a) Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)*

*(b) Debt-Equity Ratio = Total Debt / Total Equity*

*(c) Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment excluding prepayments towards debt replacement + Gross Interest)*

*(d) Return on Equity Ratio = Total Comprehensive Income / Average Total Equity*

*(e) Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)*

*(f) Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)*

*(g) Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)*

*(h) Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)*

*(i) Net Profit Ratio = Net Profit / Net Revenue*

*(j) Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))*

*(k) Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets*

## 62. Events after the reporting period – Distribution made and proposed

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Cash Dividends on Equity Shares declared and paid** | | |
| Final dividend for the year ended 31st March 2022: Rs. 3/- per share (For the year ended 31st March 2021: Nil) | 70.96 | - |
| TDS on Dividends included above | 4.85 | - |
| **Proposed Dividends on Equity Shares** | | |
| Final dividend for the year ended 31st March 2023: Rs. 2/- per share (For the year ended 31st March 2022: Rs. 3/- per share) including TDS on dividends | 47.31 | 70.96 |

# Notes to the Separate Financial Statements

**for the year ended 31st March 2023**

## 63. 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 equity plus net debt.

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| Long Term Borrowings | | 3,622.16 | 2,857.29 |
| Short Term Borrowings | | 865.26 | 1,072.66 |
| Less: Cash and Cash Equivalents | | 135.97 | 143.74 |
| **Net Debt** | **(A)** | **4,351.45** | **3,786.21** |
| Equity Share Capital | | 23.63 | 23.63 |
| Other Equity | | 6,769.90 | 6,501.23 |
| **Total Equity** | **(B)** | **6,793.53** | **6,524.86** |
| **Total Capital Employed** | **(C) = (A) + (B)** | **11,144.98** | **10,311.07** |
| **Capital Gearing Ratio** | **(A) / (C)** | **39%** | **37%** |

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 significant breaches in the financial covenants of any interest-bearing loans/borrowing. The Company is not subjected to any externally imposed capital requirements. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2023 and 31-03-2022.

## 64. Closure of foreign branch in Srilanka

The Company has closed the operations of foreign branch in Srilanka effective from 27-07-2021, in view of its unviability. The completion of unwinding activities is in progress. There is no material impact in the financial statements because of closure of said branch operation.

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# CONSOLIDATED
## FINANCIAL STATEMENTS

# Independent Auditor's Report

To the Members of THE RAMCO CEMENTS LIMITED

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the Consolidated Financial Statements of THE RAMCO CEMENTS LIMITED ("the Holding Company"), and its subsidiaries (collectively referred to as "the Company" or "the Group") and its associates, comprising of the consolidated balance sheet as at 31st March 2023, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2023, and the consolidated profit/loss, and its consolidated cash flows for the year ended and consolidated changes in the equity on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| S. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 1 | **Evaluation of uncertain Tax Position / Other contingent liabilities**<br><br>The Company has material uncertain tax position in respect of possible or actual taxation disputes, litigations and claims and other contingent liabilities. The provisions are estimated using a significant degree of management judgment in interpreting the various relevant rules, regulations and practices and in considering precedents in various legal forums.<br><br>**(Refer to Note No. 48.2.1 to 48.2.22 to the Separate Financial Statements)** | **Principal Audit Procedures**<br><br>The Audit addressed this Key Audit Matter by assessing the adequacy of tax provisions by reviewing the management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes.<br><br>We reviewed the significant litigations and claims and discussed with the Company's legal counsel, external advisors about their views regarding the likely outcome and magnitude of and exposure to relevant litigation and claims.<br><br>We also reviewed to relevant judgements and the opinions given by the company's advisers, which were relied on by the management for such claims.<br><br>Furthermore we assessed the adequacy and appropriateness of the disclosures in the Consolidated Financial Statements. |

| S. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 2 | **Disputes and potential litigations**<br><br>The Competition Commission of India (CCI) vide its order dated 31st August 2016 had imposed a penalty of Rs. 258.63 Crores on the company towards alleged cartelisation. The Company's appeal along with other cement companies had been dismissed by NCLAT vide its order dated 25th July 2018. Against the order, the Company appealed to the Hon'ble Supreme Court, which by its order dated 05th October 2018 admitted the appeal and directed to continue the interim order passed by NCLAT. Accordingly, the Company has re-deposited Rs. 25.86 Crores being 10% of the penalty. The Company, backed by legal opinion, believes that it has a good case and hence no provision is made. Management Judgement is involved in considering the probability of the claim being successful and we have accordingly designated this as a focus area of the audit.<br><br>**(Refer to Note No. 48.2.6 to the Separate Financial Statements)** | **Principal Audit Procedures**<br><br>In response to the risk of completeness of the disclosures and probability of claim being successful, we reviewed the legal advice obtained by the management from external legal advisor. We discussed the case with Management and reviewed the related documents. We also reviewed the stand taken by other companies in the cement industry who are all also involved in this issue. We reviewed the disclosures for completeness based on our audit procedures. |
| 3 | **Existence and impairment of Trade Receivables**<br><br>Trade Receivables are significant to the Company's financial statements. The Collectability of trade receivables is a key element of the company's working capital management, which is managed on an ongoing basis by its management. Due to the nature of the Business and the requirements of customers, various contract terms are in place, there is a risk that the carrying values may not reflective of their recoverable amounts as at the reporting date, which would require an impairment provision. Where there are indicators of impairment, the company undertakes assessment of the recoverability of the amounts. Given the magnitude and inherent uncertainty involved in the judgement, involved in estimating impairment assessment of trade receivables, we have identified this as a key audit matter.<br><br>**(Refer to Note No. 18 to the Consolidated Financial Statements)** | **Principal Audit Procedures**<br><br>We performed audit procedures on the assessment of trade receivables, which included substantive testing of revenue transactions, obtaining trade receivable external confirmations and testing the subsequent payments received. Assessing the impact of impairment on trade receivables requires judgement and we evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, assessing significant overdue individual trade receivables and specific local risks, combined with the legal documentations, where applicable.<br><br>We also reviewed the system of obtaining monthly confirmation from the customers, which are kept in electronic mode by the company.We tested the timing of revenue and trade receivables recognition based on the terms agreed with the customers. We also reviewed, on a sample basis, terms of the contract with the customers, invoices raised, etc., as a part of our audit procedures.<br><br>Furthermore we assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements. |

| S. No. | Key Audit Matters | Auditor's Response |
|---|---|---|
| 4 | **Evaluation of Carrying value of Non-Current Investments**<br><br>The Company has Non-Current Investments in unlisted associates and other companies, amounting to Rs. 25.74 Crores as at 31st March 2023 which is 9.44% of the total non-current investments of the company. The Company's investments in associates are accounted using equity method less any impairment. These investments are assessed for impairment when an indicator of impairment exists. The management assess annually the existence of impairment indicators of each unlisted investment and assessed that there is no impairment in the value of such investment as on balance sheet date, except for reduction in the investments by virtue of share of loss in associates. The processes and methodologies for valuation and identification of impairment in the value of investments of unlisted companies requires application of significant judgment by the Company. The judgment has to be made with respect to the timing, quantity and estimation of future discounted cash flows of the unlisted entities. It involves significant estimates and judgment by the management because of the inherent uncertainty involved in forecasting the investee's future performance and discounting future cash flows. We consider the valuation and assessment of impairment in value of such investments to be significant to the audit, because of the materiality of the value of investments in the separate financial statements of the Company and estimates and judgments involved in assessing the various unobservable valuation inputs like estimating the future cash flows. Accordingly, the valuation and assessment of impairment value in such investments of unlisted entities is determined to be key audit matter in our audit of the Consolidated Financial Statements.<br><br>**(Refer to Note No. 12 and 13 to the Consolidated Financial Statements)** | We examined the policies and methodologies used by the management to estimate the carrying value of each investment.<br><br>We evaluated the assessment techniques for forecasting the future cash flows and revenue estimates used by the management to assess the future prospect of the investee companies.<br><br>We examined the report of the valuation experts furnished to us by the management for the valuation of the business to assess the investment value in unlisted companies.<br><br>We reviewed and compared the estimates made by the management with the externally available industry data. |

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

The Holding Company's management and board of directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

In preparing the consolidated financial statements, the respective Management and Board of Directors of the entities included in the Group and of its associates are responsible for assessing the ability of each entity and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness this assumptions. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and Subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

## Other Matters

(a) The Consolidated Financial Statements includes financial performance of a foreign branch which reflects total assets of Rs. 1.12 Crores, total revenue of Rs. Nil and net cash inflow amounting to Rs. 0.48 Lakhs for the year ended on 31st March 2023, which was audited by independent auditors in accordance with the regulations of that country and whose report has been furnished to us and has been considered in the consolidated financial statements solely based on such audited financial statements. The operations of the Foreign Branch in Sri Lanka are closed with effect from 27th July 2021 and the completion of winding up activities is in progress. The Management has assessed that, there is no material impact on the financial statements on account of the winding up of the branch.

**(Refer to Note No. 66 to the Consolidated Financial Statements).**

(b) The Consolidated financial statement includes financial statements of Two subsidiaries which reflect the total assets of Rs. 56.89 Crores as at 31st March 2023 the total revenue of Rs. 53.64 Crores and net cash outflow of Rs. 70 Lakhs for the year ended 31st March 2023, which were audited by another independent auditors whose report has been furnished to us.

(c) The audited financial statements as per Ind AS of ONE associate company included in the consolidated annual financial results year to date, whose financial statements reflect the Group's share of net profit/(loss) after tax of Rs. (35.24 Crores) for the year ended 31st March 2023. This associate has been audited by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of the other auditor.

We did not audit the financial statements of FOUR associate companies included in the consolidated financial results year to date, whose consolidated financial statements reflect the Group's share of total net profit after tax of Rs. 8.00 Crores for the year ended 31st March, 2023. These financial statements as per Ind AS and other financial information are un-audited and have been furnished to us by the management, and our opinion is based solely on the financial results year to date, to the extent they have been derived from such un-audited financial statements.

Our opinion on the statement is not modified in respect of these matters.

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

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

(e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2023 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** , which is based on the auditor's reports of the company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reason stated there in.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16)of the Act, as amended.

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

(i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India during the year ended 31st March 2023.

iv. (a) The respective Management of the Holding Company and its subsidiaries incorporated in India whose financial statements/financial information have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Management of the Holding Company and its subsidiaries incorporated in India whose financial statements/financial information have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provide under (a) and (b) above, contain any material mis-statement.

v. As stated in Note No. 64 to the consolidated financial statements, the final dividend proposed in the previous year, declared and paid by the holding company during the year is in accordance with Section 123 of the Act, as applicable. The Board of Directors of the Holding Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trial (edit log) facility is applicable with effect from 01st April 2023 to the Holding Company, subsidiaries and associates which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not appliable for the financial year ended 31st March 2023.

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

**P. SANTHANAM**
Partner
Membership No.: 018697
UDIN: 23018697BGVDMA2101

Place: Chennai
Date: 18th May 2023

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

**M. VIJAYAN**
Partner
Membership No.: 026972
UDIN: 23026972BGWGLB6260

# "Annexure A" to the Independent Auditor's Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Holding Company on the consolidated financial statements for the year ended 31 March 2023, we report the following:

(xxi) The Companies (Auditor's Report) Order (CARO) report of the Holding Company did not include any unfavorable answers or qualifications or adverse remarks. According to the information and explanations given to us, in respect of the following subsidiary and associate companies incorporated in India and included in the consolidated financial statements, we give below details:

| Sl. No | Particulars | CIN | Guarantees | Qualifications or Adverse Remarks by the Auditors | Clause Number of the CARO report which is qualified or adverse |
|---|---|---|---|---|---|
| 1 | Ramco Windfarms Limited | U40109TN2013PLC093905 | Subsidiary | There are no qualifications/adverse remarks by the Auditors | |
| 2 | Ramco Industrial and Technology Services Limited | U74999TN2002PLC048773 | Subsidiary | There are no qualifications/adverse remarks by the Auditors | |
| 3 | Ramco Industries Limited | L26943TN1965PLC005297 | Associate | CARO report has not been issued by the Auditors for 31st March 2023. | |
| 4 | Ramco Systems Limited | L72300TN1997PLC037550 | Associate | There are no qualifications/adverse remarks by the Auditors | |
| 5 | Rajapalayam Mills Limited | L17111TN1936PLC002298 | Associate | CARO report has not been issued by the Auditors for 31st March 2023. | |
| 6 | Madurai Trans Carrier Limited | U62100TN2013PLC094059 | Associate | CARO report has not been issued by the Auditors for 31st March 2023. | |
| 7 | Lynks Logistics Limited | U60200TN2015PLC103367 | Associate | CARO report has not been issued by the Auditors for 31st March 2023. | |

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

**P. SANTHANAM**
Partner
Membership No.: 018697
UDIN: 23018697BGVDMA2101

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

**M. VIJAYAN**
Partner
Membership No.: 026972
UDIN: 23026972BGWGLB6260

Place: Chennai
Date: 18th May 2023

# "Annexure B" to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated financial statements of The Ramco Cements Limited (The Holding Company) as of and for the year ended 31st March 2023, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

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

## Auditors' Responsibility

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, based on the test checks conducted by us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 015041S

**P. SANTHANAM**
Partner
Membership No.: 018697
UDIN: 23018697BGVDMA2101

Place: Chennai
Date: 18th May 2023

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration No.: 005333S

**M. VIJAYAN**
Partner
Membership No.: 026972
UDIN: 23026972BGWGLB6260

# Consolidated Balance Sheet

as at 31st March 2023

Rs. in Crores

| Particulars | Note No. | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Property, Plant and Equipment | 7 | 9,976.02 | 7,575.46 |
| Capital Work in Progress | 8 | 1,926.89 | 2,992.15 |
| Investment Property | 9 | 128.92 | 130.37 |
| Intangible Assets | 10 | 89.59 | 66.95 |
| Intangible Assets under Development | 11 | 60.44 | 41.86 |
| Investments in Associates | 12 | 244.38 | 269.29 |
| Financial Assets | | | |
| *Other Investments* | 13 | 28.32 | 27.80 |
| *Loans* | 14 | 14.98 | 66.22 |
| *Other Financial Assets* | 15 | 36.61 | 29.05 |
| Deferred Tax Assets, net | 30 | 2.39 | 1.05 |
| Other Non-Current Assets | 16 | 199.33 | 250.96 |
| | | **12,707.87** | **11,451.16** |
| **Current Assets** | | | |
| Inventories | 17 | 883.61 | 834.47 |
| Financial Assets | | | |
| *Trade Receivables* | 18 | 465.10 | 350.71 |
| *Cash and Cash Equivalents* | 19 | 137.71 | 146.18 |
| *Bank Balances other than Cash and Cash Equivalents* | 20 | 32.62 | 32.30 |
| *Loans* | 21 | 12.77 | 13.62 |
| *Other Financial Assets* | 22 | 216.28 | 158.19 |
| Current Tax Assets, net | 23 | 0.55 | 0.74 |
| Other Current Assets | 24 | 138.23 | 171.16 |
| | | **1,886.87** | **1,707.37** |
| **Total Assets** | | **14,594.74** | **13,158.53** |
| **EQUITY & LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 25 | 23.63 | 23.63 |
| Other Equity | 26 | 6,837.43 | 6,594.96 |
| **Equity attributable to the Equity shareholders** | | **6,861.06** | **6,618.59** |
| Non-controlling Interests | 26a | 7.00 | 6.77 |
| | | **6,868.06** | **6,625.36** |
| **Non Current Liabilities** | | | |
| Financial Liabilities | | | |
| *Borrowings* | 27 | 3,622.16 | 2,857.29 |
| *Lease Liabilities* | 28 | 19.48 | 19.58 |
| Provisions | 29 | 53.34 | 41.25 |
| Deferred Tax Liabilities, net | 30 | 927.43 | 822.29 |
| Deferred Government Grants | 31 | 16.18 | 10.07 |
| | | **4,638.59** | **3,750.48** |
| **Current Liabilities** | | | |
| Financial Liabilities | | | |
| *Borrowings* | 32 | 865.26 | 1,072.66 |
| *Lease Liabilities* | 33 | 0.21 | 0.14 |
| *Trade Payables* | 34 | | |
| *- Total outstanding dues of micro enterprises and small enterprises* | | 6.05 | 13.06 |
| *- Total outstanding dues of creditors other than micro enterprises and small enterprises* | | 632.53 | 472.05 |
| *Other Financial Liabilities* | 35 | 1,146.03 | 902.98 |
| Other Current Liabilities | 36 | 393.54 | 272.66 |
| Provisions | 37 | 40.96 | 37.57 |
| Deferred Government Grants | 38 | 2.51 | 1.38 |
| Current Tax Liabilities, net | 39 | 1.00 | 10.19 |
| | | **3,088.09** | **2,782.69** |
| **Total Equity and Liabilities** | | **14,594.74** | **13,158.53** |
| *Significant Accounting Policies, Judgments and Estimates* | *1 - 6* | | |
| *See accompanying notes to the Financial Statements* | *7 - 66* | | |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**S. VAITHIYANATHAN**
Chief Financial Officer

**P.SANTHANAM**
Partner
Membership No. 018697

**M. VIJAYAN**
Partner
Membership No. 026972

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Consolidated Statement of Profit and Loss

**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | Note No. | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 40 | 8,157.26 | 6,003.69 |
| Other Income | 41 | 32.93 | 28.00 |
| **Total Income** | | **8,190.19** | **6,031.69** |
| **EXPENSES** | | | |
| Cost of Materials Consumed | 42 | 1,357.07 | 896.80 |
| Purchase of Stock-in-Trade | | 0.19 | - |
| Changes in Inventories of Finished Goods and Work-in-progress | 43 | (14.10) | (6.41) |
| Employee Benefits Expense | 44 | 482.48 | 477.46 |
| Finance Costs | 45 | 240.52 | 112.40 |
| Depreciation and Amortization Expense | 46 | 505.98 | 402.23 |
| Transportation and Handling Expenses | | 1,602.85 | 1,214.28 |
| Power and Fuel | | 2,661.60 | 1,388.76 |
| Other Expenses | 47 | 897.36 | 756.06 |
| | | **7,733.95** | **5,241.58** |
| Less: Captive Consumption of finished goods | | 15.74 | 13.33 |
| **Total Expenses** | | **7,718.21** | **5,228.25** |
| **Profit Before Tax** | | **471.98** | **803.44** |
| **Tax Expenses** | **30** | | |
| Current Tax | | 25.46 | 166.01 |
| Current Tax adjustments of earlier years | | 1.31 | 6.67 |
| **Net Current tax expenses** | | **26.77** | **172.68** |
| Deferred Tax | | 103.95 | 41.56 |
| MAT Credit reversal of earlier years | | - | 4.24 |
| Deferred tax adjustments of earlier years | | (0.73) | (307.89) |
| **Net Deferred tax expenses** | | **103.22** | **(262.09)** |
| **Total Tax Expenses** | | **129.99** | **(89.41)** |
| **Profit for the year before share of profit / loss of Associates** | | **341.99** | **892.85** |
| Add: Share of Profit / (Loss) of Associates | | (27.24) | (10.90) |
| **PROFIT FOR THE YEAR** | **A** | **314.75** | **881.95** |
| **Profit for the year attributable to:** | | | |
| Equity shareholders of the parent | | 314.52 | 881.48 |
| Non-controlling Interest | | 0.23 | 0.47 |
| **TOTAL PROFIT** | | **314.75** | **881.95** |
| **OTHER COMPREHENSIVE INCOME** | | | |
| **Items that will not be reclassified to Profit or Loss** | | | |
| Remeasurement losses on defined benefit obligations, net | 44 | (6.14) | (3.48) |
| Tax credit on above | 30 | 1.55 | 0.88 |
| Fair value gain / (loss) on Equity Instruments through OCI | 13 | 0.48 | (0.20) |
| Share of OCI of Associates (net of tax) | | 3.02 | 0.19 |
| **TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR** | **B** | **(1.09)** | **(2.61)** |
| **Other Comprehensive Income for the year attributable to:** | | | |
| Equity shareholders of the parent | | (1.09) | (2.60) |
| Non-controlling Interest | | - | (0.01) |
| **TOTAL OTHER COMPREHENSIVE INCOME** | | **(1.09)** | **(2.61)** |
| **TOTAL COMPREHENSIVE INCOME** | **A + B** | **313.66** | **879.34** |
| **Total Comprehensive Income for the year attributable to:** | | | |
| Equity shareholders of the parent | | 313.43 | 878.88 |
| Non-controlling Interest | | 0.23 | 0.46 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | **313.66** | **879.34** |
| **Earnings per equity share of face value of Rs. 1 each** | **55** | | |
| Basic EPS in Rs. | | 14 | 39 |
| Diluted EPS in Rs. | | 14 | 39 |
| *Significant Accounting Policies, Judgments and Estimates* | *1 - 6* | | |
| *See accompanying notes to the financial statements* | *7 - 66* | | |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Consolidated Statement of Changes in Equity

**for the year ended 31st March 2023**

## A. Equity Share Capital [Refer Note No.25]

Rs. in Crores

| | |
|---|---|
| **Balance as at 01-04-2021** | **23.59** |
| Changes in Equity Share Capital during the year 2021-22 | 0.04 |
| **Balance as at 31-03-2022** | **23.63** |
| Changes in Equity Share Capital during the year 2022-23 | - |
| **Balance as at 31-03-2023** | **23.63** |

## B. Other Equity [Refer Note No.26 & 26a]

Rs. in Crores

| Particulars | Reserves and Surplus | | | | | | | Items of OCI | | | Total | Non-Controlling Interests | Total Other Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share Application Money Pending Allotment | Capital Redemption Reserve | Securities Premium Account | Employee Stock Options Reserve | Capital Reserve on Consolidation | General Reserve | Retained Earnings | FVTOCI Equity Instruments | Remeasurements of Defined Benefit Obligations | Share of OCI of Associates | | | |
| **Other Equity as at 01-04-2021** | **-** | **1.63** | **22.24** | **20.38** | **52.99** | **5,354.00** | **246.70** | **5.15** | **-** | **5.02** | **5,708.11** | **6.31** | **5,714.42** |
| Add: Profit for the year | - | - | - | - | - | - | 881.48 | - | - | - | 881.48 | 0.47 | 881.95 |
| Add: Other Comprehensive Income | - | - | - | - | - | - | - | (0.20) | (2.60) | 0.20 | (2.60) | (0.01) | (2.61) |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **-** | **-** | **881.48** | **(0.20)** | **(2.60)** | **0.20** | **878.88** | **0.46** | **879.34** |
| Add: Proceeds from issue of equity shares pursuant to exercise of stock options | 2.29 | - | - | - | - | - | - | - | - | - | 2.29 | - | 2.29 |
| Less: Allotment of equity shares pursuant to exercise of stock options [Exercise Price - Face Value] | 2.25 | - | - | 26.10 | - | - | - | - | - | - | 28.35 | - | 28.35 |
| Less: Allotment of equity shares pursuant to exercise of stock options [Face Value] | 0.04 | - | - | - | - | - | - | - | - | - | 0.04 | - | 0.04 |
| Add: Amount credited pursuant to exercise of stock options upon allotment of equity shares | - | - | 28.35 | - | - | - | - | - | - | - | 28.35 | - | 28.35 |
| Add: Reserve created for ESOP granted during the year | - | - | - | 5.72 | - | - | - | - | - | - | 5.72 | - | 5.72 |
| Less: Transfer to Retained Earnings | - | - | - | - | - | - | - | - | (2.60) | - | (2.60) | - | (2.60) |
| Less: Transfer to General Reserve | - | - | - | - | 8.27 | - | 890.25 | - | - | - | 898.52 | - | 898.52 |
| Add: Transfer from Retained Earnings | - | - | - | - | - | 898.52 | - | - | - | - | 898.52 | - | 898.52 |
| Add: Transfer from OCI | - | - | - | - | - | - | (2.60) | - | - | - | (2.60) | - | (2.60) |
| Less: Dividend (including TDS on Dividends) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Other Equity as at 31-03-2022** | **-** | **1.63** | **50.59** | **-** | **44.72** | **6,252.52** | **235.33** | **4.95** | **-** | **5.22** | **6,594.96** | **6.77** | **6,601.73** |

# Consolidated Statement of Changes in Equity

**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | Reserves and Surplus | | | | | | | Items of OCI | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Share Application Money Pending Allotment | Capital Redemption Reserve | Securities Premium Account | Employee Stock Options Reserve | Capital Reserve on Consolidation | General Reserve | Retained Earnings | FVTOCI Equity Instruments | Remeasurements of Defined Benefit Obligations | Share of OCI of Associates | Total | Non-Controlling Interests | Total Other Equity |
| **Other Equity as at 01-04-2022** | **-** | **1.63** | **50.59** | **-** | **44.72** | **6,252.52** | **235.33** | **4.95** | **-** | **5.22** | **6,594.96** | **6.77** | **6,601.73** |
| Add: Profit for the year | - | - | - | - | - | - | 314.52 | - | - | - | 314.52 | 0.23 | 314.75 |
| Add: Other Comprehensive Income for the year | - | - | - | - | - | - | - | 0.48 | (4.59) | 3.02 | (1.09) | - | (1.09) |
| **Total Comprehensive Income** | **-** | **-** | **-** | **-** | **-** | **-** | **314.52** | **0.48** | **(4.59)** | **3.02** | **313.43** | **0.23** | **313.66** |
| Less: Transfer to Retained Earnings | - | - | - | - | - | - | - | - | (4.58) | - | (4.58) | - | (4.58) |
| Less: Transfer to General Reserve | - | - | - | - | 0.00 | - | 268.19 | - | - | - | 268.19 | - | 268.19 |
| Add: Transfer from Retained Earnings / Capital Reserve | - | - | - | - | - | 268.19 | - | - | - | - | 268.19 | - | 268.19 |
| Add: Transfer from OCI | - | - | - | - | - | - | (4.58) | - | - | - | (4.58) | - | (4.58) |
| Less: Dividend (including TDS on Dividends) | - | - | - | - | - | - | 70.96 | - | - | - | 70.96 | - | 70.96 |
| Other Equity as at 31-03-2023 | **-** | **1.63** | **50.59** | **-** | **44.72** | **6,520.71** | **206.12** | **5.43** | **(0.01)** | **8.24** | **6,837.43** | **7.00** | **6,844.43** |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

Chennai
18-05-2023

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

# Consolidated Statement of Cash Flows

**for the year ended 31st March 2023**

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **Cash Flow from Operating Activities** | | | |
| **Profit Before Tax** | | 471.98 | 803.44 |
| *Adjustments to reconcile profit before tax to net cash flows:* | | | |
| Depreciation & Amortization | | 505.98 | 402.23 |
| Loss / (Profit) on derecognition of PPE and Investment Property, net | | (0.46) | 0.21 |
| Bad Debts written off | | 0.04 | - |
| Interest Income | | (10.18) | (11.32) |
| Dividend Income | | (0.12) | (0.10) |
| Grant Income | | (15.13) | (1.38) |
| Employee Stock Options expense | | - | 5.72 |
| Cash flow arising out of Actuarial loss on defined benefit obligations | | (6.14) | (3.48) |
| Fair value loss / (gain) on Mutual funds | | 0.01 | (0.07) |
| Lease Rental Receipts | | (9.62) | (9.71) |
| Finance costs | | 240.52 | 112.40 |
| Provisions / Other non-cash adjustments | | 16.34 | 11.93 |
| **Operating Profit before Working Capital changes** | | **1,193.22** | **1,309.87** |
| *Movements in Working capital:* | | | |
| Inventories | | (49.13) | (235.13) |
| Trade receivables and other assets | | (209.78) | 6.92 |
| Trade payables and other liabilities | | 509.89 | 211.95 |
| **Cash generated from Operations** | | **1,444.20** | **1,293.61** |
| Direct Taxes paid | | (32.70) | (158.72) |
| **Net Cash generated from Operating Activities** | **A** | **1,411.50** | **1,134.89** |
| **Cash Flow from Investing Activities** | | | |
| Purchase of Property, Plant & Equipment, Intangible Asset & Investment Properties (Including movements in CWIP, Capital Advances and payable for capital goods) | | (1,765.79) | (1,816.58) |
| Proceeds from sale / derecognition of Property, Plant & Equipment and Investment Properties | | 2.34 | 6.02 |
| Interest received | | 5.96 | 7.69 |
| Dividend received | | 1.42 | 0.06 |
| Loans (given to) / repaid by Subsdiaries / Associates, net | | 52.84 | (22.15) |
| Investment in Equity Shares of Associates | | (0.52) | (0.43) |
| Lease Rental Receipts | | 9.62 | 9.71 |
| **Net Cash used in Investing Activities** | **B** | **(1,694.13)** | **(1,815.68)** |
| **Cash Flow from Financing Activities** | | | |
| Proceeds from issue of equity shares, pursuant to exercise of stock options | | - | 2.29 |
| Proceeds from Long Term Borrowings | | 1,685.98 | 1,583.30 |
| Repayment of Long Term Borrowings | | (1,080.28) | (940.32) |
| Proceeds from / (Repayment) of Short Term Borrowings, net | | (26.73) | 182.74 |
| Payment of principal portion of lease liabilities | | (0.14) | (0.11) |
| Payment of Dividend including TDS on dividends | | (70.96) | - |
| Interest paid including interest on lease liabilities | | (233.39) | (112.46) |
| **Net Cash generated from Financing Activities** | **C** | **274.48** | **715.44** |
| **Net increase / (decrease) in Cash and Cash equivalents** | **D = (A+B+C)** | **(8.15)** | **34.65** |
| **Opening balance of Cash and Cash equivalents** | **E** | **178.48** | **143.83** |
| **Closing balance of Cash and Cash equivalents** | **D + E** | **170.33** | **178.48** |

# Consolidated Statement of Cash Flows

**for the year ended 31st March 2023**

***Notes***

*(i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows.*

*(ii) For the purpose of Statement of Cash Flows, Cash and Cash Equivalents comprise of the following:*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Cash and cash equivalents [Refer Note No.19]* | *137.71* | *146.18* |
| *Bank Balances other than cash and cash equivalents [Refer Note No.20]* | *32.62* | *32.30* |
| ***Cash and Bank Balances for Statement of Cash Flows*** | ***170.33*** | ***178.48*** |

*(iii) Reconciliation of changes in liabilities arising from Financing Activities pertaining to Borrowings:*

*Rs. in Crores*

| ***Particulars*** | | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|---|
| *Balance at the beginning of the year* | | | |
| *Long Term Borrowings* | | *2,857.29* | *2,162.62* |
| *Short Term Borrowings* | | *1,072.66* | *939.10* |
| *Long Term Lease Liabilities* | | *19.58* | *7.95* |
| *Short Term Lease Liabilities* | | *0.14* | *0.11* |
| *Interest accrued* | | *17.51* | *23.75* |
| ***Sub-total Balance at the beginning of the year*** | | ***3,967.18*** | ***3,133.53*** |
| *Cash flows during the year* | | | |
| *Proceeds from Long Term Borrowings* | | *1,685.98* | *1,583.30* |
| *Repayment of Long Term Borrowings* | | *(1,080.28)* | *(940.32)* |
| *Proceeds from / (Repayment) of Short Term Borrowings, net* | | *(26.73)* | *182.74* |
| *Payment of principal portion of lease liabilities* | | *(0.14)* | *(0.11)* |
| *Interest paid including interest on lease liabilities* | | *(233.39)* | *(112.46)* |
| ***Sub-total Cash flows during the year*** | | ***345.44*** | ***713.15*** |
| *Non-cash changes* | | | |
| *Interest accrual for the year* | | *240.52* | *112.40* |
| *Unwinding of discounts on provisions* | | *(4.58)* | *(3.51)* |
| *Initial recognition of lease liability for Right-of-use asset* | | *-* | *11.61* |
| *Recognition of difference between fair value of Soft Loan from Government and transaction value as Deferred Government Grant* | | *(22.37)* | *-* |
| ***Sub-total Non-cash changes during the year*** | | ***213.57*** | ***120.50*** |
| *Balance as at the end of the year* | | | |
| *Long Term Borrowings* | | *3,622.16* | *2,857.29* |
| *Short Term Borrowings* | | *865.26* | *1,072.66* |
| *Long Term Lease Liabilities* | | *19.48* | *19.58* |
| *Short Term Lease Liabilities* | | *0.21* | *0.14* |
| *Interest accrued* | | *19.08* | *17.51* |
| ***Balance at the end of the year*** | | ***4,526.19*** | ***3,967.18*** |
| *See accompanying notes to the financial statements* | ***7 - 66*** | | |

As per our report annexed

For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

Chennai
18-05-2023

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 1. Corporate Information

The Ramco Cements Limited (the "Parent") is a Public Limited company domiciled and headquartered in India and incorporated under the provisions of the Companies Act 1956. The Registered office of the Company is located at "Ramamandiram", Rajapalayam - 626 117, Tamilnadu. The Company's shares are listed in BSE Limited and National Stock Exchange of India Limited.

The Company is engaged in manufacture of Cement, Ready Mix Concrete and Dry Mortar products. The Company caters mainly to the domestic markets. The Company also sells cement in Srilanka through direct exports and Maldives through merchant exports. The Company is also engaged in sale of surplus electricity generated from its windmills after meeting its captive requirements.

The Consolidated Financial Statements (CFS) for the year were approved and adopted by Board of Directors of the Company in their meeting dated 18-05-2023.

## 2. Statement of Compliance

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, presentation requirements of Division II of Ind AS compliant Schedule III to the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India, wherever applicable.

## 3. Basis of Preparation of Consolidated Financial Statements

3.1 The significant accounting policies used in preparing the financial statements are set out in Note No. 4.

3.2 Pursuant to General Circular No.39/2014 dated 14-10-2014 issued by Ministry of Corporate Affairs that the disclosures made already under the separate financial statements are not repeated and thus the disclosures that are relevant arising out of consolidation have only been presented.

3.3 The CFS comprises the financial statements of The Ramco Cements Limited, its Subsidiaries hereinafter collectively referred as 'Group' and its Associates. The list of companies which are included in consolidation and the Parent's holding and voting rights therein are as under:

| Name of the Subsidiary | % of ownership interest | |
|---|---|---|
| | 31-03-2023 | 31-03-2022 |
| Ramco Windfarms Limited | 71.50% | 71.50% |
| Ramco Industrial and Technology Services Limited | 94.11% | 94.11% |

The following companies are considered as Associates based on existence of significant influence over such companies:

| Name of the Associates | Company | % of direct holding by Group | |
|---|---|---|---|
| | | 31-03-2023 | 31-03-2022 |
| Ramco Industries Limited | Listed | 15.50% | 15.53% |
| Ramco Systems Limited | Listed | 16.99% | 19.43% |
| Rajapalayam Mills Limited | Listed | 0.46% | 0.39% |
| Madurai Trans Carrier Limited | Unlisted | 29.86% | 29.86% |
| Lynks Logistics Limited | Unlisted | 29.84% | 38.52% |

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 (i.e.) 31-3-2023.

3.4 The Group has considered its operating cycle to be 12 months for the purpose of Current and Non-current classification of assets and liabilities.

3.5 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.

3.6 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

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.7 The CFS are presented in Indian Rupees rounded to the nearest Crores with two decimals. The amount below the round off norm adopted by the Group is denoted as Rs. 0.00 Crores.

3.8 Previous year figures have been regrouped / restated, wherever necessary and appropriate.

***Principles of Consolidation***

3.9 The financial statements of the Parent and its subsidiaries 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.

3.10 The CFS has been prepared using uniform accounting policies for like transactions and other events in similar circumstances and is presented, to the extent possible, in the same manner as the Parent's separate financial statements.

3.11 Non-controlling interest in the net assets of subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Parent's shareholders. Non-controlling interest in the net assets of subsidiary consists of:

(a) The amount of subscribed equity share capital attributable to non-controlling interest during the year.

(b) The movement of non-controlling interest in equity since the date the parent subsidiary relationship came into existence.

3.12 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 associates (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 associates are used in applying the equity method.

3.13 Under equity method of accounting, the investments are initially recognized at the fair value of net asset of Associates from the date on which it becomes an associate and any difference between the cost of the investment and the Parent'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 share of post-acquisition profits or losses of its Associates in the Parent's Statement of Profit & Loss.

3.14 Dividend received or receivable from Associates are recognized as a reduction in the carrying amount of the Investment.

3.15 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 to the extent of Group's interest in these entities unless the transaction provides evidence of an impairment of the asset transferred.

3.16 At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate is impaired. If there is such evidence, the Group provides for impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit / (loss) of an associates' in the Statement of Profit & Loss.

3.17 The Group's Statement of Profit and Loss reflects the share of results of its associates. Any change in OCI of those investees is presented as part of the Group's OCI.

***Basis of Measurement***

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

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 4. Significant Accounting Policies

### 4.1 Inventories

4.1.1 Raw-materials, Stores & Spares, Fuel, Packing materials etc., are valued at cost, computed on a moving weighted average basis including the cost incurred in bringing the inventories to their present location and condition after providing for obsolescence and other losses or net realisable value whichever is lower. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost.

4.1.2 Process stock is valued at weighted average cost including the cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities but excluding borrowing cost, 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.

Finished goods are valued at cost or net realisable value whichever is lower. Cost includes cost of conversion with systematic allocation of production overheads based on normal capacity of production facilities and other costs but excluding borrowing cost, incurred in bringing the inventory to their present location and condition. Finished goods include stock-in-trade also which comprises cost of purchase and other cost incurred in bringing the inventories to the present location and condition. Cost is determined on a moving weighted average basis.

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

### 4.2 Statement of Cash Flows

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

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

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

### 4.3 Dividend distribution to Equity shareholders

Final dividend distribution to shareholders is recognised in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend together with applicable tax i.e TDS are recognised directly in Equity.

### 4.4 Income Taxes

4.4.1 The Group has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the parent company has opted for shifting to lower tax regime from FY 2021-22 onwards. However, the subsidiary companies included in the Group continue to provide for income tax at the old rates, in view of benefits available under old tax regime.

4.4.2 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 including the relevant transfer pricing regulations prescribed thereunder, read with applicable judicial precedents or interpretations, wherever relevant.

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

4.4.4 Deferred tax is recognised using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting at the reporting date. The parent company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates, in view of adoption of new tax regime.

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

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

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

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

**4.5 Property, Plant and Equipments (PPE)**

4.5.1. PPEs are stated at cost of acquisition or construction less accumulated depreciation and impairment losses if any, except freehold land which is carried at cost. The cost comprises of purchase price, import duties, non-refundable purchase taxes (net of tax credits wherever applicable), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditures are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Spares which meet the definition of PPE are capitalised from the date when it is available for use. 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 are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

The Group 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.

The cost of major inspection / overhauling is recognised in the carrying amount of the item of PPE 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.

The present value of the expected cost for the decommissioning of PPE after its use, if materially significant, is included in the cost of the respective asset when the recognition criteria are met.

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

4.5.2 The Group 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 equipments | |
| - Cement | 2 to 60 years |
| - Ready mix concrete | 10 to 25 years |
| - Dry mortar products | 5 to 25 years |
| Thermal power plants | 5 to 60 years |
| Windmills | 5 to 30 years |
| Workshop and Quarry equipments | 8 to 25 years |
| Mobile Phones | 3 years |
| Motor cars given to employees as per company's scheme | 6 to 7 years |

4.5.3 PPE acquired in full or part exchange for another asset are recorded at the fair market value or the net book value of the asset given up, adjusted for any balance transaction amount. Fair market value is determined either for the assets acquired or asset given up, whichever is more clearly evident.

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

4.5.5 Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life on a straight line method. The depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less 5% being its residual value, except for process control systems whose residual value is considered as Nil.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

4.5.6 Depreciation for PPE on additions is calculated on pro-rata basis from the date of such additions. For deletion/disposals, the depreciation is calculated on pro-rata basis up to the date on which such assets have been discarded / sold.

4.5.7 The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

***Capital Work in progress / Capital Advances***

4.5.8 Capital work in progress includes cost of property, plant and equipment under installation, under development including related expenses and attributable interest as at the reporting date.

4.5.9 Advances given towards acquisition / construction of PPE outstanding at the reporting date are disclosed as 'Capital Advances' under 'Other Non-Current Assets'.

**4.6 Leases**

4.6.1 The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date whether fulfilment of arrangement is dependent on the use of an underlying asset and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

***Group as a Lessee***

4.6.2 The Group recognises a right-of-use asset (RoU) and a lease liability at the lease commencement date for all leases whose non-cancellable leases is more than 12 months. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4.6.3 The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, as follows:

| Nature of RoU | Useful life ranging from |
|---|---|
| Land | 16 to 97 years |
| Building | 27 years |

4.6.4 The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

4.6.5 The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

4.6.6 Lease payments included in the measurement of the lease liability comprise the following:

(a) Fixed payments,

(b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

(c) Amount expected to be payable under a residual value guarantee

(d) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early

4.6.7 The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

4.6.8 When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the Statement of Profit and Loss if the carrying amount of the right-of-use asset has been reduced to zero.

4.6.9 The Group presents right-of-use assets that do not meet the definition of investment property in 'Property, Plant and Equipment' and Lease liabilities as a separate line item on the face of the Balance sheet.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

4.6.10 The Group has opted not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*Group as a Lessor*

4.6.11 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 are recognised in the Statement of Profit and Loss on straight line basis over the lease terms except where the payments are structured to increase in line with the general inflation to compensate for the expected inflationary cost increases. The Group do not have any finance leases arrangements.

**4.7 Revenue Recognition**

**4.7.1 Revenue from Operations**

*Sale of Products*

Revenue from product sales is recognized when the Group transfers control of the product to customers at a point in time. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods to the customer. The Group provides discounts to customers on the achievement of the performance criteria based on agreed terms and conditions. There is no significant financing component with regard to sale of products for the Group as per Ind AS 115. The Group do not have any non-cash consideration.

*Power generated from Windmills*

Power generated from windmills that are covered under power purchase agreement with TANGEDCO and third parties, are recognised at the rate fixed by respective State Electricity Regulatory Commissions and rate agreed with such counter parties, respectively, upon transmission of energy to the grids of the State Electricity Board and the same is classified as "Sale of power generated from windmills".

Power generated from windmills that are covered under wheeling & banking arrangement with TANGEDCO are consumed at factories. The monetary values of such power generated that are captively consumed are not recognised as revenue.

*Income from Information technology services*

Information technology services are provided on a contractual basis on fixed price terms. Revenue is recognised over time using an input method, net of applicable taxes. The actual billing is done upon achievement of milestones agreed with the customers with applicable taxes.

*Income from Manpower supply services*

Revenue from manpower supply services is recognised at a point in time on a man-month basis as and when services are rendered as per the agreed terms. Revenue is recognised net of applicable taxes.

*Scrap sales*

Scrap sales is recognized when the Group transfers control of the product to customers.

**4.7.2 Other Income**

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.

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

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

**4.8 Employee Benefits**

4.8.1 Short-term employee benefits viz., Salaries and Wages are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

4.8.2 Defined Contribution Plan viz., Contributions to Provident Fund and Superannuation Fund are recognized as an expense in the Statement of Profit and Loss for the year in which the employees have rendered services.

4.8.3 The Group 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 Group has no further obligations.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

4.8.4 The Group contributes for Superannuation Fund on an annual basis, a sum equivalent to 15% of the officer's eligible annual basic salary. Out of the said 15% contribution, a sum upto Rs. 1.50 Lacs per annum is remitted to the superannuation fund trust administered by the Group. The funds are managed by HDFC Life Insurance. The balance amount, if any, is either remitted to National Pension System (NPS) subject to applicable ceiling or paid as salary at the option of employees. There are no further obligations in respect of the above contribution plan.

4.8.5 The Group contributes to Defined Benefit Plan viz., an approved Gratuity Fund, for its employees including employees in subsidiary company. 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. Based on the valuation by an independent external actuary, the Group makes annual contributions to the trust administered by the Group as at the reporting date using Projected Unit Credit method. The funds are managed by LIC of India / HDFC Life Insurance.

4.8.6 The Group 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. The Group presents the entire compensated absences as 'Short-term provisions' since employee has an unconditional right to avail the leave at any time during the year.

4.8.7 Remeasurement of net defined benefit asset / liability comprising of actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to other comprehensive income in the period in which they arise and immediately transferred to retained earnings. Other costs are accounted in the Statement of Profit and Loss.

***Employee Stock options***

4.8.8 The employees of the Group are entitled for grant of stock options based on the eligibility criteria set out in ESOS 2018, as determined by Nomination & Remuneration committee (NRC). The fair value of the equity settled stock options granted to employees are measured by an independent valuer using Black-Scholes Model.

4.8.9 The fair value determined at the grant date of the option is expensed on a straight-line basis in the Statement of Profit and Loss as 'Employee Benefits Expense', over the vesting period of the option, based on the Group's estimate of stock options that will eventually vest, with a corresponding increase in equity,

4.8.10 At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Reserve.

4.8.11 When the options are exercised, the Group issues fresh issue of equity shares upon receipt of exercise price from the employees. The proceeds received are allocated to share capital upto the face value of shares issued, with any excess being accounted as Securities Premium in the Balance Sheet.

4.8.12 In case of forfeiture/lapse of stock option, which is not vested, then to such extent, expenses shall be reversed in Statement of Profit and Loss and if expires unexercised, the related balance standing to the credit of the Employee Stock Options Reserve Account is transferred within other equity.

4.8.13 The dilutive effect of outstanding options is reflected as additional share dilution in the computation.

**4.9 Government Grants**

4.9.1 Government grants are recognised at fair value where there is a reasonable assurance that the grant will be received and all the attached conditions are complied with.

4.9.2 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".

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

4.9.3 The soft loan from government is recognised and measured in accordance with Ind AS 109, Financial Instruments. The benefit of soft loan from government at a below-market rate of interest is treated as a government grant and classified as "Deferred Grant". It is measured as the difference between the initial carrying value of the loan determined in accordance with Ind AS 109, and the proceeds received. The said deferred grant is amortized over the useful life of the underlying asset.

**4.10 Foreign currency transactions**

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

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

4.10.3 Monetary assets and liabilities in foreign currencies outstanding at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

4.10.4 Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rates at the date of transaction. The date of transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from advance consideration. If there are multiple receipts of payments in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

***Foreign Branch Operations***

4.10.5 Income and expenditure transactions are translated to functional currency using monthly moving average exchange rate.

4.10.6 Monetary assets and liabilities of foreign branch as at the reporting date are translated to the functional currency at the exchange rates prevailing on the reporting date and the resultant gains or losses are recognised during the year in the Statement of Profit and Loss.

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

**4.11 Borrowing Costs**

4.11.1 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 Group 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 Group which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing cost that the Group capitalises during the period does not exceed the amount of borrowing cost incurred during that period. All other borrowings costs are expensed in the period in which they occur.

4.11.2 Borrowing cost include interest computed using Effective Interest Rate method, interest on lease liabilities, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

**4.12 Earnings per Share**

4.12.1 Basic Earnings per share is calculated by dividing the profit/(loss) attributable to equity shareholders by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year.

4.12.2 Diluted Earnings per share is calculated by dividing the profit / (loss) attributable to equity shareholders by the weighted average number of equity shares including un-allotted bonus shares outstanding during the year and potential equity shares arising out of employee stock options.

4.12.3 Where an item of income or expense which is otherwise required to be recognised in the Statement of Profit and Loss is debited or credited to Equity, the amount in respect thereof is suitably adjusted in Net profit for the purpose of computing Earnings per share.

**4.13 Impairment of Non-Financial Assets**

4.13.1 The carrying values of assets include property, plant and equipment including right-of-use asset, investment properties, cash generating units and intangible assets, are reviewed for impairment at each reporting date, if there is any indication of impairment based on internal and external factors.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

4.13.2 Non-financial assets are treated as impaired when the carrying amount of such asset exceeds its recoverable value. After recognition of impairment loss, the depreciation for the said assets is provided for remaining useful life based on the revised carrying amount, less its residual value if any, on straight line basis.

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

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

**4.14 Provisions, Contingent Liabilities and Contingent Assets**

4.14.1 Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits in respect of which a reliable estimate can be made.

4.14.2 Provisions are discounted if the effect of the time value of money is material, using pre-tax rates that reflects the risks specific to the liability. When discounting is used, an increase in the provisions due to the passage of time is recognised as finance cost. These provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

4.14.3 The Group provides for the estimated expenses at fair value that are required to restore mines. The estimated restoration expenses are determined based on the estimated mineral reserves available. The actual expenses may vary based on the nature of restoration and estimate of restoration expenses. Mines restoration expenses are incurred on an on-going basis until the closure of mines. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates and expected timing of these costs. The provision for this expense is included under "Cost of materials consumed" to the extent such mineral reserves were used in the production. The unwinding of the discount on provision is shown as a finance cost in the Statement of Profit and Loss.

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

4.14.5 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 Group or it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the same are not recognised but disclosed in the financial statements.

**4.15 Intangible Assets**

4.15.1 The costs incurred in connection with securing right to extract mineral reserves are capitalised under "Mining Rights" and the costs of stripping overburden to gain access to limestone deposits and the present value of restoration liability, if materially significant, to the extent of exposed overburden area are capitalised under "Mine Development".

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

4.15.3 The cost incurred for right to un-restricted usage of power transmission system for sale of power from Group's captive thermal power plants to State grid and for drawal of power from State grid to its plant were capitalized as the Group is expected to yield future economic benefits.

4.15.4 Intangible Assets are carried at cost less accumulated depreciation and impairment losses, if any and are amortised over their estimated useful life based on straight line method. The estimated useful lives of intangible assets are assessed by the internal technical team as detailed below:

| Nature of Intangible assets | Estimated useful life |
|---|---|
| Mining rights | Over the period of mining lease |
| Mine Development | Unit of production method |
| Computer software | 5 to 6 years |
| Power transmission system | 5 years |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

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

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

**4.16 Investment Properties**

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

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

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

4.16.4 Depreciation on investment properties are calculated on straight-line method based on useful life of the significant parts as detailed below, that are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013:

| Asset type | Useful life ranging from |
|---|---|
| Buildings under Investment Properties | 3 to 60 years |

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

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

**4.17 Operating Segments**

Operating segment has been identified on the basis of nature of products and reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker. The Group's business operation comprises of single operating segment viz., cement and cementious materials.

**4.18 Financial Instruments**

4.18.1 A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.18.2 Financial assets and liabilities are offset and the net amount is presented in the Balance sheet when and only when the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

4.18.3 The Group 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 Group. When the Group reclassifies the financial assets, such reclassifications are done prospectively from the first day of the immediately next reporting period. The Group does not restate any previously recognised gains, losses including impairment gains or losses or interest.

***Financial Assets***

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

4.18.5 Depending on the business model (i.e) nature of transactions for managing those financial assets and its contractual cash flow characteristics, the

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

financial assets are initially measured at fair value and subsequently measured and classified at:

a) Amortised cost; or

b) Fair value through other comprehensive income (FVTOCI); or

c) Fair value through profit or loss (FVTPL)

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

4.18.6 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 Group is to hold and collect the contractual cash flows till maturity. In other words, the Group do not intend to sell the instrument before its contractual maturity to realise its fair value changes. |
| FVTOCI | The objective of the Group is to collect its contractual cash flows and selling financial assets. |

The Group 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 Group classifies its financial assets for measurement as below:

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

4.18.7 Financial assets are derecognised (i.e) removed from the financial statements, when its contractual rights to the cash flows expire or upon transfer of the said assets. The Group 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 Group 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.

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

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

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

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Financial Liabilities***

4.18.10 Financial liabilities comprise of Borrowings from Banks, Non-convertible debentures, Soft loan / Interest free loan from Government, Trade payables, Derivative financial instruments, Financial guarantee obligation and other financial liabilities.

4.18.11 The Group measures its financial liabilities as below:

| Measurement basis | Name of Financial liabilities |
|---|---|
| Amortised cost | Borrowings, Soft Loan/Interest free loan from Government, Trade payables, Interest accrued, Unclaimed / Disputed dividends, Security deposits, Mines restoration obligation and other financial liabilities not for trading. |
| FVTPL | Foreign exchange Forward contracts being derivative contracts do not qualify for hedge accounting under Ind AS 109 and other financial liabilities held for trading. |

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

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

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

**4.19 Fair value measurement**

4.19.1 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

4.19.2 The fair value of an asset or a liability is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming that the market participants act in the economic best interest.

4.19.3 All assets and liabilities for which fair value is measured and 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 is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level inputs that are significant to the fair value measurement is unobservable.

4.19.4 For assets and liabilities that are recognised in the Balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period (i.e) based on the lowest level input that is significant to the fair value measurement as a whole.

4.19.5 For the purpose of fair value disclosures, the Group has determined the classes of assets and liabilities based on the nature, characteristics and risks of the assets or liabilities and the level of the fair value hierarchy as explained above.

4.19.6 The basis for fair value determination for measurement and / or disclosure purposes is detailed below:

***Investments in Equity / Mutual Funds***

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

***Trade and other receivables***

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

***Forward exchange contracts***

The fair value of forward exchange contracts is based on the quoted price if available; otherwise it is estimated by discounting the difference between contractual

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

forward price and current forward price for the residual maturity of the contract using government bond rates.

***Non-derivative financial liabilities***

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

***Financial guarantee obligation***

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

***Investment Properties***

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

## 5. Amendments to the existing accounting standards effective from 01-04-2022 onwards

The details of amendment to the existing standards that are relevant to the Company with effect from 01-04-2022 is given below:

The amendment to Ind AS 16 on Property, Plant & Equipment has clarified that excess of net sale proceeds of items produced over the cost of testing (while bringing the asset to that location and condition) shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of Property, Plant, and Equipment.

## 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:

***Current Taxes***

Calculations of income taxes for the current period are done based on applicable tax laws under new tax regime and management's judgement by evaluating positions taken in tax returns and interpretations of relevant provisions of law and applicable judicial precedents. However, the subsidiary companies included in the Group continue to provide for income tax at the old rates, in view of benefits available under old tax regime.

***Deferred Tax Asset***

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.

***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 the technical team at each reporting date by taking into account the nature of asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement and maintenance support. Upon review, the management accepts the assigned useful life and residual value for computation of depreciation/amortisation. Also, management judgement is exercised for classifying the asset as investment properties or vice versa.

***Revenue Recognition***

Significant management judgement is exercised in determining the transaction price and discounts to customer which is based on market factors namely demand and supply. The Group offers credit period to customers for which there is no financing component.

***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. An actuarial valuation involves making various assumptions that may differ from actual developments in future. 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. All assumptions are reviewed at each reporting date.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Determination of lease term of contracts as non-cancellable term***

Significant management judgement is exercised in determining the lease term as non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised, by considering all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

***Employee Stock Options***

Significant management judgement is exercised in determination of the most appropriate valuation model, most appropriate inputs to the valuation model including the expected life of the share option, volatility, dividend yield, risk free rate and the number of options that are expected to vest as at the reporting date. Management believes that the assumptions used by the valuer are reasonable.

***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.

***Supplier Financing arrangements***

With respect to supplier financing arrangements, the Group has exercised management judgment in determining the presentation of liabilities as part of trade payables, its related cash flows and the information for disclosure in the notes, since it is part of working capital used in the Group's normal operating cycle considering its similar nature, function, payment terms and nature of security offered for such liabilities.

***Provisions***

The timing of recognition requires application of judgement to existing facts and circumstances that may be subject to change. The litigations and claims to which the Group is exposed are assessed by the management and in certain cases with the support of external experts. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

***Mines Restoration Expenditure***

In determining the provision for Mines restoration expenditure, assumptions and estimates are made by the management, in relation to discount rates, the expected mineral reserves, estimated cost to restore the mines and the expected timing of those costs.

***Contingent Liabilities***

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

***Mine Development***

In determining the allocation of mine development cost based on the unit of production method, assumptions and estimates are made by the management, in relation to the estimated mineral reserves available for the remaining period.

***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.

***Impairment of Trade receivables***

The impairment for trade receivables 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 Investments in Associates***

Significant management judgement is exercised in determining whether the investment in associates are impaired or not is on the basis of its nature of long term strategic investments and business projections.

***Interests in other entities***

Significant management judgement is exercised in determining the interests in other entities. The management believes that wherever there is a significant influence over certain companies belonging 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 whether such associate companies are individually immaterial or not for the purpose of disclosure requirements.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 7 Property, Plant and Equipment (PPE)

Rs. in Crores

| Particulars | Year | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As at the beginning of the year | Additions | Deductions / Adjustments | As at the end of the year | As at the beginning of the year | For the year (Note 46) | Deductions / Adjustments | As at the end of the year | As at the end of the year |
| Freehold Land | 2022-23 | 958.78 | 37.16 | 0.94 | 995.00 | - | - | - | - | 995.00 |
| | 2021-22 | 902.95 | 57.15 | 1.32 | 958.78 | - | - | - | - | 958.78 |
| Right-of-Use Asset - Land | 2022-23 | 12.09 | - | - | 12.09 | 1.70 | 0.64 | - | 2.34 | 9.75 |
| | 2021-22 | 14.95 | 0.67 | 3.53 | 12.09 | 1.14 | 0.65 | 0.09 | 1.70 | 10.39 |
| Right-of-Use Asset - Building | 2022-23 | 11.76 | - | - | 11.76 | 0.22 | 0.44 | - | 0.66 | 11.10 |
| | 2021-22 | - | 11.76 | - | 11.76 | - | 0.22 | - | 0.22 | 11.54 |
| Buildings | 2022-23 | 1,144.27 | 161.49 | - | 1,305.76 | 392.83 | 50.76 | - | 443.59 | 862.17 |
| | 2021-22 | 1,080.11 | 69.80 | 5.64 | 1,144.27 | 354.00 | 44.23 | 5.40 | 392.83 | 751.44 |
| Plant & Equipments | 2022-23 | 8,840.89 | 2,613.97 | 32.53 | 11,422.33 | 3,374.68 | 361.12 | 32.36 | 3,703.44 | 7,718.89 |
| | 2021-22 | 7,931.55 | 972.29 | 62.95 | 8,840.89 | 3,134.27 | 292.92 | 52.51 | 3,374.68 | 5,466.21 |
| Railway Siding | 2022-23 | 315.73 | 4.73 | 0.39 | 320.07 | 84.99 | 19.55 | 0.37 | 104.17 | 215.90 |
| | 2021-22 | 278.66 | 40.29 | 3.22 | 315.73 | 69.69 | 18.52 | 3.22 | 84.99 | 230.74 |
| Workshop, Quarry Equipments | 2022-23 | 78.59 | 12.52 | 2.07 | 89.04 | 34.11 | 7.09 | 1.90 | 39.30 | 49.74 |
| | 2021-22 | 63.49 | 23.20 | 8.10 | 78.59 | 36.32 | 5.52 | 7.73 | 34.11 | 44.48 |
| Research & Development Equipments | 2022-23 | 70.67 | 1.86 | 0.45 | 72.08 | 49.85 | 2.73 | 0.45 | 52.13 | 19.95 |
| | 2021-22 | 70.82 | 0.61 | 0.76 | 70.67 | 48.01 | 2.60 | 0.76 | 49.85 | 20.82 |
| Furniture & Fixtures | 2022-23 | 84.34 | 13.36 | 1.58 | 96.12 | 41.60 | 7.01 | 1.52 | 47.09 | 49.03 |
| | 2021-22 | 76.68 | 8.42 | 0.76 | 84.34 | 36.08 | 6.12 | 0.60 | 41.60 | 42.74 |
| Office Equipments | 2022-23 | 68.84 | 13.10 | 3.83 | 78.11 | 48.45 | 7.57 | 3.79 | 52.23 | 25.88 |
| | 2021-22 | 67.17 | 7.24 | 5.57 | 68.84 | 48.05 | 5.95 | 5.55 | 48.45 | 20.39 |
| Vehicles | 2022-23 | 39.92 | 5.11 | 2.81 | 42.22 | 21.99 | 3.93 | 2.31 | 23.61 | 18.61 |
| | 2021-22 | 37.68 | 4.60 | 2.36 | 39.92 | 20.38 | 3.62 | 2.01 | 21.99 | 17.93 |
| **Total** | **2022-23** | **11,625.88** | **2,863.30** | **44.60** | **14,444.58** | **4,050.42** | **460.84** | **42.70** | **4,468.56** | **9,976.02** |
| | **2021-22** | **10,524.06** | **1,196.03** | **94.21** | **11,625.88** | **3,747.94** | **380.35** | **77.87** | **4,050.42** | **7,575.46** |

***Notes***

*(a) The Group has capitalised finance cost amounting to Rs. 68.13 Crores (PY: Rs. 9.79 Crores) during the year. The rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings that are outstanding during the year is 6.84% p.a. (PY: 5.81% p.a)*

*(b) The carrying amount of movable fixed assets of the Company and immovable properties pertaining to Cement plant located at Alathiyur, Ariyalur, Ramasamy Raja Nagar, Chengalpattu, Salem have been pledged by way of pari passu first charge as security for Long term Borrowings [Refer Note No.27].*

*(c) During the previous year, Additions under Freehold Land & Building include reclassification from Investment Property Land & Buildings of Rs. 5.83 Crores and Rs. 7.31 Crores respectively in view of change in usage.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

(d) *Deductions / Adjustments in Gross Block comprises of:*

*Rs. in Crores*

| *Particulars* | *2022 - 23* | | | | *2021 - 22* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Sale of Assets* | *Scrap of Assets* | *Other adjustments* | *Total* | *Sale of Assets* | *Scrap of Assets* | *Other adjustments* | *Total* |
| *Freehold Land* | *0.94* | *-* | *-* | *0.94* | *1.32* | *-* | *-* | *1.32* |
| *Right-of-use Asset - Land* | *-* | *-* | *-* | *-* | *-* | *-* | *3.53* | *3.53* |
| *Building* | *-* | *-* | *-* | *-* | *-* | *5.64* | *-* | *5.64* |
| *Plant and Equipments* | *0.63* | *31.90* | *-* | *32.53* | *1.02* | *40.71* | *21.22* | *62.95* |
| *Railway Siding* | *0.39* | *-* | *-* | *0.39* | *-* | *3.22* | *-* | *3.22* |
| *Workshop and Quarry Equipments* | *1.46* | *0.61* | *-* | *2.07* | *4.81* | *3.29* | *-* | *8.10* |
| *Research and Development Equipments* | *-* | *0.45* | *-* | *0.45* | *-* | *0.76* | *-* | *0.76* |
| *Furnitures and Fixtures* | *0.21* | *1.37* | *-* | *1.58* | *0.24* | *0.52* | *-* | *0.76* |
| *Office Equipments* | *0.25* | *3.58* | *-* | *3.83* | *0.18* | *5.39* | *-* | *5.57* |
| *Vehicles* | *2.68* | *0.13* | *-* | *2.81* | *2.36* | *-* | *-* | *2.36* |
| ***Total*** | ***6.56*** | ***38.04*** | ***-*** | ***44.60*** | ***9.93*** | ***59.53*** | ***24.75*** | ***94.21*** |

(e) *Scrap of assets represent component of assets that were derecognised due to wear and tear and damages, since no future benefit is expected from those components and thus replaced by new components.*

(f) *Other adjustments with respect to Right-of-use Asset - Land represent asset derecognised on account of surrender of land during the previous year.*

(g) *Other adjustments with respect to Plant & Equipments represent amount derecognised for retrofitting purpose.*

(h) *All the title deeds of immovable properties are held in the name of the Company.*

(i) *The Group has not revalued its Property, Plant and Equipment (including Right-of-Use Asset) since the Group has adopted cost model as its accounting policy to an entire class of Property, Plant and Equipment in accordance with Ind AS 16.*

## 8 Capital Work In Progress

Rs. in Crores

| **Particulars** | **Year** | **As at the beginning of the year** | **Additions** | **Capitalised under PPE** | **As at the end of the year** |
|---|---|---|---|---|---|
| Capital Work-in-Progress | **2022-23** | **2,992.15** | **1,714.93** | **2,780.19** | **1,926.89** |
| | **2021-22** | **2,325.46** | **1,749.07** | **1,082.38** | **2,992.15** |

***Notes***

(a) *Capital work in progress includes borrowing cost of Rs. 37.79 Crores (PY: Rs. 92.62 Crores), computed at a weighted average interest rate of 6.84% p.a. (PY: 5.81% p.a.) applicable to entity's borrowings outstanding during the year.*

(b) *Refer Note No.61(b) and 61(c) for information relating to Ageing Schedule and Completion schedule whose completion is overdue or cost exceeded as per the original plan.*

(c) *The amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress are furnished in Note No.62.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 9 Investment Property

Rs. in Crores

| Particulars | Year | Gross Block | | | | Depreciation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As at the beginning of the year | Additions | Deductions / Adjustments | As at the end of the year | As at the beginning of the year | For the year (Note 46) | Deductions / Adjustments | As at the end of the year | As at the end of the year |
| Land | 2022-23 | 83.06 | - | - | 83.06 | - | - | - | - | 83.06 |
| | 2021-22 | 88.89 | - | 5.83 | 83.06 | - | - | - | - | 83.06 |
| Buildings | 2022-23 | 61.14 | - | 0.54 | 60.60 | 13.83 | 1.45 | 0.54 | 14.74 | 45.86 |
| | 2021-22 | 68.45 | - | 7.31 | 61.14 | 12.37 | 1.70 | 0.24 | 13.83 | 47.31 |
| **Total** | **2022-23** | **144.20** | **-** | **0.54** | **143.66** | **13.83** | **1.45** | **0.54** | **14.74** | **128.92** |
| | **2021-22** | **157.34** | **-** | **13.14** | **144.20** | **12.37** | **1.70** | **0.24** | **13.83** | **130.37** |

***Notes***

(a) *The Group measured all of its Investment Properties at Cost in accordance with Ind AS 40.*

(b) *Deductions / Adjustments in Gross Block comprises of:*

*Rs. in Crores*

| *Particulars* | *2022 - 23* | | | | *2021 - 22* | | | |
|---|---|---|---|---|---|---|---|---|
| | *Sale of Assets* | *Reclassifed under PPE* | *Scrap of Assets* | *Total* | *Sale of Assets* | *Reclassifed under PPE* | *Scrap of Assets* | *Total* |
| *Land* | *0.00* | *-* | *-* | *0.00* | *-* | *5.83* | *-* | *5.83* |
| *Buildings* | *-* | *-* | *0.54* | *0.54* | *-* | *7.31* | *-* | *7.31* |
| ***Total*** | ***0.00*** | ***-*** | ***0.54*** | ***0.54*** | ***-*** | ***13.14*** | ***-*** | ***13.14*** |

*During the previous year, Deductions under Land amounting to Rs. 5.83 Crores and Buildings amounting to Rs. 7.31 Crores represent reclassification to Property, Plant & Equipment in view of its change in usage.*

(c) *Scrap of assets represent assets derecognised from financial statements since no future benefit is expected from its use or disposal.*

(d) *The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.*

(e) *The fair valuation of the investment properties are determined annually by an internal technical team, measured using the technique of quoted prices for similar assets in the active markets or recent price of similar properties in less active markets and adjusted to reflect those differences. All resulting fair value estimates for investment properties as given below are included in Level 2.*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Fair value of Investment Properties* | *259.19* | *249.41* |

(f) *Information regarding Income & Expenditure of Investment Property are given below:*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Rental Income derived from Investment Properties* | *0.46* | *0.44* |
| *Less: Direct Operating Expenses (including Repairs & Maintenance) generating Rental Income* | *0.02* | *0.03* |
| *Less: Direct Operating Expenses (including Repairs & Maintenance) that did not generate Rental Income* | *-* | *-* |
| ***Profit from investment properties before depreciation*** | ***0.44*** | ***0.41*** |
| *Less: Depreciation* | *1.45* | *1.70* |
| ***Loss from investment properties*** | ***(1.01)*** | ***(1.29)*** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 10 Intangible Assets

Rs. in Crores

| Particulars | Year | Gross Block | | | | Amortisation | | | | Net Block |
|---|---|---|---|---|---|---|---|---|---|---|
| | | As at the beginning of the year | Additions | Deductions / Adjustments | As at the end of the year | As at the beginning of the year | For the year (Note 46) | Deductions / Adjustments | As at the end of the year | As at the end of the year |
| Mining rights | 2022-23 | 40.07 | 5.80 | - | 45.87 | 23.59 | 2.12 | - | 25.71 | 20.16 |
| | 2021-22 | 40.07 | - | - | 40.07 | 21.41 | 2.18 | - | 23.59 | 16.48 |
| Mine Development | 2022-23 | 168.42 | 60.03 | - | 228.45 | 130.88 | 38.28 | - | 169.16 | 59.29 |
| | 2021-22 | 136.20 | 32.22 | - | 168.42 | 112.96 | 17.92 | - | 130.88 | 37.54 |
| Computer Software | 2022-23 | 26.67 | 1.45 | 0.02 | 28.10 | 13.74 | 4.24 | 0.02 | 17.96 | 10.14 |
| | 2021-22 | 25.77 | 1.64 | 0.74 | 26.67 | 10.42 | 4.06 | 0.74 | 13.74 | 12.93 |
| **Total** | **2022-23** | **235.16** | **67.28** | **0.02** | **302.42** | **168.21** | **44.64** | **0.02** | **212.83** | **89.59** |
| | **2021-22** | **202.04** | **33.86** | **0.74** | **235.16** | **144.79** | **24.16** | **0.74** | **168.21** | **66.95** |

***Notes***

(a) *Deductions / adjustments represent Intangible Assets de-recognised from the financial statements since no future economic benefit is expected.*

(b) *The Group has not revalued its Intangible Asset since the Group has adopted cost model as its accounting policy to an entire class of Intangible Asset in accordance with Ind AS 38.*

## 11 Intangible Assets Under Development

Rs. in Crores

| Particulars | Year | As at the beginning of the year | Additions | Capitalised | As at the end of the year |
|---|---|---|---|---|---|
| Mine Development | **2022-23** | **41.86** | **78.61** | **60.03** | **60.44** |
| | **2021-22** | **29.73** | **44.35** | **32.22** | **41.86** |

***Notes***

(a) *Refer Note No.61(d) for information relating to Ageing Schedule of Intangible Asset under Development.*

(b) *The Group do not have mine development activity which was either suspended or whose cost has been exceeded as per the original plan.*

## 12 Investments in Associates (accounted using Equity Method)

Rs. in Crores

| Particulars | Face Value Rs. per Share | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|---|
| | | Numbers | Amount | Numbers | Amount |
| **Quoted Investments - Fully paid up Equity Shares** | | | | | |
| Ramco Systems Limited | 10 | 59,85,632 | 92.49 | 59,85,632 | 126.07 |
| Ramco Industries Limited | 1 | 1,34,62,500 | 145.69 | 1,34,62,500 | 137.82 |
| Rajapalayam Mills Limited | 10 | 42,259 | 2.59 | 33,150 | 1.79 |
| **Total Quoted Investments (A)** | | | **240.77** | | **265.68** |
| **Unquoted Investments - Fully paid up Equity Shares** | | | | | |
| Madurai Transcarrier Limited | 1 | 5,37,50,000 | 3.61 | 5,37,50,000 | 3.61 |
| Lynks Logistics Limited | 1 | 50,14,16,202 | - | 50,14,16,202 | - |
| **Total Unquoted Investments (B)** | | | **3.61** | | **3.61** |
| **Total Investments in Associates (A) + (B)** | | | **244.38** | | **269.29** |
| **Aggregate Market Value of Quoted Investments** | | | **283.74** | | **444.95** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Notes***

(a) *The carrying amount of Investment in Associates is tested for impairment in accordance with Ind AS 36. These investments are strategic and long term in nature. Impairment testing is carried out for listed securities based on fair market value as per stock exchange. However, in case of unlisted securities, impairment testing is carried out based on the recent trade transactions with third parties or DCF method or valuation report by an indepenedent valuer provided by the investee, wherever applicable. Accordingly, no impairment is considered necessary as at the reporting date, except for reduction in the investments by virtue of share of loss in associates.*

(b) *Refer Note No.54 for information about interests in Associates using equity method.*

## 13 Other Investments

Rs. in Crores

| Particulars | Face Value Rs. per Share | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|---|
| | | Numbers | Amount | Numbers | Amount |
| **Quoted Investments** | | | | | |
| **Equity Investments fully paid up (designated at FVTOCI)** | | | | | |
| India Cements Limited | 10 | 58 | 0.00 | 58 | 0.00 |
| Andhra Cements Limited | 10 | 27 | 0.00 | 27 | 0.00 |
| Housing Development Finance Corporation Limited | 2 | 17,400 | 4.57 | 17,400 | 4.16 |
| HDFC Bank Limited | 1 | 5,000 | 0.80 | 5,000 | 0.73 |
| **Sub-total** | | | **5.37** | | **4.89** |
| **Investments in Mutual Funds (measured at FVTPL)** | | | | | |
| HDFC Mutual Fund | 10 | 5,91,890 | 0.82 | 5,54,097 | 0.78 |
| **Sub-total** | | | **0.82** | | **0.78** |
| **Total Quoted Investments (A)** | | | **6.19** | | **5.67** |
| **Aggregate Market Value of Quoted Investments** | | | **6.19** | | **5.67** |
| **Unquoted Investments - Fully paid up Equity Shares** | | | | | |
| **Other entities (designated at FVTOCI)** | | | | | |
| AP Gas Power Corporation Limited [Refer Note (a) below] | 10 | 16,08,000 | 22.12 | 16,08,000 | 22.12 |
| Sri Vishnu Shankar Mill Limited | 10 | 2,100 | 0.01 | 2,100 | 0.01 |
| Chennai Super Kings Cricket Limited | 0.10 | 58 | 0.00 | 58 | 0.00 |
| The Ramco Cements Employees' Co-operative Stores Ltd. | 10 | 250 | 0.00 | 250 | 0.00 |
| **Total Unquoted Investments (B)** | | | **22.13** | | **22.13** |
| **Total Other Investments (A) + (B)** | | | **28.32** | | **27.80** |

***Notes***

(a) *The Group has invested Rs. 22.12 Crores in Andhra Pradesh Gas Power Corporation Limited (APGPCL) by purchasing its 16,08,000 equity shares. The investment entitles the Group to source 6 MW power from APGPCL at economical rates compared to the rates charged by AP State Electricity Board. Considering the subsequent availability of captive power source at its plant, in order to ensure optimum usage of entitled power, 3,08,200 shares (PY: 3,08,200 shares) are being held jointly with the related parties as at the reporting date. Consequently, the related parties are entitled for 1.15 MW (PY: 1.15 MW) for which the charges were borne by them directly and balance power of 4.85 MW (PY: 4.85 MW) were available to the Group for captive use.The Group is entitled to 10 paise per unit for the power consumed by the related parties by virtue of joint entitlement of power. [Refer Note No. 57(a)(11) & Note No. 57(c)(5)].*

(b) *Refer Note No.58 for information about fair value hierarchy under Disclosure of Fair value measurements.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 14 Loans (Non-current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured and Considered Good** | | |
| Loans to employees | 8.09 | 4.45 |
| Loans to service providers | 4.40 | 4.56 |
| **Unsecured and Considered Good** | | |
| Loans to Associates [Refer Note No.57(c)(2)] | - | 52.84 |
| Loans to employees | 2.49 | 4.37 |
| **Total** | **14.98** | **66.22** |

***Notes***

(a) *Loans are non-derivative financial assets and are carried at Amortized Cost, which generate a fixed or variable interest income for the Group.*

(b) *Secured Loans and considered good are covered by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.*

(c) *Loans to Associates represent: Nil (PY: Rs. 52.84 Crores) towards outstanding loans in connection with funding for acquisition of capital asset.*

(d) *The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand; or without specifying any terms or period of repayment.*

(e) *The details of loans outstanding with related parties are furnished in Note No.57(c)(10).*

## 15 Other Financial Assets (Non-current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Security Deposits with related parties [Refer Note No.57(c)(3)] | 9.52 | 6.90 |
| Deposit with Government Departments | 27.05 | 22.13 |
| Fixed Deposits with Banks (maturity more than 12 months) | 0.04 | 0.02 |
| **Total** | **36.61** | **29.05** |

***Note:*** *Fixed Deposits with Banks represent amount held as security towards Government departments.*

## 16 Other Non-Current Assets

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured and Considered Good** | | |
| Capital Advances | 42.30 | 119.67 |
| **Unsecured and Considered Good** | | |
| Capital Advances | 33.45 | 70.59 |
| Deposits under protest, in Appeals | 55.78 | 35.81 |
| Balance/Claims with Government Departments [Refer Note (b) & (c) below] | 43.06 | 2.75 |
| Income Tax Refund Receivable | 3.67 | 4.59 |
| Prepaid Expenses | 21.07 | 17.55 |
| **Total** | **199.33** | **250.96** |

***Notes***

(a) *Secured Capital Advances are covered by way of Bank guarantees.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

(b) *The Group's petition filed against the judgement upholding the validity of "The Cess and Other Taxes on Minerals (Validation) Act, 1992" in the Supreme Court has been ruled in Group's favour. Pursuant to the above judgement, the Group is entitled to receive a sum of Rs. 1.50 Crores (PY: Rs. 1.50 Crores) as at the reporting date, from the Government of Tamil Nadu, which is included in 'Balance / Claims with Government Departments.'*

(c) *The Group have been declared as the Preferred Bidder by Department of Mines and Geology, Government of Karnataka for the Bommanalli Limestone Block in Kalburgi District, Karnataka and have been issued Letter of Intent dated 11-05-2022 for the grant of mining lease. Accordingly, the Group has deposited Rs. 40.31 Crores (PY: Nil) with Government Departments as upfront payment, which are eligible for adjustment against royalty payable, upon commencement of production of mineral.*

## 17 Inventories (Valued at lower of Cost or Net Realisable Value)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Raw materials | 178.16 | 196.67 |
| Stores and Spares | 202.83 | 173.74 |
| Fuel | 366.61 | 340.62 |
| Packing Materials | 40.77 | 42.30 |
| Work-in-progress | 60.77 | 45.25 |
| Finished goods | 34.47 | 35.89 |
| **Total** | **883.61** | **834.47** |

***Notes***

(a) *Goods in transit included in Inventories -*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Raw materials* | *14.18* | *11.17* |
| *Stores and Spares* | *-* | *0.03* |
| *Packing Materials* | *0.10* | *-* |
| *Finished goods* | *10.74* | *8.78* |
| ***Total*** | ***25.02*** | ***19.98*** |

(b) *The Average Inventory Holding period stood at 39 days for the year ended 31-03-2023 (PY: 44 days).*

(c) *The total carrying amount of inventories as at the reporting date has been pledged as security for Short term Borrowings.*

## 18 Trade Receivables

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Secured and considered good | 243.09 | 173.69 |
| Unsecured and considered good | 222.01 | 177.02 |
| Unsecured and which have significant increase in credit risk | 5.77 | 6.25 |
| Allowance for expected credit loss | (5.77) | (6.25) |
| **Total** | **465.10** | **350.71** |

***Notes***

(a) *Unsecured Trade Receivables include dues from -*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *- State Electricity Boards towards Sale of Power* | *123.61* | *96.15* |
| *- State Government departments towards Sale of Cement* | *17.33* | *14.65* |
| *- Other Related parties [Refer Note No. 57(c)(1)]* | *0.81* | *1.51* |
| ***Total*** | ***141.75*** | ***112.31*** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

(b) *Trade receivables are neither due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.*

(c) *Trade receivables in respect of cement are generally non-interest bearing. The average collection period stood at 18 days for the year ended 31-03-2023 (PY: 22 days).*

(d) *The receivables due from the related parties are furnished in Note No.57(c)(1).*

(e) *The Group has availed factoring facility for certain receivables from banks on without recourse basis, by assigning its rights and privileges to the banks, amounting to Rs. 647.92 Crores (PY: Rs. 399.38 Crores) and accordingly, the amount received has been reduced from the Trade receivables.*

(f) *Refer Note No.59 & 61(e) for information about risk profile of Trade Receivables under Financial Risk Management and Ageing Schedule respectively.*

(g) *The total carrying amount of Trade Receivables has been pledged as security for Short term Borrowings.*

## 19 Cash and Cash Equivalents

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Cash on hand | 0.08 | 0.08 |
| Imprest balances | 0.04 | 0.04 |
| Balances with Banks in Current Account | 137.59 | 146.06 |
| **Total** | **137.71** | **146.18** |

***Notes***

(a) *Balance with Banks in Current Account include Rs. 1.01 Crores held by a foreign branch that operates in a country where repatriation restrictions is enforceable as at the reporting date [Refer Note No.66].*

(b) *Refer Note No.59 for information about risk profile of cash and cash equivalents and the amount of undrawn borrowing facilities under Financial Risk Management.*

## 20 Bank Balances other than Cash and Cash Equivalents

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Fixed Deposits with Banks (maturity of more than 3 months but less than 12 months) | 31.06 | 30.07 |
| Earmarked Balance with Banks for Unclaimed Dividend | 1.56 | 2.23 |
| **Total** | **32.62** | **32.30** |

***Notes***

*Fixed Deposits with Banks include -*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *(i) Amount deposited by the Group as per the directions issued by Competition Appellate Tribunal in the matter of alleged cartelisation* | *25.86* | *25.86* |
| *(ii) Interest accrued on the above* | *5.06* | *4.04* |
| *(iii) Amount deposited which is held towards security to various Government departments* | *0.14* | *0.17* |

# Notes to the Consolidated Financial Statements
**for the year ended 31st March 2023**

## 21 Loans (Current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured and Considered Good** | | |
| Loans to employees | 4.04 | 3.45 |
| Loans to service providers | 3.49 | 4.85 |
| **Unsecured and Considered Good** | | |
| Loans to employees | 5.23 | 5.30 |
| Loans to service providers | 0.01 | 0.02 |
| **Total** | **12.77** | **13.62** |

***Notes***

(a) *Loans are non-derivative financial assets and are carried at Amortized Cost, which generate a fixed or variable interest income for the Group.*

(b) *Secured Loans and considered good are covered by way of deposit of original title deeds / hypothecation of assets / creation of second charge of the underlying immovable properties.*

(c) *The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand; or without specifying any terms or period of repayment.*

## 22 Other Financial Assets (Current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Security Deposits with related parties [Refer Note No.57(c)(3)] | - | 4.27 |
| Claims receivable | 140.86 | 76.18 |
| Advance recoverable in cash | 6.61 | 6.88 |
| Deposits with Government Departments | 0.93 | 0.84 |
| Industrial Promotion Assistance receivable | 60.54 | 60.40 |
| Interest receivable | 1.92 | 1.17 |
| Unbilled Revenue | 5.42 | 8.45 |
| **Total** | **216.28** | **158.19** |

***Notes***

(a) *Freight rebate receivable from Railways under LTTC Scheme of Rs. 126.50 Crores (PY: 68.21 Crores) is included in 'Claims receivable.'*

(b) *Industrial Promotion Assistance receivable represents amount receivable from Government of Andhra Pradesh.*

(c) *Unbilled Revenue being Contract assets represent power transmitted to grid and provided technology services to its customers, for which the billing is done in the subsequent period as per the terms agreed with customer including the billing cycle.*

(d) *Changes in Entity's balances of Contract assets required under Para 118 of Ind AS 115, Revenue from Contracts with Customers is given below:*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Unbilled Revenue as at 1st April* | *8.45* | *6.93* |
| *Add: Generation of windpower net of wheeling and banking during the year [Refer Note No.40]* | *61.59* | *72.89* |
| *Revenue Recognition for Information Technology Services during the year* | *5.88* | *8.36* |
| *Less: Net Billing done during the year* | *70.50* | *79.73* |
| ***Unbilled Revenue as at 31st March*** | ***5.42*** | ***8.45*** |

(e) *Refer Note No.61(f) for information relating to Ageing Schedule for Unbilled Revenue.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 23 Current Tax Assets, net

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Tax Deducted at Source | 0.55 | 0.74 |
| **Total** | **0.55** | **0.74** |

## 24 Other Current Assets

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Unsecured and Considered Good** | | |
| Balance/Claims with Government Departments | 18.07 | 14.88 |
| Advances to Suppliers & Service providers [Refer Note (a) below] | 55.41 | 59.66 |
| Advances to employees | 0.05 | 0.07 |
| Tax Credit - Indirect taxes [Refer Note (b) below] | 23.35 | 67.32 |
| Prepaid Expenses | 41.35 | 29.23 |
| **Total** | **138.23** | **171.16** |

***Notes:***

*(a) Unadjusted advances pertaining to related parties of Rs. 2.18 Crores (PY: Rs. 2.17 Crores) included in Advances to Suppliers & Service providers are included in Note No.57(c)(3).*

*(b) Tax Credit - Indirect taxes represent un-utilised input tax credit availed under GST. These credits are available for set-off in the subsequent periods.*

## 25 Equity Share Capital

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Authorised** | | |
| 25,00,00,000 Equity Shares of Rs. 1/- each (PY: 25,00,00,000 Equity Shares of Rs. 1/- each) | 25.00 | 25.00 |
| **Issued, Subscribed and Fully paid-up** | | |
| 23,62,92,380 Equity Shares of Rs. 1/- each (PY: 23,62,92,380 Equity Shares of Rs. 1/- each) | 23.63 | 23.63 |

**Note:** *2,33,600 bonus shares (PY: 2,33,600 bonus shares) of Rs. 1/- each remain unallotted pending completion of required formalities.*

### (i) Reconciliation of the number of shares

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| No. of equity shares at the beginning of the year | 23,62,92,380 | 23,58,89,945 |
| Shares allotted pursuant to exercise of stock options | - | 4,02,435 |
| No. of Equity shares at the end of the year | 23,62,92,380 | 23,62,92,380 |

### (ii) Term/Rights/Restrictions attached to Equity Shares

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

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

**(iii) Shareholders holding more than 5 percent in the Company**

| Particulars | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Ramco Industries Limited | 5,04,75,795 | 21.36 | 5,04,75,795 | 21.36 |
| Rajapalayam Mills Limited | 3,26,25,264 | 13.81 | 3,26,25,264 | 13.81 |
| Life Insurance Corporation of India | 2,05,54,576 | 8.70 | 1,61,66,688 | 6.84 |
| Kotak Mahindra Mutual Fund | 1,54,20,708 | 6.53 | 1,65,35,640 | 7.00 |

**(iv) Shareholding of Promoters**

| Name of the Promoter | Shares held by Promoters at the end of the year | | |
|---|---|---|---|
| | No. of Shares | % of total shares | % change during the year |
| **PROMOTER** | | | |
| P.R.Venketrama Raja | 17,46,460 | 0.74 | - |
| **PROMOTER GROUP** | | | |
| Ramco Industries Limited | 5,04,75,795 | 21.36 | - |
| Rajapalayam Mills Limited | 3,26,25,264 | 13.81 | - |
| The Ramaraju Surgical Cotton Mills Ltd. | 33,13,175 | 1.40 | - |
| Sri Vishnu Shankar Mill Limited | 30,94,200 | 1.31 | - |
| Sudharsanam Investments Limited | 29,82,600 | 1.26 | - |
| Nalina Ramalakshmi | 18,61,460 | 0.79 | -0.03 |
| Saradha Deepa | 16,83,960 | 0.71 | - |
| R Sudarsanam | 12,86,960 | 0.55 | - |
| Ramachandra Raja Chittammal | 7,36,000 | 0.31 | - |
| S.R.Srirama Raja | 1,20,000 | 0.05 | - |
| N.R.K.Ramkumar Raja | 16,000 | 0.01 | - |
| **Total** | **9,99,41,874** | **42.30** | **-0.03** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 26 Other Equity

### Capital Redemption Reserve

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 1.63 | 1.63 |

***Nature of Reserve***

*Capital Redemption Reserve was created for a sum equivalent to its face value at the time of Buy-back of Shares. The Group can use this reserve for issuing fully paid up Bonus shares.*

### Capital Reserve on Consolidation

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 44.72 | 52.99 |
| Less: Transfer to General Reserve | - | 8.27 |
| **Total** | **44.72** | **44.72** |

***Nature of Reserve***

*Capital Reserve on consolidation represents excess of the Parents' share of the net fair value of the investments in Associates over the cost of the investment which is recognised directly in equity as capital reserve upon transition to Ind AS.*

### Securities Premium

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 50.59 | 22.24 |
| Add: Amount transferred from Employee Stock Options Reserve pursuant to exercise of stock options | - | 26.10 |
| Add: Amount transferred from Share Application Money pending allotment pursuant to exercise of stock options | - | 2.25 |
| **Total** | **50.59** | **50.59** |

***Nature of Reserve***

*Securities Premium was credited when shares are issued at a premium. The Group can use this reserve to issue bonus shares, to provide for premium on redemption of shares or debentures, preliminary expenses and the commission paid or discount allowed on, any issue of shares or debentures of the Group.*

### General Reserve

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 6,252.52 | 5,354.00 |
| Add: Amount transferred from Retained Earnings | 268.19 | 898.52 |
| **Total** | **6,520.71** | **6,252.52** |

***Nature of Reserve***

*General Reserve represents the statutory reserve in accordance with Companies Act, 2013 wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Group can declare dividend, however under Companies Act, 2013 transfer of any amount to General reserve is at the discretion of the Group.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

### Employee Stock Options Reserve

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | - | 20.38 |
| Add: Reserve created for fair value of ESOPs recognised over the vesting period | - | 5.72 |
| Less: Amount transferred to Securities Premium pursuant to exercise of stock options | - | 26.10 |
| **Total** | **-** | **-** |

***Nature of Reserve***

*The share based payment reserve represent amount recognised towards the value of equity-settled share based payments granted to employees under ESOS 2018.*

### Retained Earnings

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 235.33 | 246.70 |
| Add: Profit for the year | 314.52 | 881.48 |
| Add: Transfer from FVTOCI Reserve | (4.58) | (2.60) |
| **Balance available for Appropriations** | **545.27** | **1,125.58** |
| **Less: Appropriations** | | |
| Final Dividend | 70.96 | - |
| Transfer to General reserve | 268.19 | 890.25 |
| **Total Appropriations** | **339.15** | **890.25** |
| **Total** | **206.12** | **235.33** |

***Nature of Reserve***

*Retained Earnings represent the undistributed profits of the Group remaining after transfer to other Reserves.*

### Fair Value through Other Comprehensive Income Reserve (FVTOCI Reserve)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as per last financial statement | 10.17 | 10.17 |
| Add: Other Comprehensive Income for the year | (1.09) | (2.60) |
| **Sub-total** | **9.08** | **7.57** |
| Less: Transfer to Retained Earnings | (4.58) | (2.60) |
| **Total** | **13.66** | **10.17** |

***Nature of Reserve***

*Fair Value through Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income (OCI). The Group 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 Group 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.*

| | | |
|---|---|---|
| **Total** | **6,837.43** | **6,594.96** |

## 26a Non-controlling Interests

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Share of Capital in Subsidiaries | 0.57 | 0.57 |
| Share of Profit in Subsidiaries | 6.43 | 6.20 |
| **Total** | **7.00** | **6.77** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 27 Long Term Borrowings

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured** | | |
| Redeemable Non Convertible Debentures (NCDs) at par | | |
| 7.00% Non Convertible Debentures Series D | - | 100.00 |
| 5.50% Non Convertible Debentures Series E | 195.00 | 195.00 |
| 5.50% Non Convertible Debentures Series F | - | 100.00 |
| 6.90% Non Convertible Debentures Series G | 150.00 | 150.00 |
| 6.90% Non Convertible Debentures Series H | 150.00 | 150.00 |
| 7.90% Non Convertible Debentures Series I | 149.37 | - |
| 7.90% Non Convertible Debentures Series J | 149.35 | - |
| 7.90% Non Convertible Debentures Series K | 198.97 | - |
| Term Loans from Banks | 2,535.60 | 1,989.97 |
| Soft Loan from Government | 73.94 | 107.16 |
| **Unsecured** | | |
| Interest free Deferred Sales tax liability | 19.93 | 65.16 |
| **Total** | **3,622.16** | **2,857.29** |

***Notes***

***(a) Redeemable Non-Convertible Debentures (NCDs)***

*(i) Pari-Passu first charge by way of hypothecation on the movable fixed assets of the company (both present and future), excluding vehicles for all series of NCDs issued by the company.*

*(ii) Pari-Passu first charge by way of mortgage on the Immovable properties of the company (both present and future) relating to the company's cement plant at Alathiyur, Tamil Nadu for series D, E & F.*

*(iii) The debentures are repayable on the specified due dates. The rate of interest and redemption dates of debentures starting from farthest redemption is given below*

| *Particulars* | *Maturity Date* | *No. of Instalments* | *Rs. in Crores* |
|---|---|---|---|
| *Series K 7.90% Non Convertible Debentures (Effective Interest Rate: 8.03%)* | *29-03-2028* | *1* | *200.00* |
| *Series J 7.90% Non Convertible Debentures (Effective Interest Rate: 8.01%)* | *29-09-2027* | *1* | *150.00* |
| *Series I 7.90% Non Convertible Debentures (Effective Interest Rate: 8.02%)* | *29-03-2027* | *1* | *150.00* |
| *Series H 6.90% Non Convertible Debentures* | *24-03-2027* | *1* | *150.00* |
| *Series G 6.90% Non Convertible Debentures* | *24-12-2026* | *1* | *150.00* |
| *Series E 5.50% Non Convertible Debentures* | *20-05-2024* | *1* | *195.00* |
| *Series D 7.00% Non Convertible Debentures* | *26-05-2023* | *1* | *100.00* |
| *Series F 5.50% Non Convertible Debentures* | *26-04-2023* | *1* | *100.00* |
| ***Sub-Total*** | | ***8*** | ***1,195.00*** |
| *Less: Transferred to Current maturities of Long term borrowings (Refer Note No.32)* | | *2* | *200.00* |
| *Less: Impact of recognition of borrowings at Amortized Cost using Effective Interest Rate Method [Refer Note (v) below]* | | | *2.31* |
| ***Total*** | | ***6*** | ***992.69*** |

*(iv) As per Companies (Share capital and Debentures) Amendment Rules 2019 notified on 16-08-2019, Debenture Redemption Reserve is not required to be created for privately placed debentures issued by listed companies. Since the Group has issued debentures by way of private placement, the debenture redemption reserve is not created.*

*(v) The transaction cost on issue of NCDs pertaining to Series I, Series J & Series K is adjusted against NCDs upon initial recognition and the same is amortised based on Effective Interest Rate method over the tenure of the Borrowings based on Amortized Cost model in accordance with Ind AS 109. The un-amortised transaction cost adjusted against NCDs as at the reporting date is Rs. 2.31 Crores (PY: Nil).*

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

***(b) Term Loans from Banks***

*(i) Pari passu first charge, by way of hypothecation, on the entire movable fixed assets of the Company both present and future.*

*(ii) The maturity profile of the term loans repayable on various due dates are grouped as given below:*

| Repayment Due | No. of Monthly Instalments | Rs. in Crores |
|---|---|---|
| 2023 - 24 | 5 | 97.08 |
| 2024 - 25 | 12 | 801.68 |
| 2025 - 26 | 12 | 765.83 |
| 2026 - 27 | 12 | 465.63 |
| 2027 - 28 | 12 | 408.76 |
| 2028 - 29 | 4 | 93.70 |
| **Sub-total** | **57** | **2,632.68** |
| Less: Transferred to Current maturities of Long term borrowings [Refer Note No.32] | 5 | 97.08 |
| **Total** | **52** | **2,535.60** |

*(iii) The details of Term Loan Banks and its covenants are summarized below:*

| Particulars | Interest Rate linked to | Interest Reset Frequency | Rs. in Crores |
|---|---|---|---|
| 8.45% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 327.97 |
| 8.75% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 123.57 |
| 8.14% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 125.00 |
| 8.56% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 13.49 |
| 8.10% HDFC Bank repayable in 16 equal quarterly instalments | 3 month T-Bill | Quarterly | 9.97 |
| 8.45% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 7.25 |
| 8.82% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 119.24 |
| 8.21% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 3.47 |
| 8.42% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 39.43 |
| 8.36% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 160.73 |
| 8.44% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 26.12 |
| 8.48% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 13.28 |
| 8.77% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 50.66 |
| 8.23% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 2.64 |
| 8.24% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 6.41 |
| 8.25% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 6.40 |
| 8.43% HDFC Bank repayable in 16 equal quarterly instalments | 1 month T-Bill | Monthly | 64.37 |
| 8.60% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 225.00 |
| 8.60% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 20.50 |
| 8.00% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 1.50 |
| 7.75% HDFC Bank repayable in 20 equal quarterly instalments | 3 month Repo Rate | Quarterly | 97.97 |
| 8.11% Axis Bank repayable in 16 equal quarterly instalments | 1 year Govt.Sec | Annual | 75.00 |
| 9.20% Axis Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 125.00 |
| 7.75% Axis Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 16.88 |
| 8.45% Kotak Mahindra Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 75.00 |
| 8.20% Kotak Mahindra Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 100.00 |
| 8.55% Kotak Mahindra Bank repayable in 16 equal quarterly instalments | 3 month Repo Rate | Quarterly | 125.00 |
| 8.70% HSBC Bank repayable in 3 equal annual instalments | 3 month T-Bill | Quarterly | 200.00 |
| 8.70% HSBC Bank repayable in 2 equal annual instalments | 3 month T-Bill | Quarterly | 50.00 |
| 8.08% HSBC Bank repayable in 2 equal annual instalments | 3 month T-Bill | Quarterly | 100.00 |
| 8.78% HSBC Bank repayable in 12 equal quarterly instalments | 1 month T-Bill | Monthly | 20.83 |
| 7.98% HSBC Bank repayable in 16 quarterly instalments | 3 month T-Bill | Quarterly | 50.00 |
| 8.21% HSBC Bank repayable in 16 quarterly instalments | 3 month T-Bill | Quarterly | 150.00 |
| 8.58% HSBC Bank repayable in 16 quarterly instalments | 3 month T-Bill | Quarterly | 100.00 |
| **Total** | | | **2,632.68** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***(c) Soft Loan from Government***

(i) *The Company has opted to apply the fair value measurements for the loans availed at a concessional rate prospectively and accordingly, the Group has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance sheet. The Group has measured the loans at fair value which are availed at a concessional rate subsequent to transition date. The difference between fair value of the loan and the carrying amount is classified as Deferred Grant.*

*Rs. in Crores*

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Balance as at the beginning of the year | 107.16 | 135.39 |
| Add: Fair value of Soft loan availed during the year | 13.62 | - |
| Add: Interest on the fair value of soft loan as at the reporting date | 3.17 | 2.51 |
| **Sub-total** | **123.95** | **137.90** |
| Less: Transferred to Current maturities of Long term borrowings [Refer Note No.32] | 50.01 | 30.74 |
| **Total** | **73.94** | **107.16** |

(ii) *Pari passu first charge, by way of hypothecation on the movable fixed assets and mortgage on the immovable properties pertaining to Cement unit located in Ariyalur, Expansion at Ramasamyraja nagar Plant, Grinding units at Chengalpattu and Salem.*

(iii) *This loan carries an interest rate of 0.10% p.a. and are repayable upon completion of 10th year from the date of availment.*

(iv) *Undiscounted value of the non-current portion of soft loan from government being, Rs. 108.27 Crores (PY: Rs. 122.30 Crores), are repayable as per the schedule given below:*

| Repayment Due | No. of Instalments | Rs. in Crores |
|---|---|---|
| April 2023 | 1 | 50.01 |
| April 2024 | 1 | 30.02 |
| April 2025 | 1 | 18.60 |
| April 2026 | 1 | 10.00 |
| April 2027 | 1 | 5.74 |
| April 2028 | 1 | 4.95 |
| April 2029 | 1 | 2.98 |
| April 2032 | 1 | 35.98 |
| **Sub-total** | **8** | **158.28** |
| Less: Transferred to Current maturities of Long term borrowings [Refer Note No.32] | 1 | 50.01 |
| **Total** | **7** | **108.27** |

***(d) Interest free Deferred Sales tax Liability***

(i) *The Group has opted to apply the fair value measurements for the loans availed at a concessional rate prospectively and accordingly, the Group has used its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance sheet. The Group has not availed any interest free loan after the transition date.*

(ii) *The Group has availed Interest free Deferred Sales tax liability from State Government under Deferral Sales tax scheme for the Investments made in Alathiyur and Jayanthipuram plant, which are measured at transaction value.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

*(iii) The maturity profile of Interest free Deferred Sales tax liability is given below:*

| Repayment Due | No. of Instalments | Rs. in Crores |
|---|---|---|
| 2023 - 24 | 9 | 40.04 |
| 2024 - 25 | 4 | 16.38 |
| 2025 - 26 | 2 | 3.55 |
| **Sub-total** | **15** | **59.97** |
| Less: Transferred to Current maturities of Long term borrowings [Refer Note No.32] | 9 | 40.04 |
| **Total** | **6** | **19.93** |

***(e) The disclosures with regard to borrowings of large corporates in terms of SEBI Circular No.SEBI/HO/DDHS/CIR/P/2018/144 dated 26-11-2018 (as amended from time to time) is as below:***

| Particulars | | Rs. in Crores |
|---|---|---|
| (i) | 3-year block period (Financial years: T, T+1, T+2) | FY 2022-23, 2023-24 & 2024-25 |
| (ii) | Incremental borrowings done in FY 2022-23 (T) | 1,685.98 |
| (iii) | Mandatory borrowing to be done through issuance of debt securities [25% of ii] | 421.50 |
| (iv) | Actual borrowings done through debt securities, Non-convertible debentures in FY (T) | 500.00 |
| (v) | Shortfall in the borrowing through debt securities, if any for FY (T-1) carried forward to FY (T) | 95.83 |
| (vi) | Quantum of (v), which has been met from (iv) | 95.83 |
| (vii) | Shortfall, if any, in the mandatory borrowings through debt securities for FY (T) | 17.33 |

*T-1, T, T+1 & T+2 refers to FY 2021-22, 2022-23, 2023-24 & 2024-25 respectively. The requirement of mandatory incremental borrowing by a large corporate i.e Company, need to be met over contiguous block of three years i.e T, T+1 & T+2. In accordance with SEBI regulations, the Company shall have time till 31-03-2025 to meet the shortfall of Rs.17.33 Crores in the mandatory borrowings through debt securities.*

*(f) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.*

*(g) Registration, Modification and Satisfaction of charges relating to the year under review, had been filed with the ROC, within the prescribed time or within the extended time requiring the payment of additional fees.*

*(h) Refer Note No.59 for information about risk profile of borrowings under Financial Risk Management.*

## 28 Lease Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Lease Liabilities [Refer Note No.52] | 19.48 | 19.58 |
| **Total** | **19.48** | **19.58** |

## 29 Provisions (Long term)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Provision for Mines Restoration Obligation | 53.34 | 41.25 |
| **Total** | **53.34** | **41.25** |

***Notes***

*(a) The Group provides for the expenses at fair value that are required to restore the mines based on the estimated mineral reserves available and is included in Cost of materials consumed. The unwinding of discount on provision is shown as Finance Costs in the Statement of Profit and Loss.*

# Notes to the Consolidated Financial Statements
**for the year ended 31st March 2023**

(b) *Movement in Provisions for Mines Restoration Obligation*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Carrying amount as at the beginning of the year* | *41.25* | *32.06* |
| *Add: Provision created during the year* | *7.51* | *5.68* |
| *Add: Unwinding of discount on provisions* | *4.58* | *3.51* |
| ***Carrying amount as at the end of the year*** | ***53.34*** | ***41.25*** |

## 30 Deferred Tax Liabilities (net)

Rs. in Crores

| Particulars | As at 01-04-2021 | Recognised in Profit and Loss | As at 31-03-2022 | MAT Credit Set off | Recognised in Profit and Loss | As at 31-03-2023 |
|---|---|---|---|---|---|---|
| Tax Impact on difference between book depreciation and depreciation under the Income Tax Act, 1961 | 1,114.31 | (267.38) | 846.93 | - | 108.13 | 955.06 |
| Tax impact on provision for compensated absences | (11.04) | 2.27 | (8.77) | - | (1.33) | (10.10) |
| Tax Impact on carry forward loss / unabsorbed depreciation | (0.95) | 0.29 | (0.66) | - | (1.14) | (1.80) |
| Tax impact on allowance for expected credit losses | (2.38) | 0.81 | (1.57) | - | 0.12 | (1.45) |
| Tax Impact on Lease Accounting as per Ind AS 116 | (0.18) | (0.08) | (0.26) | - | (0.23) | (0.49) |
| Tax Impact on Asset related subsidy from Government | (0.06) | 0.04 | (0.02) | - | 0.01 | (0.01) |
| Tax Impact on Remeasurement gains and (losses) on defined benefit obligations (net) | - | (0.05) | (0.05) | - | (0.07) | (0.12) |
| Tax Impact on capitalisation of borrowing cost as per ICDS | - | (4.22) | (4.22) | - | (2.55) | (6.77) |
| Unused tax credits (i.e) MAT Credit Entitlement | (9.80) | 4.24 | (5.56) | 0.57 | 0.00 | (4.99) |
| Tax Impact on unrealised profit on assets | (6.28) | 2.08 | (4.20) | - | 0.29 | (3.91) |
| Others | (0.51) | 0.13 | (0.38) | - | 0.00 | (0.38) |
| **Total** | **1,083.11** | **(261.87)** | **821.24** | **0.57** | **103.23** | **925.04** |

**Reconciliation of Deferred tax Liabilities (Net)**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Balance at the beginning of the year** | **821.24** | **1,083.11** |
| Deferred Tax Expense recognised for profit before share of profit of Associates | 103.22 | (262.09) |
| Deferred Tax Expense / (Credit) recognised in share of profit of associates | 0.08 | 0.27 |
| Deferred Tax Expense / (credit) during the year recognised in OCI | (0.07) | (0.05) |
| MAT Credit Set-off during the year | 0.57 | - |
| **Balance at the end of the year** | **925.04** | **821.24** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**Components of Tax Expenses**

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **(i)** | **Profit or Loss Section** | | |
| | **Current Tax** | | |
| | Current Income Tax charge | 25.46 | 166.01 |
| | Current Tax adjustments of earlier years | 1.31 | 6.67 |
| | **Deferred Tax** | | |
| | Relating to the origination and reversal of temporary differences | 103.95 | 41.56 |
| | MAT Credit reversal of earlier years | - | 4.24 |
| | Deferred Tax adjustments of earlier years | (0.73) | (307.89) |
| | **Total Tax Expenses recognised in Profit or Loss section** | **129.99** | **(89.41)** |
| **(ii)** | **Other Comprehensive Income Section** | | |
| | Current Tax Credit on remeasurement losses on defined benefit obligations (net) | (1.48) | (0.83) |
| | Deferred Tax Credit on remeasurement losses on defined benefit obligations (net) | (0.07) | (0.05) |
| | **Total Tax Credit recognised in OCI** | **(1.55)** | **(0.88)** |
| **(iii)** | **Total Tax Expenses recognised in Statement of Profit and Loss (i) + (ii)** | **128.44** | **(90.29)** |

**Reconciliation of the Income tax provision to the amount computed by applying the statutory Income tax rate to the Income before taxes is summarised below:**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Accounting Profit before Tax (including OCI)** | **466.32** | **799.76** |
| Corporate Tax Rate % | 25.168% | 25.168% |
| **Computed Tax Expense** | **117.36** | **201.28** |
| **Increase/(reduction) in taxes on account of:** | | |
| Tax adjustments of earlier years | 0.58 | 7.42 |
| Non-deductible expenses | 10.91 | 6.26 |
| Income exempt / eligible for deduction under chapter VI-A | (0.37) | (0.23) |
| Additional allowances / deductions for tax purposes | (0.31) | (0.94) |
| Change in tax rate during the year | - | (304.01) |
| Different tax rates / tax adjustments upon consolidation between members of the group | 0.27 | (0.07) |
| **Tax Expenses recognised in the Statement of Profit and Loss** | **128.44** | **(90.29)** |

***Notes***

*(a) The Group has an irrevocable option of shifting to a lower tax rate and simultaneously forgo certain tax incentives, deductions and accumulated MAT credit as per Section 115BAA in the Income Tax Act, 1961. In view of the overall tax benefits available under Section 115BAA, the Parent Company has opted for shifting to lower tax regime from FY 2021-22 onwards. Accordingly, the Company has restated the net deferred tax liability as at 01-04-2021 in accordance with the reduced tax rates i.e 25.168% as against the old tax rate i.e 34.944% and thus reversed Rs. 304.01 Crores during the year ended 31-03-2022. However, the subsidiary companies included in the Group continue to provide for income tax at the old rates, in view of benefits available under old tax regime. Hence, tax figures are not comparable with the previous period.*

*(b) Tax adjustments of earlier years represent amount provided for / written back based on recent assessment orders or completion of filing return of income before the due date.*

*(c) A deferred tax liability in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised because the Group control the dividend policy of its subsidiaries and the management is satisfied that they are not expecting to distribute profit in the foreseeable future.*

*(d) The Company has applied Nil rate of tax on undistributed profits of subsidiaries / associates and thus has not recognised deferred tax in view of dividends were exempt from tax under the erstwhile Section 10(34) of Income Tax Act, 1961 for the period upto 31-03-2020, or entitlement of deduction computed under Section 80M in respect of inter-corporate dividends, from 01-04-2020.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 31 Deferred Government Grants (Non-current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Deferred Government Grant | 16.18 | 10.07 |
| **Total** | **16.18** | **10.07** |

***Notes***

*(a) Deferred Government Grants comprises of -*

*(i) Fair value of Interest benefit below market rate of Interest pertaining to Soft Loan from Government is recognised as Deferred Grant and amortized over the useful life of the underlying PPE as Grant Income in the Statement of Profit and Loss.*

*(ii) Industrial Promotion Assistance (IPA) provided by Department of Industries, Government of Andhra Pradesh towards creation of infrastructure facilities is recognised as 'Grant Income' over the useful life of the underlying PPE.*

*(b) Movement in Government Grants*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *As at the beginning of the year* | *11.45* | *12.83* |
| *Add: Recognition of Deferred Grant - Soft Loan from Government [Refer Note No.27(c)]* | *22.37* | *-* |
| *Less: Recognised as Grant Income in the Statement of Profit and Loss [Refer Note No.40]* | *15.13* | *1.38* |
| ***Total Deferred Government Grant*** | ***18.69*** | ***11.45*** |
| *Less: Current portion of Government Grant [Refer Note No.38]* | *2.51* | *1.38* |
| ***Non-Current Deferred Government Grants*** | ***16.18*** | ***10.07*** |

*(c) There are no unfulfilled conditions or contingencies attached to these grants.*

## 32 Short Term Borrowings

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured** | | |
| Loan from Banks | 0.15 | 25.29 |
| Current Maturities of Long Term Borrowings [Refer Note No.27] | 347.09 | 551.56 |
| **Unsecured** | | |
| Loans and advances from Director [Refer Note No.57(c)(4)] | 0.14 | 0.09 |
| Loan from Banks | 280.00 | 305.00 |
| Current Maturities of Long Term Borrowings [Refer Note No.27] | 40.04 | 16.24 |
| Commercial Papers | 197.84 | 174.48 |
| **Total** | **865.26** | **1,072.66** |

***Notes***

*(a) Short term Borrowings (other than Current maturities of Long term borrowings) are secured by way of first pari passu hypothecation charge on trade receivables and inventories of the Company, present and future. The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.*

# Notes to the Consolidated Financial Statements
**for the year ended 31st March 2023**

*(b) Current maturities of Long term Borrowings comprises of maturities towards:*

*Rs. in Crores*

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Secured** | | |
| Non-convertible debentures | 200.00 | 200.00 |
| Term Loan from Banks | 97.08 | 320.82 |
| Soft Loan from Government | 50.01 | 30.74 |
| **Current Maturities of Long Term Borrowings - Secured** | **347.09** | **551.56** |
| **Unsecured** | | |
| Interest Free Deferred Sales Tax Liability | 40.04 | 16.24 |
| **Current Maturities of Long Term Borrowings - Unsecured** | **40.04** | **16.24** |

*The details with regard to nature of security are furnished in Note No.27*

*(c) Loans and advances from Director represents amount due to Managing Director, which carry an interest rate linked to SBI one-year Domestic Bulk Term Deposit Interest rate. The interest accrued during the year amounts to Rs. 0.04 Crores (PY: Rs.0.09 Crores).*

*(d) Other Short term borrowings availed during the year carry interest rates ranging from 4.11% to 7.55% p.a.in respect of Loan from Banks, 6.95% to 8.20% in respect of Cash credit and 3.94% to 7.84% in respect of Commerical Papers.*

*(e) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was taken as at the reporting date.*

*(f) Refer Note No.59 for information about risk profile of borrowings under Financial Risk Management.*

## 33 Lease Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Lease Liabiliites [Refer Note No.52] | 0.21 | 0.14 |
| **Total** | **0.21** | **0.14** |

## 34 Trade Payables

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Dues of Micro and Small Enterprises | 6.05 | 13.06 |
| Dues of Creditors other than Micro and Small Enterprises | | |
| - Payables to Related parties [Refer Note No.57(c)(8)] | 0.32 | - |
| - Others | 632.21 | 472.05 |
| **Total** | **638.58** | **485.11** |

***Notes***

*(a) The disclosures as per the requirement of The Micro, Small and Medium Enterprises Development Act ,2006 are furnished in Note No.60*

*(b) The disclsoures relating to Supplier financing arrangements are given below:*

*Rs. in Crores*

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| (i) The carrying amount of financial liabilities recognised that are part of supplier financing arrangement and presented within Trade payables | 162.62 | - |
| (ii) Out of (i) above, the suppliers / service providers have received payment for | 162.62 | - |
| (iii) The range of payment due dates for the trade payables that are part of supplier financing arrangment | 30 to 45 days from the Invoice Date | |
| (iii) The range of payment due dates for the trade payables that are not part of supplier financing arrangment | Upto 90 days from the Invoice Date | |

*(c) The Average Payable period stood at 25 days for the year ended 31-03-2023 (PY: 26 days).*

*(d) Refer Note No.59 for information about risk profile of Trade payables under Financial Risk Management.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 35 Other Financial Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Foreign Exchange Forward Contracts, not designated as hedges | 0.23 | - |
| Interest accrued | 19.08 | 17.51 |
| Unclaimed dividends | 1.56 | 2.23 |
| Security Deposits from | | |
| - Associates [Refer Note No.57(c)(6)] | 0.02 | 0.10 |
| - Other related parties [Refer Note No.57(c)(5)] | 0.12 | 0.12 |
| - Customers | 942.36 | 705.50 |
| - Service providers | 9.12 | 6.54 |
| Payables for Capital Goods | 153.94 | 151.25 |
| Financial Guarantee Obligation [Refer Note No.49] | 0.00 | 0.77 |
| Book overdraft | 9.06 | 9.54 |
| Other payables | 10.54 | 9.42 |
| **Total** | **1,146.03** | **902.98** |

***Notes***

(a) *Foreign exchange forward contracts are purchased to mitigate the risk of changes in foreign exchange rates with certain payables in foreign currencies. These are not designated for hedge accounting and thus are measured at fair value through profit or loss. The details of forward contract outstanding as at the reporting date are given below:*

| *Particulars* | | *31-03-2023* | *31-03-2022* |
|---|---|---|---|
| *Forward Contracts (Sell)* | *USD in Million* | *22.88* | - |
| *Net Loss on Mark to Market in respect of forward contracts outstanding as at the reporting date* | *INR in Crores* | *0.23* | - |

*Refer Note No.58 for information about fair value hierarchy under Disclosure of Fair value measurements.*

(b) *Unclaimed Dividends represent amount not due for transfer to Investor Education and Protection Fund.*

(c) *The Group 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 [Refer Note No.41].*

(d) *The payables for capital goods due to related parties are furnished in Note No.57(c)(9).*

(e) *The disclosures as per the requirement of The Micro, Small and Medium Enterprises Development Act ,2006 are furnished in Note No.60.*

## 36 Other Current Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Statutory liabilities payable | 128.41 | 77.37 |
| Deferred Revenue on Software implementation services | 1.44 | 1.37 |
| Advance received against sale of assets [Refer Note (c) below] | 1.05 | - |
| Advances from / Credit balances with Customers [Refer Note (a) & (b) below] | 262.64 | 193.92 |
| **Total** | **393.54** | **272.66** |

***Notes***

(a) *Advances / Credit balances with Customers / Advances received against sale of assets represent contract liabilities for which performance obligations are pending as at the reporting date. These amounts are available for adjustment against subsequent supplies in future periods.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

(b) *The Group has applied the exemption specified in Paragraph 121 of Ind AS 115, since all the goods supplied by the Group are due for delivery within the next 12 months.*

(c) *Advance received against sale of assets represent advance received from related party against sale of immovable property. Refer Note No.57(c)(11) for disclosures pertaining to related party.*

## 37 Provisions (Short term)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Provision for Compensated absences [Refer Note No.50] | 40.25 | 34.85 |
| Provision for disputed income tax liabilities | 0.71 | 2.72 |
| **Total** | **40.96** | **37.57** |

***Notes***

(a) *The Group 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 reporting date, using Projected Unit Credit method.*

(b) *Movement in Provisions for compensated absences*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Carrying amount as at the beginning of the year* | *34.85* | *31.70* |
| *Add: Current Service Cost* | *1.80* | *1.53* |
| *Add: Interest Cost* | *2.35* | *2.04* |
| *Add: Actuarial Loss* | *4.95* | *3.60* |
| *Less: Benefits paid* | *3.70* | *4.02* |
| ***Carrying amount as at the end of the year*** | ***40.25*** | ***34.85*** |

(c) *The Group provides for income tax liability based on the various disallowances in the assessments.*

(d) *Movement in Provisions for disputed income tax liabilities*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Carrying amount as at the beginning of the year* | *2.72* | *0.71* |
| *Add: Amount transferred from Liabilities for Current Tax* | *0.18* | *-* |
| *Add: Provision created based on disallowances in Assessment orders* | *1.49* | *2.01* |
| *Less: Excess tax provision written back during the year* | *0.18* | *-* |
| *Less: Paid during the year* | *3.50* | *-* |
| ***Carrying amount as at the end of the year*** | ***0.71*** | ***2.72*** |

## 38 Deferred Government Grants (Current)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Deferred Government Grants [Refer Note No.31] | 2.51 | 1.38 |
| **Total** | **2.51** | **1.38** |

## 39 Current Tax Liabilities, net

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Provision for Current Tax | 23.98 | 165.18 |
| Less: Advance Tax | 16.90 | 149.91 |
| Less: TDS / TCS | 5.51 | 5.08 |
| Less: MAT Credit Set off | 0.57 | - |
| **Total** | **1.00** | **10.19** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 40 Revenue from Operations

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Sale of Products** | | |
| **Domestic Sales** | | |
| Cement | 7,838.79 | 5,798.57 |
| Clinker | 30.94 | - |
| Dry Mortar Products | 135.28 | 70.33 |
| Ready Mix Concrete | 14.45 | 14.81 |
| **Export Sales** | | |
| Cement - Direct Exports | - | 4.00 |
| Cement - Deemed Exports | 32.68 | 9.12 |
| Cement - Sale through Foreign branch | - | 0.27 |
| Dry Mortar Product - Direct Exports | - | 0.01 |
| Dry Mortar Product - Deemed Exports | 0.14 | 0.08 |
| **Other Operating Revenue** | | |
| Sale of power generated from Windmills | 61.59 | 72.89 |
| Income from Manpower supply services | 2.61 | 1.95 |
| Income from Information technology services | 5.88 | 8.36 |
| Scrap Sales | 19.63 | 21.92 |
| Industrial Promotion Assistance | 0.14 | - |
| Deferred Grant Income [Refer Note No.31] | 15.13 | 1.38 |
| **Total** | **8,157.26** | **6,003.69** |

***Notes***

(a) *The disaggregation of revenue as required under Ind AS 115 is given below*

*Rs. in Crores*

| ***Particulars*** | ***31-03-2023*** | ***31-03-2022*** |
|---|---|---|
| *Gross Revenue from Operations* | *11,766.80* | *9,042.42* |
| *Less: Rebates & Discounts* | *1,356.27* | *1,357.80* |
| *Less: GST* | *2,253.27* | *1,680.93* |
| ***Revenue from Operations (net of GST)*** | ***8,157.26*** | ***6,003.69*** |

(b) *The Group has generated 25.65 Crore units (PY: 26.59 Crore units) net of wheeling and banking at windfarms for a monetary value of Rs. 61.59 Crores (PY: Rs. 72.89 Crores).Refer Note No.22(d) for information relating to changes in entity's contract assets.*

(c) *Income recognised as Industrial Promotion Assistance represents amount receivable from Government of Andhra Pradesh under IDP 2015-20 Scheme. There are no unfulfilled conditions or contingencies attached to these grants.*

(d) *The Group's Revenue from sale of products is recognised upon transfer of control of such products to the customer at a point in time. Revenue from sale of power generated from windmills is recognised upon transmission of energy to the grids of state electricity boards. Revenue from Information Technology Services are recognised over time using an input method, since the customer simultaneously receives and consumes the benefit provided by the Group. Revenue from Manpower supply services are recognised at a point in time on a man-month basis as and when the services are rendered as per the agreed terms.*

(e) *No single customer contributed 10% or more to the Group's revenue for the year ended 31-03-2023 and 31-03-2022.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 41 Other Income

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Interest Income | 10.18 | 11.32 |
| Dividend Income | 0.12 | 0.10 |
| Lease Rental Receipts | 9.62 | 9.71 |
| Profit on sale of carbon credits | 1.37 | 1.16 |
| Gain on Exchange Difference, net | 1.30 | - |
| Fair value gain on Mutual Funds | - | 0.07 |
| Profit on Sale of PPE & Investment Property, net | 0.46 | - |
| Other non-operating income | 9.88 | 5.64 |
| **Total** | **32.93** | **28.00** |

***Notes***

(a) *Interest Income comprises of amount recognised as income from financial assets that are measured at Amortized Cost calculated using effective interest rate method.*

(b) *Dividend Income comprises of amount received towards securities measured at:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Fair value through Profit and Loss (FVTPL)* | *0.06* | *0.05* |
| *Fair value through Other Comprehensive Income (FVTOCI)* | *0.06* | *0.05* |
| ***Total*** | ***0.12*** | ***0.10*** |

(c) *Profit on sale of Carbon Credits of Rs. 1.37 Crores (PY: Rs. 1.16 Crores) is presented after netting of directly attributable expenses to such income amounting to Nil (PY: Rs. 1.59 Crores).*

(d) *The disclosures pertaining to lease rental receipts as required under Ind AS 116 are disclosed in Note No.52.*

(e) *Other non-operating income of Rs. 9.88 Crores (PY: Rs. 5.64 Crores) is presented after netting of directly attributable expenses to such income amounting to Rs. 0.25 Crores (PY: Rs. 25.93 Crores). It includes Duty Drawback from Customs towards Exports: Nil (PY: Rs. 0.04 Crores) and fair value recognition of financial guarantee contracts of Rs. 0.77 Crores (PY: Rs. 1 Crore).*

## 42 Cost of Materials Consumed

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Opening Inventories | 196.67 | 144.74 |
| Add: Purchases | 1,338.56 | 948.73 |
| Less: Closing Inventories | 178.16 | 196.67 |
| **Total** | **1,357.07** | **896.80** |

**Details of cost of materials consumed**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Lime stone | 469.22 | 331.33 |
| Freight & Handling - Inter unit clinker transfer | 328.99 | 174.88 |
| Pozzolona Material | 131.47 | 99.74 |
| Gypsum | 126.80 | 85.33 |
| Purchased Clinker | 29.67 | 39.43 |
| Aggregates | 44.93 | 33.05 |
| Other Additives | 203.95 | 113.23 |
| Material handling expenses | 22.04 | 19.81 |
| **Total** | **1,357.07** | **896.80** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 43 Changes in Inventories of Finished goods and Work-in-progress

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Closing Stock** | | |
| Finished Goods | 34.47 | 35.89 |
| Work-in-progress | 60.77 | 45.25 |
| | **95.24** | **81.14** |
| **Opening stock** | | |
| Finished Goods | 35.89 | 34.91 |
| Work-in-progress | 45.25 | 39.82 |
| | **81.14** | **74.73** |
| **Total** | **(14.10)** | **(6.41)** |

## 44 Employee Benefits Expense

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **For Employees Other than Directors** | | |
| Salaries and Wages | 379.25 | 354.87 |
| Workmen and Staff welfare | 40.95 | 39.44 |
| Contribution to Provident Fund and other funds [Refer Note No.50] | 44.09 | 38.64 |
| Employee Stock Options Expense [Refer Note No.51] | - | 5.72 |
| **For Directors** | | |
| Managing Director Remuneration (including commission) | 24.07 | 42.04 |
| Contribution to Provident Fund and other funds [Refer Note No.50] | 0.14 | 0.14 |
| Sitting Fees [Refer Note No.57(a)(18)] | 0.12 | 0.09 |
| **Sub-total** | **488.62** | **480.94** |
| Less: Amount recognised in Other Comprehensive Income [Refer Note No.50] | 6.14 | 3.48 |
| **Total** | **482.48** | **477.46** |

***Notes***

(a) *Amount recognised in Other Comprehensive Income represent remeasurement losses on defined benefit obligations i.e Gratuity fund, recognised in OCI.*

(b) *Refer Note No.50 for disclosures pertaining to defined contribution plan and defined benefit obligations under Ind AS 19.*

(c) *Refer Note No.62 for the information relating to amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress.*

(d) *The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the codes") in the Gazette of India, interalia, subsuming various existing labour and industrial laws which deals with employees including post-employment period. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes if any will be assessed and recognized post notification of relevant provisions.*

(e) *Managing Director's Remuneration and Sitting fees are presented under 'Employee Benefits Expense' in accordance with para 7 of Ind AS 19 on Employee Benefits read with para no. 9.5.4.1 of Guidance Note on Ind AS Schedule III issued by ICAI. Accordingly, previous year figures have also been reclassified.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 45 Finance Costs

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Interest on Term loans | 157.43 | 53.46 |
| Interest on Debentures | 49.67 | 41.77 |
| Interest expense on lease liabilities [Refer Note No.52] | 1.97 | 0.93 |
| Others | 31.45 | 16.24 |
| **Total** | **240.52** | **112.40** |

***Notes***

*(a) Interest on Term loans and Debentures represent interest calculated using the effective interest rate method.*

*(b) The above Finance Costs is net of capitalised portion of Rs. 105.92 Crores (PY: Rs. 102.41 Crores) attributable to the qualiying assets [Refer Note No.62].*

*(c) Others include unwinding of discounts on provisions of Rs. 4.58 Crores (PY: Rs. 3.51 Crores) and Rs. 0.90 Crores (PY: Rs. 3.31 Crores) towards interest on shortfall in payment of advance tax.*

*(d) Refer Note No.59 for information about Interest rate risk exposure under Financial Risk Management.*

## 46 Depreciation & Amortization Expense

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Depreciation on Property, Plant & Equipment [Refer Note No.7] | 460.84 | 380.35 |
| Depreciation on Investment Property [Refer Note No.9] | 1.45 | 1.70 |
| Amortization of Intangible Assets [Refer Note No.10] | 44.64 | 24.16 |
| **Sub-total** | **506.93** | **406.21** |
| Less: Depreciation adjustments [Refer Note below] | 0.95 | 3.98 |
| **Total** | **505.98** | **402.23** |

***Note:*** *Depreciation adjustments represent amount capitalised or transferred to Capital Work-in-progress since future economic benefits embodied in an asset are absorbed in producing other assets [Refer Note No.62].*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 47 Other Expenses

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Packing Materials consumption | 320.55 | 260.89 |
| Stores and Spares consumption | 72.97 | 71.09 |
| Repairs to Plant and equipments | 116.24 | 98.27 |
| Repairs to Buildings | 18.15 | 17.57 |
| Repairs to Vehicles and locomotives | 15.34 | 10.80 |
| General repairs | 1.17 | 2.65 |
| **Establishment Expenses** | | |
| IT & Communication expenses | 19.56 | 20.28 |
| Insurance | 28.57 | 27.60 |
| Exchange Difference (net) | 0.05 | 0.82 |
| General Administration Expenses | 7.00 | 5.45 |
| Travelling expenses | 49.57 | 40.90 |
| Training & Development Expenses | 0.65 | 0.15 |
| Filing & Registration Fees | 0.41 | 0.28 |
| Lease Rent [Refer Note (a) below] | 15.90 | 14.60 |
| Miscellaneous Expenses | 12.16 | 7.98 |
| Legal and Consultancy expenses | 11.44 | 11.29 |
| Bank Charges | 0.72 | 0.60 |
| Audit Fees and Expenses [Refer Note (b) below] | 0.63 | 0.63 |
| Security Charges | 32.27 | 29.49 |
| Board Meeting expenses | 0.06 | - |
| Sitting fees to Non-Executive Directors [Refer Note No.57(a)(18)] | 0.52 | 0.38 |
| Donations [Refer Note (d) below] | 26.07 | 6.60 |
| CSR expenditure [Refer Note (e) below] | 17.29 | 18.29 |
| Rates and taxes | 18.88 | 15.92 |
| Loss on Sale of PPE & decognition of Right-of-use asset (net) | - | 0.21 |
| **Selling and Distribution Expenses** | | |
| Advertisement expenses | 36.17 | 34.85 |
| Sales Promotion expenses | 56.02 | 37.37 |
| Selling Agents' Commission | 17.32 | 18.76 |
| Other Selling expenses | 1.64 | 2.34 |
| Bad Debts written off | 0.04 | - |
| **Total** | **897.36** | **756.06** |

***Notes***

*(a) The disclosures pertaining to lease rent as required under Ind AS 116 are disclosed in Note No.52.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

b) *Audit Fees and Expenses (net of tax credits)*

Rs. in Crores

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| ***Statutory Auditors*** | | |
| *- Statutory Audit [include Foreign Branch Audit fees of Rs. 0.01 Crores (PY: 0.01 Crores)]* | *0.38* | *0.35* |
| *- Other Certification work* | *0.05* | *0.11* |
| *- Reimbursement of Expenses* | *0.02* | *0.01* |
| ***Tax Auditors*** | | |
| *- Tax Audit* | *0.04* | *0.04* |
| *- Other Certification work* | *0.00* | *0.00* |
| *- Reimbursement of Expenses* | *0.00* | *0.00* |
| ***Cost Auditors*** | | |
| *- Cost Audit* | *0.06* | *0.06* |
| *- Reimbursement of Expenses* | *0.00* | *0.00* |
| ***Secretarial Auditors*** | | |
| *- Secretarial Audit* | *0.08* | *0.06* |
| *- Reimbursement of Expenses* | *0.00* | *0.00* |
| ***Total*** | ***0.63*** | ***0.63*** |

(c) *Refer Note No.62 for the information relating to amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress.*

(d) *Donations include Contribution to Political parties through Electoral Bonds / Cheque amounts to Rs. 20.50 Crores (PY: Nil).*

(e) *The details of related party transactions in relation to CSR Expenditure are furnished in Note No.57(a)(22).*

## 48 Contingent Liabilities

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Guarantees given by the bankers on behalf of Group | 449.91 | 340.58 |
| Demands / Claims not acknowledged as Debts in respect of matters in appeals by | | |
| - Parent | 877.31 | 841.97 |
| - Parent's share in Associates | 32.70 | 24.47 |

## 49 Financial guarantees

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Corporate Guarantees given to banks to avail loan facilities by Related parties: | | |
| - Raja Charity Trust | 100.00 | 100.00 |

*Notes:*

(a) *There were no fresh guarantees given on behalf of related party during the year.*

(b) *The loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Group are furnished below:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Raja Charity Trust* | *-* | *5.75* |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

(c) *Since the loans availed on the strength of Corporate Guarantee was completely repaid by the related party during the year ended 31st March 2023, the Company is in the process of taking back the corporate guarantee and it is pending as at the reporting date due to completion of required procedural formalities with banks.*

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

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Employer's Contribution to Provident Fund | 20.56 | 19.17 |
| Employer's Contribution to National Pension System (NPS) | 1.59 | 1.46 |
| Employer's Contribution to Superannuation Fund | 11.00 | 9.99 |

**Defined Benefit Plan - Gratuity**

The Gratuity payable to employees is based on the employee's service and last drawn salary at the time of leaving the services of the Group and is in accordance with the rules of the Group read with Payment of Gratuity Act 1972. This is a defined benefit plan in nature. The Group makes annual contributions to "The Ramco Cements Limited Employees' Gratuity Fund"/"Ramco Industrial and Technology Services Limited Employees' Gratuity Trust" administered by trustees and managed by LIC of India / HDFC Life Insurance, based on the Actuarial Valuation by an independent external actuary as at the Balance Sheet date using Projected Unit Credit method. The Group has the exposure of actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to any longevity risks.

**Defined Benefit Plan (Gratuity) and Other Long term benefits (Compensated Absences)**

**Reconciliation of Opening and Closing balances of Present Value of Obligation**

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| As at the beginning of the year | 86.34 | 79.51 | 34.85 | 31.70 |
| Current Service Cost | 5.34 | 4.96 | 1.80 | 1.53 |
| Interest Cost | 6.11 | 5.32 | 2.35 | 2.04 |
| Actuarial Loss | 6.07 | 2.85 | 4.95 | 3.60 |
| Benefits paid | (-) 4.58 | (-) 6.30 | (-) 3.70 | (-) 4.02 |
| **As at the end of the year** | **99.28** | **86.34** | **40.25** | **34.85** |

**Reconciliation of Opening and Closing balances of Fair Value of Plan Assets**

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| As at the beginning of the year | 86.34 | 79.51 | - | - |
| Expected Return on Plan Assets | 6.51 | 5.60 | - | - |
| Actuarial (Loss) / Gain | (-) 0.07 | (-) 0.63 | - | - |
| Employer contribution | 11.08 | 8.16 | 3.70 | 4.02 |
| Benefits paid | (-) 4.58 | (-) 6.30 | (-) 3.70 | (-) 4.02 |
| **As at the end of the year** | **99.28** | **86.34** | **-** | **-** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

### Actual Return on Plan Assets

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Expected Return on Plan Assets | 6.51 | 5.60 | - | - |
| Actuarial (Loss) / Gain on Plan Assets | (-) 0.07 | (-) 0.63 | - | - |
| **Actual Return on Plan Assets** | **6.44** | **4.97** | **-** | **-** |

### Reconciliation of Fair Value of Assets and Obligations

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Fair Value of Plan Assets | 99.28 | 86.34 | - | - |
| Present value of Obligation | 99.28 | 86.34 | 40.25 | 34.85 |
| Difference | - | - | 40.25 | 34.85 |
| **Amount recognized in Balance Sheet** | **-** | **-** | **40.25** | **34.85** |

### Expense recognized in the Statement of Profit and Loss

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Current Service Cost | 5.34 | 4.96 | 1.80 | 1.53 |
| Net Interest on obligations | (-) 0.40 | (-) 0.28 | 2.35 | 2.04 |
| Actuarial Loss / (Gain) recognised during the year | - | - | 4.95 | 3.60 |
| Past service cost | - | - | - | - |
| **Expenses recognised in Profit and Loss Section** | **4.94** | **4.68** | **9.10** | **7.17** |
| Actuarial changes arising from: | | | | |
| - Experience adjustments on Plan liabilities | 7.69 | 0.99 | - | - |
| - Experience adjustments on Plan Assets | 0.03 | 0.61 | - | - |
| - Changes in financial assumptions | (-)1.58 | 1.88 | - | - |
| - Changes in demographic assumptions | - | - | - | - |
| **Expenses recognised in OCI** | **6.14** | **3.48** | **-** | **-** |
| **Amount recognised in Total Comprehensive Income** | **11.08** | **8.16** | **9.10** | **7.17** |

### Investment Details

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Funds with Insurers | 92.81 | 73.56 | - | - |
| Bank balance | 0.06 | 7.50 | - | - |
| Interest, IT refund receivable and Others | 6.41 | 5.28 | - | - |
| **Total** | **99.28** | **86.34** | **-** | **-** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

### Actuarial assumptions

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| LIC 1996-98 Table applied for service mortality rate | Yes | Yes | Yes | Yes |
| Discount rate p.a | 7.34% to 7.35% | 7.27% to 7.32% | 7.34% to 7.35% | 7.27% to 7.32% |
| Expected rate of Return on Plan Assets p.a | | | - | - |
| Rate of escalation in salary p.a | 6% | 5% to 5.5% | 6% | 5% to 5.5% |
| Rate of Employee turnover | 3% to 6% | 3% to 5% | 3% to 6% | 3% to 5% |

### Estimate of Expected Benefit Payments

Rs. in Crores

| Particulars | Gratuity Plan (Funded) | | Compensated Absences (Un-funded) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Year 1 | 4.85 | 9.00 | 1.71 | 2.77 |
| Year 2 | 14.45 | 8.75 | 4.58 | 2.29 |
| Year 3 | 9.68 | 5.35 | 3.18 | 1.87 |
| Year 4 | 11.77 | 5.02 | 4.17 | 1.14 |
| Year 5 | 9.27 | 5.83 | 3.17 | 2.13 |
| Next 5 years | 46.79 | 37.84 | 16.50 | 13.23 |

### Gratuity Plan (Funded)

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Enterprise's best estimate of contribution during next 12 months | 9.00 | 6.25 |
| Average Duration of defined benefit obligations (in years) | 9.30 | 10.70 |

### Quantitative Sensitivity Analysis for significant assumptions

Rs. in Crores

| Particulars | Effect on Gratuity Obligation | | Effect on provision for Compensated Absences | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| 0.50% Increase in Discount Rate | 95.18 | 82.27 | 37.47 | 32.37 |
| 0.50% Decrease in Discount Rate | 103.70 | 90.77 | 41.21 | 36.17 |
| 0.50% Increase in Salary Growth Rate | 103.78 | 90.88 | 41.23 | 36.20 |
| 0.50% Decrease in Salary Growth Rate | 95.06 | 82.14 | 37.44 | 32.33 |
| 0.50% Increase in Attrition Rate | 99.83 | 87.14 | 39.48 | 34.52 |
| 0.50% Decrease in Attrition Rate | 98.68 | 85.49 | 39.04 | 33.83 |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 51 Disclosures pertaining to Share Based Payments as per Ind AS 102

### (a) ESOS Schemes

The Company instituted Employee Stock Option Schemes (ESOS 2018) approved by shareholders at the Annual General Meeting held on 03-08-2018. The Board of Directors and Nomination & Remuneration Committee granted 5,15,600 options and 2,00,000 options to its eligible employees under various plan in different tranches at its meeting held on 07-08-2019 and 09-09-2020 respectively. Each option entitles the option holder thereof to apply for one equity share of the company, upon satisfaction of performance condition during the vesting period and payment of exercise price during the exercise period. Options are granted for no consideration and carries no dividend or voting rights. There are no market conditions attached to the grant / vesting of options. The Company has recognized Rs. 5.72 Crores as Employee stock options expense towards equity-settled share based transactions during the previous year. There are no cash settlement options alternatives. The details of tranches under each of the plan under ESOS 2018 Scheme are tabled below:

| Particulars | PLAN-A | | PLAN-B | |
|---|---|---|---|---|
| | Tranche-1 | Tranche-2 | Tranche-1 | Tranche-2 |
| No. of Options granted | 2,31,000 | 1,00,000 | 2,84,600 | 1,00,000 |
| Vesting Plan | 100% vesting at the end of 1st year | | | |
| Grant Date | 21st August 2019 | 9th Sep 2020 | 21st August 2019 | 9th Sep 2020 |
| Vesting Date | 6th August 2020 | 8th Sep 2021 | 6th August 2020 | 8th Sep 2021 |
| Exercise Period | Before 31st December of succeeding FY from the date of vesting | | | |
| Exercise Price (Rs. per Share) | 1 | 1 | 100 | 100 |
| Fair value of option on the date of grant (In Rs.) | 707.08 | 694.22 | 614.54 | 601.92 |
| Method of Settlement | Equity-Settled option | | | |

### (b) Movement of Options granted along with Weighted Average Exercise Price (WAEP)

In Rs.

| Particulars | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | No. of Options | WAEP / Option | No. of Options | WAEP / Option |
| Outstanding at the beginning of the year | - | - | 4,02,435 | 56.99 |
| Granted during the year | - | - | - | - |
| Exercised during the year | - | - | 4,02,435 | 56.99 |
| Forfeited during the year | - | - | - | - |
| Outstanding at the end of the year | - | - | - | - |
| Exercisable at the end of the year | - | - | - | - |

***Notes***

*(i) There is no grant or exercise of stock options during the year.*

*(ii) The weighted average share price determined based on market price prevailing at each date of exercise by the option holders is Nil per share (PY: Rs. 996 per share).*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**(c) Fair Valuation of Employee Stock Options**

The Company has not granted options during the year ended 31-03-2023. For the options granted in the earlier years, the fair value of options had been done on the date of grant by an independent firm of chartered accountants using the Black-Scholes Model. The key assumptions in the Black-Scholes model for calculating fair value as on the date of grant under each of the Plans under ESOS 2018 is given below:

| Particulars | Tranche-1 | Tranche-2 |
|---|---|---|
| Market Price of the underlying asset – Rs. Per share | Rs. 710.90 as at 21st August 2019 | Rs. 698.15 as at 9th September 2020 |
| Risk Free Rate | 7% p.a. | |
| Option Life | Vesting period of 352 days | Vesting period of 1 year (365 days) |
| Expected Volatility | 10% | |
| Dividend Yield | 0.42% | 0.43% |

Expected Volatility is based on historical volatility of the observed market prices on National Stock Exchange up to the grant date.

## 52. Disclosures on Leases

**GROUP AS A LESSEE**

**Nature of leasing activities**

The Group has entered into operating lease on certain assets i.e land and building. Lease rentals are determined based on agreed terms. There is escalation clause in certain lease agreements after a specified period and no restriction imposed by the lease arrangements.

**Maturity analysis of lease liabilities**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Not later than one year | 0.21 | 0.14 |
| One to five years | 1.24 | 1.05 |
| More than five years | 18.24 | 18.53 |
| **Lease liabilities as at 31st March** | **19.69** | **19.72** |

**Other disclosures as required by Ind AS 116**

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Depreciation charge for Right-of-use asset | 1.08 | 0.87 |
| Interest on lease liabilities | 1.97 | 1.38 |
| Expenses relating to short-term leases | 15.90 | 14.60 |
| Income from sub-leasing right-of-use assets | - | - |
| Total cash outflow for leases including principal and interest | 2.00 | 1.33 |
| Additions to Right-of-use assets upon transition to Ind AS 116 | - | 12.43 |
| Carrying amount of Right-of-use assets at 31st March | 20.85 | 21.93 |

***Notes***

*(a) Depreciation charge for Right-of-Use Asset include capitalized portion: Nil (PY: Rs. 0.29 Crores) and Interest on lease liabilities include capitalized portion: Nil (PY: Rs. 0.45 Crores).*

*(b) Expenses relating to Short-term lease include leases whose lease term ends within 12 months and leases whose non-cancellable period is less than 12 months, irrespective of the actual tenure agreed as per the arrangement.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

### GROUP AS A LESSOR

The Group has entered into operating leases i.e Land & Building. The Group has not entered into any Finance leases. Future minimum rental receivable under non-cancellable operating leases as at the reporting date is given below:

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Not later than one year | 7.21 | 9.35 |
| One to five years | 2.08 | 8.80 |
| More than five years | 7.67 | 7.93 |

## 53 Disclosure of Interests in Subsidiary

| Name of the entity | Place of Business / Country of Incorporation | Principal activities of Business |
|---|---|---|
| Ramco Windfarms Limited (RWL) | India | Generation of power through windmills |
| Ramco Industrial and Technology Services Limited (RITSL) | India | Manpower Supply, Transportation of goods by Road and Information Technology services |

| Particulars | RWL | | RITSL | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Ownership interest held by the Group | 71.50% | 71.50% | 94.11% | 94.11% |
| Non-controlling Interest (NCI) | 28.50% | 28.50% | 5.89% | 5.89% |

Rs. in Crores

| Non-controlling interest (NCI) | RWL | | RITSL | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Accumulated balances of NCI | 6.78 | 6.14 | 0.22 | 0.63 |
| Profit / (Loss) & OCI allocated to NCI | 0.64 | 0.65 | (0.41) | (0.19) |
| Dividend paid to NCI | - | - | - | - |

The summarised financial information of subsidiaries is as below:

Rs. in Crores

| Balance sheet | RWL | | RITSL (Consolidated) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Non-current assets | 36.14 | 38.18 | 14.46 | 17.48 |
| Current assets | 1.97 | 1.95 | 4.32 | 7.69 |
| **Total Assets** | **38.11** | **40.13** | **18.78** | **25.17** |
| Non-current liabilities | 8.29 | 12.57 | 9.71 | 9.23 |
| Current liabilities | 6.04 | 6.02 | 5.20 | 5.10 |
| **Total Liabilities** | **14.33** | **18.59** | **14.91** | **14.33** |
| **Total Equity** | **23.78** | **21.54** | **3.87** | **10.84** |

Rs. in Crores

| Profit and Loss | RWL | | RITSL (Consolidated) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Revenue | 13.51 | 13.41 | 40.12 | 40.47 |
| Profit / (Loss) for the year | 2.25 | 2.29 | (6.94) | (3.10) |
| Other comprehensive income | - | - | (0.04) | (0.12) |
| **Total comprehensive Income** | **2.25** | **2.29** | **(6.98)** | **(3.22)** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

Rs. in Crores

| Summarised Cash flow | RWL | | RITSL (Consolidated) | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Cash flows from operating activities | 6.34 | 7.51 | 0.15 | (1.67) |
| Cash flows from investing activities | (0.63) | (1.02) | 0.10 | (0.03) |
| Cash flows from financing activities | (5.86) | (6.32) | (0.80) | 2.01 |
| **Net Increase/(Decrease) in cash & cash equivalents** | **(0.15)** | **0.17** | **(0.55)** | **0.31** |

## 54. Disclosure of Interests in Associates under equity method

| Name of the Associates | % of Effective shareholding | |
|---|---|---|
| | 31-03-2023 | 31-03-2022 |
| Ramco Industries Limited | 15.55% | 15.57% |
| Ramco Systems Limited | 16.99% | 19.43% |
| Rajapalayam Mills Limited | 0.73% | 0.66% |
| Madurai Trans Carrier Limited | 29.86% | 29.86% |
| Lynks Logistics Limited | 29.84% | 38.52% |

***Note:*** *The % of effective shareholding comprise direct & indirect holding by the group*

| Classification of Associates | Principal Place of Business / Country of Incorporation | Principal activities of Business |
|---|---|---|
| **Material Associates** | | |
| Ramco Industries Limited (RIL) | India | Manufacturer of Building Materials |
| Ramco Systems Limited (RSL) | India | Software Development |
| Rajapalayam Mills Limited (RML) | India | Manufacturer of Cotton Yarn |
| Lynks Logistics Limited (LLL) | India | Goods transport services and retail distributor for FMCG products |
| **Immaterial Associate** | | |
| Madurai Trans Carrier Limited (MTCL) | India | Air charter services |

**Summarised financial information for Associates**

The summarised consolidated financial information of the material associates are as below:

Rs. in Crores

| Balance Sheet | Non-current Assets | Investment in Associates | Current Assets | Non-current Liabilities | Current Liabilities | Total Equity |
|---|---|---|---|---|---|---|
| **As at 31-03-2023** | | | | | | |
| Ramco Industries Limited | 598.44 | 3,055.51 | 811.22 | 91.60 | 491.37 | 3,882.20 |
| Ramco Systems Limited | 501.91 | 1.65 | 429.84 | 85.05 | 311.81 | 536.54 |
| Rajapalayam Mills Limited | 1,029.18 | 1,857.47 | 586.82 | 534.81 | 696.95 | 2,241.71 |
| Lynks Logistics Limited | 70.89 | - | 92.60 | 25.40 | 93.94 | 44.15 |
| **As at 31-03-2022** | | | | | | |
| Ramco Industries Limited | 611.67 | 3,008.29 | 701.58 | 83.12 | 479.56 | 3,758.86 |
| Ramco Systems Limited | 464.49 | 1.64 | 408.44 | 76.74 | 213.79 | 584.04 |
| Rajapalayam Mills Limited | 775.11 | 1,817.09 | 405.14 | 363.71 | 508.09 | 2,125.54 |
| Lynks Logistics Limited | 47.03 | - | 40.57 | 17.00 | 39.16 | 31.44 |

***Note:*** *The above financial information is further adjusted to determine the effects of reciprocal interest amongst the associates and to arrive the share of interest in associates thereafter.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

Rs. in Crores

| Profit and Loss | RIL | | RSL | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Total Revenue | 1,479.11 | 1,468.75 | 492.22 | 540.38 |
| Profit Before Tax | 121.68 | 192.58 | (220.69) | (73.41) |
| Tax Expenses | 17.36 | 66.06 | (13.82) | (0.38) |
| Profit After Tax | 104.32 | 126.52 | (206.87) | (73.03) |
| Share of Profit in Associate / Minority Interest | 16.38 | 176.33 | 0.03 | (0.33) |
| Other Comprehensive Income | 8.67 | (1.83) | 9.26 | 1.98 |
| Total Comprehensive Income | 129.37 | 301.02 | (197.58) | (71.38) |

***Note:*** *The above financial information is further adjusted to determine the effects of reciprocal interests amongst the associates and to arrive the share of interest in associates thereafter.*

Rs. in Crores

| Profit and Loss | RML | | LLL | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Total Revenue | 871.69 | 704.25 | 488.62 | 209.37 |
| Profit Before Tax | 37.66 | 57.22 | (79.33) | (48.63) |
| Tax Expenses | 5.91 | 38.38 | (20.35) | (12.59) |
| Profit After Tax | 31.75 | 18.84 | (58.98) | (36.04) |
| Share of Profit in Associate / Minority Interest | 50.13 | 147.74 | - | - |
| Other Comprehensive Income | 0.65 | (0.29) | - | (0.02) |
| Total Comprehensive Income | 82.53 | 166.29 | (58.98) | (36.06) |

***Note:*** *The above financial information is further adjusted to determine the effects of reciprocal interests amongst the associates and to arrive the share of interest in associates thereafter.*

**Fair Value of Investments in respect of Quoted Associates**

Rs. in Crores

| Name of the Associates | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Ramco Industries Limited | 167.01 | 281.89 |
| Ramco Systems Limited | 114.36 | 143.17 |
| Rajapalayam Mills Limited | 2.37 | 2.99 |

**Share of Contingent Liabilities in respect of Associates**

Rs. in Crores

| Name of the Associates | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Ramco Industries Limited | 10.58 | 6.77 |
| Ramco Systems Limited | 21.23 | 16.87 |
| Rajapalayam Mills Limited | 0.05 | 0.05 |
| Lynks Logistics Limited | 0.06 | - |
| Madurai Trans Carrier Limited | 0.78 | 0.78 |

# Notes to the Consolidated Financial Statements
**for the year ended 31st March 2023**

**Reconciliation to the carrying amount of Investment in Associates**

Rs. in Crores

| Particulars | RIL | | RSL | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Entity's TCI | 129.37 | 301.02 | (197.58) | (71.38) |
| Entity's Adjusted TCI | 59.26 | 103.46 | (197.58) | (71.38) |
| Effective shareholding % | 15.55% | 15.57% | 16.99% | 19.43% |
| Associates share of TCI | 9.22 | 16.11 | (33.57) | (13.86) |
| Less: Unrealised profit on inter-company transactions (net of tax) | 0.05 | 0.16 | 0.10 | 0.32 |
| Amount recognised in P & L | 9.17 | 15.95 | (33.68) | (14.18) |
| **Reconciliation** | | | | |
| Opening Carrying amount | 137.82 | 121.71 | 126.07 | 139.93 |
| Add: Acquisition of shares during the year | - | - | - | - |
| Add: Associates share of TCI | 9.22 | 16.11 | (33.58) | (13.86) |
| Less: Dividend received | 1.35 | - | - | - |
| **Net Carrying amount** | **145.69** | **137.82** | **92.49** | **126.07** |

Rs. in Crores

| Particulars | RML | | LLL | |
|---|---|---|---|---|
| | 31-03-2023 | 31-03-2022 | 31-03-2023 | 31-03-2022 |
| Entity's TCI | 82.53 | 166.29 | (58.98) | (36.06) |
| Entity's Adjusted TCI | 38.04 | 17.34 | (58.98) | (36.06) |
| Effective shareholding % | 0.73% | 0.66% | 29.84% | 38.52% |
| Associates share of TCI | 0.28 | 0.11 | - | (12.59) |
| Less: Unrealised profit on inter-company transactions (net of tax) | - | - | - | - |
| Amount recognised in P & L | 0.28 | 0.11 | - | (12.59) |
| **Reconciliation** | | | | |
| Opening Carrying amount | 1.79 | 1.25 | - | 12.59 |
| Add: Acquisition of shares during the year | 0.52 | 0.43 | - | - |
| Add: Associates share of TCI | 0.28 | 0.11 | - | (12.59) |
| Less: Dividend received | 0.00 | 0.00 | - | - |
| **Net Carrying amount** | **2.59** | **1.79** | **-** | **-** |

***Notes***

*(a) Adjusted TCI represents total comprehensive income of the entity after eliminating effects of reciprocal interests and unrealised profits.*

*(b) Effective shareholding represents the aggregate of direct holding and indirect holding through fellow associates.*

*(c) The Group has unrecognised loss of Rs. 18.89 Crores (PY: Rs. 1.29 Crores) in respect of Lynks Logistics Limited as the reporting date.*

The Group's aggregate share of profit and other comprehensive income in its individually immaterial associate are furnished below:

Rs. in Crores

| Aggregate amounts of Group's share of : | 31-03-2023 | 31-03-2022 |
|---|---|---|
| Profit after tax | (0.01) | - |
| Other Comprehensive Income | 0.01 | - |
| Total comprehensive Income | - | - |

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

## 55 Earnings per Share

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Basic Earnings Per Share** | | |
| Net profit after tax (A) [Rs. in Crores] | 314.52 | 881.48 |
| Weighted average number of Equity shares including un-allotted Bonus shares after deducting treasury shares (B) [In Crores] | 22.86 | 22.86 |
| Nominal value per equity share [in Rs.] | 1 | 1 |
| **Basic & Diluted Earnings per share (A) / (B) [in Rs.]** | **14** | **39** |
| **Diluted Earnings Per Share** | | |
| Weighted average number of Equity shares including un-allotted Bonus shares (B) [In Crores] | 22.86 | 22.86 |
| Weighted average number of Equity shares including un-allotted Bonus share for computing Dilutive EPS (C) [In Crores] | 22.86 | 22.86 |
| **Diluted Earnings per Share (A) / (C) [in Rs.]** | **14** | **39** |

***Note:*** *Treasury shares of 0.79 Crore shares (PY: 0.79 Crore shares) computed based on holdings through fellow associates.*

## 56 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 2023:

### (a) Associates

| Name of the Company | Principal Place of Business / Country of Incorporation | % of Shareholding / Ownership Interest as at | |
|---|---|---|---|
| | | 31-03-2023 | 31-03-2022 |
| Ramco Industries Limited | India | 15.51 | 15.53 |
| Ramco Systems Limited | India | 16.99 | 19.43 |
| Rajapalayam Mills Limited | India | 0.46 | 0.39 |
| Madurai Trans Carrier Limited | India | 29.86 | 29.86 |
| Lynks Logistics Limited | India | 29.84 | 38.52 |

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

| Name of Key Management Personnel | Designation |
|---|---|
| P.R. Venketrama Raja | Chairman and Managing Director upto 3rd June 2022<br>Managing Director with effect from 4th June 2022 |
| M.F. Farooqui | Independent Director upto 3rd June 2022<br>Chairman & Independent Director with effect from 4th June 2022 |
| A.V. Dharmakrishnan | Chief Executive Officer |
| S. Vaithiyanathan | Chief Financial Officer |
| K. Selvanayagam | Company Secretary |
| R.S. Agarwal | Independent Director |
| M.B.N. Rao | Independent Director |
| M.M. Venkatachalam | Independent Director |
| Justice Chitra Venkataraman (Retd.) | Independent Director |
| M.S.Krishnan | Independent Director |

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

**(c) Relative of Key Management Personnel**

| Name of the Relative of KMP | Relationship |
|---|---|
| A.V. Dharmakrishnan (HUF) | A. V. Dharmakrishnan, Karta for HUF |
| R. Sudarsanam | Mother of P.R.Venketrama Raja |
| P.V.Nirmala Raju | Spouse of P.R.Venketrama Raja |
| R. Nalina Ramalakshmi | Sister of P.R.Venketrama Raja |
| S. Saradha Deepa | Sister of P.R.Venketrama Raja |
| B. Sri Sandhya Raju | Daughter of P.R.Venketrama Raja |
| P.V. Abinav Ramasubramaniam Raja | Son of P.R. Venketrama Raja |

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

| | |
|---|---|
| Rajapalayam Textile Limited | The Ramaraju Surgical Cotton Mills Limited |
| Sandhya Spinning Mill Limited | Shri Harini Media Limited |
| Sri Harini Textiles Limited | Sri Vishnu Shankar Mill Limited |
| JKR Enterprise Limited | Sudharsanam Investments Limited |
| Ramco Management Private Limited | |

**(e) Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager (Section 2(76)(vi) of Companies Act, 2013)**

| |
|---|
| Coromandel International Limited |
| Coromandel Engineering Company Limited |

**(f) Employee Benefit Funds where control exists**

| |
|---|
| The Ramco Cements Limited Officers' Superannuation Fund |
| The Ramco Cements Limited Employees' Gratuity Fund |
| Ramco Industrial and Technology Services Limited Employees Gratuity Trust |

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

| | |
|---|---|
| Smt. Lingammal Ramaraju Shastra Prathishta Trust | Gowrishankar Screws |
| 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 | Nachiar Charity Trust |
| Gowrihouse Metal Works LLP | PAC Ramasamy Raja Centenary Trust |
| R. Sudarsanam & Co. | Sudarsanam Estate |
| Ramasubrahmaneya Rajha Ramco Foundation | The Ramco Cements Limited Educational and Charitable Trust |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

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

**a. Transactions during the year at Arm's length basis or its equivalent**

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | **Sale of Goods – Cement & Dry Mortar** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 11.78 | 14.28 |
| | Rajapalayam Mills Limited | 0.12 | 0.20 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sandhya Spinning Mill Limited | 0.03 | 0.01 |
| | Sri Harini Textiles Limited | 0.00 | - |
| | The Ramaraju Surgical Cotton Mills Limited | 0.14 | 0.11 |
| | Rajapalayam Textile Limited | 0.02 | 0.01 |
| | Sri Vishnu Shankar Mill Limited | 0.05 | 0.05 |
| | ***Other entities over which there is a significant influence*** | | |
| | Gowrihouse Metal Works LLP | 0.00 | - |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel International Limited | 0.99 | 0.73 |
| | Coromandel Engineering Company Limited | 4.45 | 1.34 |
| | ***Relative of Key Management Personnel*** | | |
| | B. Sri Sandhya Raju | - | 0.00 |
| | **Total** | **17.58** | **16.73** |
| 2 | **Sale of Goods – Flyash and Scrap** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.20 | 0.63 |
| | Rajapalayam Mills Limited | 0.01 | - |
| | **Total** | **0.21** | **0.63** |
| 3 | **Purchase of Goods – Fibre Sheet and Silicate Boards, Packing materials & Raw materials** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.14 |
| | Rajapalayam Mills Limited | 0.00 | 0.00 |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel International Limited | - | 0.01 |
| | **Total** | **0.00** | **0.15** |
| 4 | **Purchase of Goods - Diesel and Petrol** | | |
| | ***Other entities over which there is a significant influence*** | | |
| | Smt. Lingammal Ramaraju Shastra Prathishta Trust | 17.70 | 0.95 |
| | PACR Sethuramammal Charity Trust | 1.21 | 1.49 |
| | Ramco Welfare Trust | 5.99 | 1.72 |
| | PAC Ramasamy Raja Centenary Trust | 11.22 | 0.14 |
| | PACR Sethuramammal Charities | 0.22 | 0.19 |
| | Shri Abhinava Vidya Theertha Seva Trust | 0.39 | 0.34 |
| | **Total** | **36.73** | **4.83** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 5 | **Purchase of Goods – Magazine** | | |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Shri Harini Media Limited | 0.27 | 0.25 |
| | **Total** | **0.27** | **0.25** |
| 6 | **Purchase of Goods - Stores and Spares** | | |
| | ***Other entity over which there is a significant influence*** | | |
| | R. Sudarsanam & Co. | 0.09 | 0.07 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | The Ramaraju Surgical Cotton Mills Limited | 0.00 | - |
| | **Total** | **0.09** | **0.07** |
| 7 | **Purchase of RoDTEP Scrips & Verified Carbon Credits** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.32 |
| | Rajapalayam Mills Limited | 0.42 | 1.11 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | The Ramaraju Surgical Cotton Mills Limited | - | 0.11 |
| | Sandhya Spinning Mill Limited | 0.43 | 0.11 |
| | Sri Vishnu Shankar Mill Limited | 0.40 | 0.18 |
| | **Total** | **1.25** | **1.83** |
| 8 | **Receiving / Sharing of Services – Advertisement / Workshop / Sponsorship / AMC / Others** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.06 | 0.07 |
| | Rajapalayam Mills Limited | - | 0.01 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Shri Harini Media Limited | 0.11 | 0.12 |
| | **Total** | **0.17** | **0.20** |
| 9 | **Receiving of Services – Software Related Services / Consulting Services** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 10.90 | 15.16 |
| | **Total** | **10.90** | **15.16** |
| 10 | **Receiving of Services – Air Charter Services** | | |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | 45.43 | 31.46 |
| | **Total** | **45.43** | **31.46** |
| 11 | **Usage charges received for Power Consumed by virtue of Joint Ownership of Shares with APGPCL** | | |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Harini Textiles Limited | - | 0.02 |
| | **Total** | **-** | **0.02** |
| 12 | **Leasing Arrangements – Rent Received** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 9.30 | 9.30 |
| | Ramco Industries Limited | 0.09 | 0.21 |
| | Rajapalayam Mills Limited | 0.00 | 0.00 |
| | Madurai Trans Carrier Limited | 0.01 | 0.01 |
| | Lynks Logistics Limited | 1.00 | 0.99 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Harini Textiles Limited | 0.00 | 0.00 |
| | The Ramaraju Surgical Cotton Mills Limited | 0.00 | 0.00 |
| | ***Other entity over which there is a significant influence*** | | |
| | Raja Charity Trust | 0.55 | 0.53 |
| | PAC Ramasamy Raja Centenary Trust | 0.02 | 0.02 |
| | Shri Abhinava Vidya Theertha Seva Trust | 0.01 | 0.01 |
| | The Ramco Cements Educational and Charitable Trust | 0.04 | 0.02 |
| | **Total** | **11.02** | **11.09** |

# Notes to the Consolidated Financial Statements
for the year ended 31st March 2023

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 13 | **Leasing Arrangements – Rent Paid** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.13 | 0.13 |
| | ***Relative of Key Management Personnel*** | | |
| | A.V. Dharmakrishnan (HUF) | 0.07 | 0.07 |
| | ***Other entity over which there is a significant influence*** | | |
| | Raja Charity Trust | 0.00 | 0.00 |
| | **Total** | **0.20** | **0.20** |
| 14 | **Dividend received** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 1.35 | - |
| | Rajapalayam Mills Limited | 0.00 | 0.00 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Vishnu Shankar Mill Limited | 0.00 | - |
| | **Total** | **1.35** | **0.00** |
| 15 | **Dividend Paid** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja | 0.52 | - |
| | A.V. Dharmakrishnan | 0.00 | - |
| | S. Vaithiyanathan | 0.01 | - |
| | K. Selvanayagam | 0.01 | - |
| | ***Relative of Key Management Personnel*** | | |
| | A.V. Dharmakrishnan (HUF) | 0.13 | - |
| | R. Sudarsanam | 0.39 | - |
| | R. Nalina Ramalakshmi | 0.58 | - |
| | S. Saradha Deepa | 0.51 | - |
| | ***Associates*** | | |
| | Ramco Industries Limited | 15.14 | - |
| | Rajapalayam Mills Limited | 9.79 | - |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Vishnu Shankar Mill Limited | 0.93 | - |
| | The Ramaraju Surgical Cotton Mills Limited | 0.99 | - |
| | Sudharsanam Investments Limited | 0.89 | - |
| | Ramco Management Private Limited | 0.14 | - |
| | **Total** | **30.03** | **-** |
| 16 | **Remuneration to Key Management Personnel (Sitting Fees / ESOP considered separately)** | | |
| | P.R.Venketrama Raja | 24.21 | 42.18 |
| | A.V. Dharmakrishnan | 17.24 | 16.42 |
| | S. Vaithiyanathan | 2.05 | 1.81 |
| | K. Selvanayagam | 1.45 | 1.35 |
| | **Total** | **44.95** | **61.76** |
| 17 | **ESOP Perquisites on exercise of stock options** | | |
| | ***Key Management Personnel*** | | |
| | A.V. Dharmakrishnan | - | 19.01 |
| | S. Vaithiyanathan | - | 3.20 |
| | K. Selvanayagam | - | 2.27 |
| | **Total** | **-** | **24.48** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 18 | **Sitting Fees** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja | 0.12 | 0.09 |
| | A.V. Dharmakrishnan | 0.03 | 0.01 |
| | S. Vaithiyanathan | 0.02 | 0.01 |
| | K. Selvanayagam | 0.02 | 0.01 |
| | R.S. Agarwal | 0.11 | 0.08 |
| | M.B.N. Rao | 0.12 | 0.07 |
| | M.M. Venkatachalam | 0.11 | 0.10 |
| | M.F. Farooqui | 0.06 | 0.04 |
| | Smt. Justice Chitra Venkataraman (Retd.) | 0.07 | 0.05 |
| | M.S. Krishnan | 0.05 | 0.04 |
| | **Total** | **0.71** | **0.50** |
| 19 | **Purchase of Fixed Assets / Receiving of Capital Goods / Services** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.09 | - |
| | Madurai Trans Carrier Limited | 0.03 | - |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 32.94 | 16.89 |
| | **Total** | **33.06** | **16.89** |
| 20 | **Sale of Fixed Assets** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 0.13 | - |
| | Rajapalayam Mills Limited | - | 0.05 |
| | ***Other entities over which there is a significant influence*** | | |
| | The Ramco Cements Limited Educational and Charitable Trust | 0.07 | - |
| | **Total** | **0.20** | **0.05** |
| 21 | **Interest Received / (Paid)** | | |
| | ***Key Management Personnel*** | | |
| | P. R. Venketrama Raja [Interest Rate: 7.25% (PY: 3.50%)] | (0.04) | (0.09) |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited [Interest Rate: 10% (PY: 10%)] | 1.65 | 5.07 |
| | **Total** | **1.61** | **4.98** |
| 22 | **CSR / Donations given** | | |
| | ***Other entities over which there is a significant influence*** | | |
| | Ramasubrahmaneya Rajha Ramco Foundation | 0.56 | 1.18 |
| | PACR Sethuramammal Charity Trust | 0.02 | - |
| | PAC Ramasamy Raja Education Charity Trust | - | 2.77 |
| | Raja Charity Trust | 1.64 | - |
| | **Total** | **2.22** | **3.95** |
| 23 | **Contribution to Superannuation Fund / Gratuity Fund** | | |
| | ***Employee Benefit Funds where Control Exists*** | | |
| | The Ramco Cements Limited Officers' Superannuation Fund | 11.00 | 9.99 |
| | The Ramco Cements Limited Employees' Gratuity Fund | 10.52 | 7.72 |
| | Ramco Industrial and Technology Services Limited Employees' Gratuity Trust | 0.55 | 0.44 |
| | **Total** | **22.07** | **18.15** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 24 | **Investment in Equity Shares during the year** | | |
| | ***Associates*** | | |
| | Rajapalayam Mills Limited | 0.52 | 0.43 |
| | **Total** | **0.52** | **0.43** |
| 25 | **Maximum amount of loans outstanding during the year** | | |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | 91.54 | 57.09 |
| | **Total** | **91.54** | **57.09** |
| 26 | **Share of Enterprise Agreement License System for Microsoft Products** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.11 | 0.05 |
| | Rajapalayam Mills Limited | 0.37 | 0.17 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sandhya Spinning Mill Limited | 0.13 | 0.07 |
| | Sri Harini Textiles Limited | - | 0.01 |
| | Sri Vishnu Shankar Mill Limited | 0.15 | 0.08 |
| | The Ramaraju Surgical Cotton Mills Limited | 0.20 | 0.07 |
| | Rajapalayam Textile Limited | 0.04 | 0.03 |
| | **Total** | **1.00** | **0.48** |
| 27 | **Rendering of Services – supply of manpower on deputation, Information Technology and other services** | | |
| | ***Associates*** | | |
| | Ramco Systems Limited | 7.08 | 6.78 |
| | Ramco Industries Limited | 0.42 | 0.53 |
| | Rajapalayam Mills Limited | 0.35 | 0.52 |
| | Madurai Trans Carrier Limited | 0.37 | 0.32 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | The Ramaraju Surgical Cotton Mills Limited | - | 0.03 |
| | Sandhya Spinning Mill Limited | - | 0.03 |
| | Sri Vishnu Shankar Mill Limited | - | 0.05 |
| | ***Other entities over which there is a significant influence*** | | |
| | The Ramco Cements Limited Educational and Charitable Trust | 0.04 | 0.03 |
| | **Total** | **8.26** | **8.29** |
| 28 | **Sale of Electrical Energy** | | |
| | ***Associates*** | | |
| | Rajapalayam Mills Limited | 3.91 | 3.87 |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Rajapalayam Textile Limited | 3.05 | 3.04 |
| | Sandhya Spinning Mill Limited | 0.72 | 0.71 |
| | Sri Vishnu Shankar Mill Limited | 2.89 | 2.86 |
| | The Ramaraju Surgical Cotton Mills Limited | 2.89 | 2.87 |
| | **Total** | **13.46** | **13.35** |
| 29 | **Loans given / (repaid) during the year, net** | | |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | (52.84) | 22.15 |
| | ***Key Management Personnel*** | | |
| | A.V. Dharmakrishnan | 4.00 | (0.00) |
| | S. Vaithiyanathan | (0.01) | 0.03 |
| | **Total** | **(48.85)** | **22.18** |

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2023

b. Transactions during the year not on Arm's length basis

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | **Sale of Goods-Cement** | | |
| | ***Other entities over which there is a significant influence*** | | |
| | Raja Charity Trust | 0.03 | 0.00 |
| | PAC Ramasamy Raja Education Charity Trust | 0.01 | 0.09 |
| | PACR Sethuramammal Charities | 0.00 | 0.01 |
| | **Total** | **0.04** | **0.10** |

c. Outstanding balances including commitments

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 1 | **Trade Receivables** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.00 |
| | Ramco Systems Limited | - | 0.77 |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 0.66 | 0.61 |
| | Coromandel International Limited | 0.15 | 0.13 |
| | **Total** | **0.81** | **1.51** |
| 2 | **Loans** | | |
| | ***Associates*** | | |
| | Madurai Trans Carrier Limited | - | 52.84 |
| | **Total** | **-** | **52.84** |
| 3 | **Security Deposits/ Advances given towards goods or services** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 0.05 | 0.05 |
| | Madurai Trans Carrier Limited | 6.66 | 8.92 |
| | ***Other entities over which there is a significant influence*** | | |
| | Smt. Lingammal Ramaraju Shastra Prathishta Trust | 1.30 | 1.03 |
| | PACR Sethuramammal Charity Trust | 1.95 | 1.50 |
| | Ramco Welfare Trust | 1.11 | 0.77 |
| | PACR Sethuramammal Charities | 0.45 | 0.40 |
| | PAC Ramasamy Raja Centenary Trust | 0.18 | 0.21 |
| | Shri Abhinava Vidya Theertha Seva Trust | - | 0.02 |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel International Limited | - | 0.44 |
| | **Total** | **11.70** | **13.34** |
| 4 | **Borrowings** | | |
| | ***Key Management Personnel*** | | |
| | P.R. Venketrama Raja | 0.14 | 0.09 |
| | **Total** | **0.14** | **0.09** |
| 5 | **Security Deposits received by virtue of Joint Ownership of shares with APGPCL** | | |
| | ***Companies over which KMP / Relatives of KMP exercise significant influence*** | | |
| | Sri Harini Textiles Limited | 0.12 | 0.12 |
| | **Total** | **0.12** | **0.12** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

Rs. in Crores

| S.No. | Nature of Transaction, Name of the Related Party and Relationship | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| 6 | **Security Deposit received towards lease arrangement** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | - | 0.08 |
| | Lynks Logistics Limited | 0.02 | 0.02 |
| | Madurai Trans Carrier Limited | 0.00 | 0.00 |
| | **Total** | **0.02** | **0.10** |
| 7 | **Corporate Guarantees given to lenders of Related parties [Refer Note (b) below]** | | |
| | ***Other entity over which there is a significant influence*** | | |
| | Raja Charity Trust | 100.00 | 100.00 |
| | **Total** | **100.00** | **100.00** |
| 8 | **Trade Payables** | | |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 0.11 | - |
| | ***Other entity over which there is a significant influence*** | | |
| | Shri Abhinava Vidya Theertha Seva Trust | 0.21 | - |
| | **Total** | **0.32** | **-** |
| 9 | **Payables for Capital Goods** | | |
| | ***Related Party as per Section 2(76)(vi) of Companies Act, 2013*** | | |
| | Coromandel Engineering Company Limited | 0.40 | - |
| | **Total** | **0.40** | **-** |
| 10 | **Loans (as per company's policy for employees)** | | |
| | ***Key Management Personnel*** | | |
| | A.V. Dharmakrishnan, Chief Executive Officer | 4.00 | 0.00 |
| | S.Vaithiyanathan, Chief Financial Officer | 0.05 | 0.06 |
| | **Total** | **4.05** | **0.06** |
| 11 | **Advance received against sale of Fixed Assets** | | |
| | ***Associates*** | | |
| | Ramco Industries Limited | 1.05 | - |
| | **Total** | **1.05** | **-** |

***Notes***

*(a) 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.*

*(b) The Group has not granted any loan or advance in the nature of loan to promoters, directors, KMPs and other related parties that are repayable on demand; or without specifying any terms or period of repayment.*

*(c) The Loan balance with Banks by the related party, on the strength of the above Corporate Guarantees given by the Group are furnished below:*

*Rs. in Crores*

| *Particulars* | *31-03-2023* | *31-03-2022* |
|---|---|---|
| *Raja Charity Trust* | *-* | *5.75* |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**Key Management Personnel compensation in total and for each of the following categories:**

Rs. in Crores

| Particulars | 31-3-2023 | 31-3-2022 |
|---|---|---|
| Short – Term Benefits | 45.00 | 62.26 |
| Defined Contribution Plan | 0.66 | 0.63 |
| Fair value of ESOP given to KMPs | Note (c) below | |
| Defined Benefit Plan / Other Long-term benefits | Note (d) below | |
| **Total** | **45.66** | **62.89** |

***Notes***

(a) *Short-Term Benefits comprises of salaries, bonus, sitting fees, and value of perquisites excluding value of ESOP perquisites.*

(b) *Defined Contribution Plan comprises of contribution to Provident fund and Superannuation fund.*

(c) *The amortized fair value of ESOP pertaining KMPs for the year ended 31st March 2023 included under the head 'Employee Stock Option Expenses' is Nil (PY: Rs. 5.72 Crores).*

(d) *As the liability for gratuity and compensated absences are provided on actuarial basis for the Group as a whole, amounts accrued pertaining to key managerial personnel are not included above.*

## 58. 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**

Rs. in Crores

| Particulars | Amortised Cost | FVTPL | FVTOCI | Carrying Amount | Fair Value |
|---|---|---|---|---|---|
| **As at 31-03-2023** | | | | | |
| **Financial Assets** | | | | | |
| Other Investments | - | 0.82 | 27.50 | 28.32 | 28.32 |
| Loans | 27.75 | - | - | 27.75 | 27.75 |
| Trade Receivables | 465.10 | - | - | 465.10 | 465.10 |
| Cash and Bank Balances | 170.33 | - | - | 170.33 | 170.33 |
| Other Financial Assets | 252.89 | - | - | 252.89 | 252.89 |
| **Financial Liabilities** | | | | | |
| Borrowings | 4,487.42 | - | - | 4,487.42 | 4,487.42 |
| Lease Liabilities | 19.69 | - | - | 19.69 | 19.69 |
| Trade Payables | 638.58 | - | - | 638.58 | 638.58 |
| Other Financial Liabilities | 1,145.80 | 0.23 | - | 1,146.03 | 1,146.03 |
| **As at 31-03-2022** | | | | | |
| **Financial Assets** | | | | | |
| Other Investments | - | 0.78 | 27.02 | 27.80 | 27.80 |
| Loans | 79.84 | - | - | 79.84 | 79.84 |
| Trade Receivables | 350.71 | - | - | 350.71 | 350.71 |
| Cash and Bank Balances | 178.48 | - | - | 178.48 | 178.48 |
| Other Financial Assets | 187.24 | - | - | 187.24 | 187.24 |
| **Financial Liabilities** | | | | | |
| Borrowings | 3,929.95 | - | - | 3,929.95 | 3,929.95 |
| Lease Liabilities | 19.72 | - | - | 19.72 | 19.72 |
| Trade Payables | 485.11 | - | - | 485.11 | 485.11 |
| Other Financial Liabilities | 902.98 | - | - | 902.98 | 902.98 |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**Fair value hierarchy**

The Group 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:

Rs. in Crores

| Particulars | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Instruments at FVTOCI** | | | | |
| ***Investments in listed equity securities*** | | | | |
| **As at 31-03-2023** | 5.37 | - | - | 5.37 |
| As at 31-03-2022 | 4.89 | - | - | 4.89 |
| ***Investment in unlisted securities*** | | | | |
| **As at 31-03-2023** | - | - | 22.13 | 22.13 |
| As at 31-03-2022 | - | - | 22.13 | 22.13 |
| **Financial Instruments at FVTPL** | | | | |
| ***Investment in mutual funds*** | | | | |
| **As at 31-03-2023** | 0.82 | - | - | 0.82 |
| As at 31-03-2022 | 0.78 | - | - | 0.78 |
| ***Foreign Exchange Forward Contracts, not designated as hedges (Derivative Liability)*** | | | | |
| **As at 31-03-2023** | - | 0.23 | - | 0.23 |
| As at 31-03-2022 | - | - | - | - |

***Notes***

*(a) The Group designates certain equity shares at FVTOCI as they are not held for trading purpose and disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding.*

*(b) There were no transfers between level 1 and level 2 fair value measurement during the year ended 31-03-2023 and 31-03-2022.*

*(c) There were no movements in the financial instruments categorized under Level 3 during the year ended 31-03-2023 and 31-03-2022.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**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/Assumptions |
|---|---|---|
| Investment in Listed securities / Mutual Funds | Market Value | Closing Price as at 31st March in Stock Exchange |
| Investment in Unlisted securities | Discounted Cash Flow Method | Discount Rate of 8.50% p.a (PY: 8.50%) is used to determine the discounted cash flow [Refer Note (a) below] |
| Financial Guarantee Obligation | Differential Interest Rate | Interest rates quote have been obtained from the Banker |

***Notes***

*(a) Assuming cash flows estimated in perpetuity are constant over the period, an increase in 100 bps in the discount rate will decrease the fair value by Rs. 2.33 Crores (PY: Rs. 2.33 Crores) and a decrease in the 100 bps in the discount rate will increase the fair value by Rs. 2.95 Crores (PY: Rs. 2.95 Crores).*

*(b) There were no significant inter-relationships between unobservable inputs that materially affect fair values.*

## 59. Financial Risk Management

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Group's risk management framework and thus established a risk management policy to identify and analyse the risk faced by the Group. Risk Management systems are reviewed by the BOD periodically to reflect changes in market conditions and the Group's activities. The Group 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 Group'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 Group 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 |
| | Commodity Price 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 Group if the customer or counterparty to the financial instruments fails to meet its contractual obligations and arises principally from the Group's receivables, treasury operations and other operations that are in the nature of lease.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Receivables***

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The Group extends credit to its customers in the normal course of business by considering the factors such as financial reliability of customers. The Group 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 Group maintains adequate security deposits from its customers in case of wholesale and retail segment. In case of institutional segment, credit risks are mitigated by way of enforceable securities. 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. Besides, the Company also avails factoring facility on non-recourse basis by assigning its rights and privileges to the counterparty.

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 Group and where there is a probability of default, the Group creates a provision based on Expected Credit Loss for trade receivables under simplified approach as below:

Rs. in Crores

| Particulars | Not Due | Less than 90 days | 90 to 180 days | More than 180 days | Total |
|---|---|---|---|---|---|
| **As at 31-03-2023** | | | | | |
| Gross carrying amount | 285.98 | 18.81 | 14.64 | 151.44 | 470.87 |
| Expected Loss Rate | - | 0.16% | 1.98% | 3.60% | 1.22% |
| Expected Credit Losses | - | 0.03 | 0.29 | 5.45 | 5.77 |
| Carrying amount of trade receivables net of impairment | 285.98 | 18.78 | 14.35 | 145.99 | 465.10 |
| **As at 31-03-2022** | | | | | |
| Gross carrying amount | 198.69 | 26.14 | 15.31 | 116.82 | 356.96 |
| Expected Loss Rate | - | 0.11% | 1.83% | 5.09% | 1.75% |
| Expected Credit Losses | - | 0.03 | 0.28 | 5.94 | 6.25 |
| Carrying amount of trade receivables net of impairment | 198.69 | 26.11 | 15.03 | 110.88 | 350.71 |

**Reconciliation of impairment allowance on trade receivables**

| Particulars | Rs. in Crores |
|---|---|
| Impairment allowance as at 1st April 2021 | 6.80 |
| Less: Change in loss allowance for the year 2021-22 | 0.55 |
| Impairment allowance as at 31st March 2022 | 6.25 |
| Less: Change in loss allowance for the year 2022-23 | 0.48 |
| **Impairment allowance as at 31st March 2023** | **5.77** |

***Financial Instruments and Cash deposits***

Investments of surplus funds are made only with the approved counterparties. The Group 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 Group places its cash equivalents based on the creditworthiness of the financial institutions.

***Liquidity Risk***

Liquidity Risks are those risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Besides, the Group also avail supplier financing facility through reverse factoring arrangements for early payment to suppliers / service providers and the company shall pay such outstanding to the finance providers on the due date along with interest.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Fund Management***

Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping both committed and uncommitted credit lines available. The Group 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 Group has access to the following undrawn borrowing facilities:

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Expiring within one year** | | |
| Bank Overdraft and other facilities | 100.29 | 884.62 |
| Term Loans | 375.00 | 250.00 |
| **Expiring beyond year** | | |
| Term Loans | - | - |

***Note:** Undrawn limit in respect of bank overdraft and other facilities has been calculated based on the adequacy of drawing power. In respect of term loans, undrawn limit is reckoned based on available valid sanction letters at each reporting dates.*

**Maturities of Financial Liabilities**

Rs. in Crores

| Nature of Financial Liability | < 1 Year | 1 – 5 Years | >5 years | Total |
|---|---|---|---|---|
| **As at 31-03-2023** | | | | |
| Borrowings from Banks, NCDs, Director | 775.21 | 3,436.90 | 93.70 | 4,305.81 |
| Soft Loan from Government | 50.01 | 64.36 | 43.91 | 158.28 |
| Deferred Sales Tax Liability | 40.04 | 19.93 | - | 59.97 |
| Trade payables | 638.58 | - | - | 638.58 |
| Security Deposits payable | 951.62 | - | - | 951.62 |
| Lease Liabilities | 1.89 | 9.65 | 40.68 | 52.22 |
| Other Financial Liabilities | 194.41 | - | - | 194.41 |
| **As at 31-03-2022** | | | | |
| Borrowings from Banks, NCDs, Director | 1,025.68 | 2,576.22 | 108.75 | 3,710.65 |
| Soft Loan from Government | 30.74 | 108.63 | 13.67 | 153.04 |
| Deferred Sales Tax Liability | 16.24 | 65.16 | - | 81.40 |
| Trade payables | 485.11 | - | - | 485.11 |
| Security Deposits payable | 712.26 | - | - | 712.26 |
| Lease Liabilities | 1.89 | 7.84 | 42.71 | 52.44 |
| Other Financial Liabilities | 190.72 | - | - | 190.72 |

***Notes***

*(a) The above table has been drawn up based on the undiscounted contractual maturities of the financial liabilities.*

*(b) Security deposits do not have a contractual payment term but are repayable on demand. Since, the Group does not have an unconditional right to defer the payment beyond 12 months from reporting date, these deposits have been classified under current financial liabilities. For including these amounts in the above-mentioned maturity analysis, the Group has assumed that these deposits will be repayable at the end of the next reporting period. The actual maturity period for the deposit amount can differ based on the date on which these deposits are settled to the customers.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

### Foreign Currency Risk

The Group's exposure in USD and other foreign currency denominated transactions in connection with import of capital goods, spares and fuel, besides exports of finished goods and borrowings in foreign currency, gives rise to exchange rate fluctuation risk. The Group 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 Group's exposure to foreign currency risk (un-hedged) as detailed below:**

| Currency | Trade Payables | Trade and other Receivables | Balance with Banks | Derivative Liability (Forward Contracts) |
|---|---|---|---|---|
| **USD in Millions** | | | | |
| **As at 31-03-2023** | 29.40 | - | - | 2.30 |
| As at 31-03-2022 | 35.99 | - | 0.08 | - |
| **EURO in Millions** | | | | |
| **As at 31-03-2023** | 0.13 | - | - | - |
| As at 31-03-2022 | 0.99 | - | - | - |
| **LKR in Millions** | | | | |
| **As at 31-03-2023** | 0.35 | 4.41 | 40.14 | - |
| As at 31-03-2022 | 0.42 | 4.75 | 38.91 | - |
| **PHP in Millions** | | | | |
| **As at 31-03-2023** | - | 0.52 | - | - |
| As at 31-03-2022 | - | 2.64 | - | - |

**Risk sensitivity on foreign currency fluctuation**

Rs. in Crores

| Foreign Currency | 31-03-2023 | | 31-03-2022 | |
|---|---|---|---|---|
| | 1 % Increase | 1% decrease | 1% increase | 1% decrease |
| USD | (-) 2.61 | 2.61 | (-) 2.72 | 2.72 |
| EURO | (-) 0.01 | 0.01 | (-) 0.08 | 0.08 |
| LKR | 0.18 | (-) 0.18 | 0.17 | (-) 0.17 |
| PHP | 0.00 | (-) 0.00 | 0.00 | (-) 0.00 |

***Note:*** *The above sensitivity analysis is based on a change in an interest rate by 100 bps while holding all other things constant for the monetary items outstanding as at the reporting date.*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Cash flow and fair value interest rate risk***

Interest rate risk arises from long term borrowings with variable rates which exposed the Group to cash flow interest rate risk. The Group'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 Group 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 Group 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 Group 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***

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---:|---:|
| Variable rate borrowings | 2,910.66 | 2,310.88 |
| Fixed rate borrowings | 1,516.79 | 1,537.67 |
| Interest free borrowings | 59.97 | 81.40 |

The Group does not have any interest rate swap contracts.

***Sensitivity on Interest rate fluctuation***

Rs. in Crores

| Total Interest Cost in Profit and Loss works out to | 31-03-2023 | 31-03-2022 |
|---|---:|---:|
| 1% Increase in Interest Rate | 266.87 | 135.51 |
| 1% Decrease in Interest Rate | 214.21 | 89.29 |

***Note:** The above sensitivity analysis is based on a change in an interest rate by 100 bps while holding all other things (viz. Availment and Repayment of borrowings) as constant during the reporting period.*

***Commodity price risk***

Commodity price risk arises on account of fluctuations in price of raw materials and fuels viz. coal and pet coke, which are linked to various external factors. Since these are primary costs in cement production, any adverse fluctuation in these prices can lead to significant drop in operating profitability.

To mitigate this risk, the Group closely observe the prices and buy when the prices tend to come down and also take steps to maintain three to four months inventory to beat the impact of upward cycle of commodity index, usage of other alternate fuels and optimum fuel mix to manage over fuel cost. The Group also enters into long term contracts with suppliers at competitive prices. These processes and procedures are reviewed by the management at regular intervals and measures have been taken to curb it.

***Sensitivity on commodity price fluctuation***

Rs. in Crores

| Nature of Fuel | 31-03-2023 | | 31-03-2022 | |
|---|---:|---:|---:|---:|
| | 1 % Increase | 1% decrease | 1% increase | 1% decrease |
| Coal | (-) 2.56 | 2.56 | (-) 2.53 | 2.53 |
| Pet coke | (-) 16.07 | 16.07 | (-) 6.60 | 6.60 |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

## 60. Disclosures as required under Micro, Small and Medium Enterprises Development Act, 2006:

The categorization of supplier as MSME registered under the Act under the new definition, has been determined based on the information available with the Group as at the reporting date. The Group has also considered suppliers as MSME who possess the erstwhile MSME certificate for the period upto the reporting date, for the purpose of categorization and disclosures. The disclosures as required under Micro, Small, and Medium Enterprises Development Act, 2006:

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| (a) (i) The principal amount remaining unpaid to any supplier at the end of the financial year included in - | | |
| - Trade Payables | 6.05 | 13.06 |
| - Other Current Financial Liabilities | 0.07 | 7.08 |
| (ii) The interest due on the above | - | - |
| (b) The amount of interest paid by the buyer in terms of section 16 of the Act | - | - |
| (c) The amount of the payment made to the supplier beyond the appointed day during the financial year | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of financial year | - | - |
| (e) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act | - | - |

## 61. Additional regulatory information as required under Companies Act 2013 / Indian Accounting Standards

### (a) Trade Payables Ageing Schedule

Rs. in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Not due | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | | | | | | |
| MSME | 4.09 | 1.96 | - | - | - | 6.05 |
| Others | 57.43 | 398.47 | 4.75 | 1.92 | 2.31 | 464.88 |
| Disputed Dues – MSME | - | - | - | - | - | - |
| Disputed Dues – Others | - | - | - | - | 14.07 | 14.07 |
| Unbilled dues | 153.58 | - | - | - | - | 153.58 |
| **Total** | **215.10** | **400.43** | **4.75** | **1.92** | **16.38** | **638.58** |
| **As at 31-03-2022** | | | | | | |
| MSME | 1.91 | 10.68 | 0.24 | 0.14 | 0.09 | 13.06 |
| Others | 16.19 | 246.72 | 3.82 | 1.89 | 1.63 | 270.25 |
| Disputed Dues – MSME | - | - | - | - | - | - |
| Disputed Dues – Others | - | - | - | - | 14.07 | 14.07 |
| Unbilled dues | 187.73 | - | - | - | - | 187.73 |
| **Total** | **205.83** | **257.40** | **4.06** | **2.03** | **15.79** | **485.11** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**(b) Capital Work-in-Progress Ageing Schedule**

Rs. in Crores

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| As at 31-03-2023 | 1,284.34 | 383.78 | 149.32 | 109.45 | 1,926.89 |
| As at 31-03-2022 | 1,522.02 | 986.12 | 478.32 | 5.69 | 2,992.15 |

***Note:*** *The Group do not have any projects whose activity has been suspended.*

**(c) Completion Schedule for Capital Work-in-Progress whose completion is overdue or cost exceeded as per its original plan**

Rs. in Crores

| Particulars | To be completed in | | | |
|---|---|---|---|---|
| | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years |
| **As at 31-03-2023** | | | | |
| Limestone Stacker and Reclaimer Shed, Cross belt Analyser Conveyor at Jayanthipuraam | 122.73 | - | - | - |
| Infrastructure for Budawada Mines at Jayanthipuram | 187.86 | - | - | - |
| Integrated Unit in Kalavatala, Andhra Pradesh | 542.70 | - | - | - |
| Railway siding in Kalavatala, Andhra Pradesh | 323.53 | - | - | - |
| Material Handling System, Raw Mill-4, Raw Mill Silo, Limestone Stacker & Reclaimer, Clinker Silo, Truck Tippler at R R Nagar | 394.33 | - | - | - |
| Limestone Benefication Plant at R R Nagar | 63.66 | | | |
| Dry Mortar Plant at Jayanthipuram & Orissa | 67.68 | - | - | - |
| **Total** | **1,702.49** | **-** | **-** | **-** |
| **As at 31-03-2022** | | | | |
| Clinker Line III at Jayanthipuram | 254.67 | - | - | - |
| Grinding Unit in Haridaspur, Odisha | 71.70 | - | - | - |
| Integrated Unit in Kalavatala, Andhra Pradesh | 1,837.49 | 88.61 | - | - |
| Railway siding in Kalavatala, Andhra Pradesh | - | 161.35 | - | - |
| Modernization in Ramasamy Raja Nagar | 184.49 | - | - | - |
| Dry Mortar Plant at Ramasamy Raja Nagar, Salem Grinding Plant, Jayanthipuram, Orissa | 79.46 | - | - | - |
| **Total** | **2,427.81** | **249.96** | **-** | **-** |

***Note:*** *Completion is overdue mainly due to pandemic caused by COVID-19 and changes in the scope of work.*

**(d) Intangible Asset under development Ageing Schedule**

**Projects in Progress**

Rs. in Crores

| Particulars | Amount in Intangible Assets under development for a period of | | | | |
|---|---|---|---|---|---|
| | < 1 Year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| As at 31-03-2023 | 30.96 | 12.23 | 10.91 | 6.34 | 60.44 |
| As at 31-03-2022 | 20.16 | 15.37 | 2.12 | 4.21 | 41.86 |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**(e) Trade Receivables Ageing Schedule**

Rs. in Crores

| Particulars | Outstanding for following periods from due date of payment | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not Due | Less than 6 months | 6 months – 1 year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| **As at 31-03-2023** | | | | | | | |
| Undisputed Trade receivables - considered good | 285.98 | 33.13 | 44.31 | 84.40 | 3.46 | 11.46 | 462.74 |
| Undisputed Trade receivables - which have significant increase in credit risk | - | 0.32 | 1.29 | 3.20 | 0.16 | 0.67 | 5.64 |
| Disputed Trade receivables - considered good | - | - | - | 0.05 | - | 2.31 | 2.36 |
| Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | - | 0.13 | 0.13 |
| **Total** | **285.98** | **33.45** | **45.60** | **87.65** | **3.62** | **14.57** | **470.87** |
| **As at 31-03-2022** | | | | | | | |
| Undisputed Trade receivables - considered good | 198.69 | 41.13 | 53.49 | 37.72 | 2.97 | 13.99 | 347.99 |
| Undisputed Trade receivables - which have significant increase in credit risk | - | 0.31 | 2.19 | 2.20 | 0.21 | 1.14 | 6.05 |
| Disputed Trade receivables - considered good | - | 0.01 | 0.03 | 0.03 | 0.18 | 2.47 | 2.72 |
| Disputed Trade receivables - which have significant increase in credit risk | - | - | - | - | 0.01 | 0.19 | 0.20 |
| **Total** | **198.69** | **41.45** | **55.71** | **39.95** | **3.37** | **17.79** | **356.96** |

**(f) Unbilled Revenue Ageing Schedule**

Rs. in Crores

| Particulars | Outstanding for following periods from date of recognition of revenue | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months – 1 year | 1 – 2 Years | 2 - 3 years | > 3 years | Total |
| As at 31-03-2023 | 2.67 | 0.44 | 0.02 | 0.37 | 1.92 | 5.42 |
| As at 31-03-2022 | 2.84 | 1.26 | 1.61 | 0.84 | 1.90 | 8.45 |

***Note:*** *Out of Unbilled Revenue of Rs. 5.42 Crores as at 31-03-2023, a sum of Rs. 2.14 Crores remain unbilled to BESCOM for more than 2 years towards windmill units generated and pumped into the grids for want of confirmation from the counterparty and Rs. 0.17 Crores remain unbilled for more than a year as per the agreed milestones for information technology services.*

**(g) Undisclosed Income**

The Group do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during any of the years.

**(h) Relationship with Struck off Companies**

The Group did not have any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956 considering the information available with the Group.

**(i) Details of Crypto Currency or Virtual Currency**

The Group did not trade or invest in Crypto Currency or virtual currency during the financial year. Hence disclosure relating to it are not applicable.

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

**(j) Benami property**

The Group did not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

**(k)** The Group has neither advanced or loaned or invested, nor received any fund, to or from, any other persons or entities including foreign entities (intermediaries) with the understanding that the intermediary shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or

ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

## 62. The amount of expenditure recognized in the carrying amount of an item of Property, Plant and Equipment in the course of its construction, included in Capital Work-in-Progress are given below:

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| **Pre-operative expenses included in CWIP as at the beginning of the year** | **(A)** | 275.12 | 172.83 |
| **Expenditure incurred during the year** | | | |
| (a) Employee Benefits Expenses | | 21.12 | 28.16 |
| (b) Finance Costs | | 105.92 | 102.41 |
| (c) Depreciation and Amortization expenses | | 0.95 | 3.98 |
| (d) Stores and Spares consumption | | 1.21 | 1.69 |
| (e) Repairs and maintenance | | 4.58 | 2.80 |
| (f) Insurance | | 0.93 | 0.55 |
| (g) Outsourced establishment expenses | | 0.75 | 1.44 |
| (h) Traveling expenses | | 0.14 | 0.16 |
| (i) Lease Rent | | 0.14 | 0.16 |
| (j) Legal and consultancy expenses | | 0.33 | 0.38 |
| (k) IT & Communication expenses | | 0.01 | 0.04 |
| (l) Power | | 9.02 | 9.81 |
| (m) Security Charges | | 1.15 | 1.41 |
| (n) Bank Charges | | 1.02 | - |
| (o) Rates & taxes | | 1.72 | - |
| (p) Miscellaneous expenses | | 2.72 | 3.63 |
| **Sub Total** | **(B)** | **151.71** | **156.62** |
| **Less: Capitalised during the year** | **(C)** | **325.17** | **54.33** |
| **Pre-operative expenses included in CWIP as at the end of the year** | **(A) + (B) - (C)** | **101.66** | **275.12** |

## 63. Key Financial Ratios

Rs. in Crores

| Particulars | UOM | 31-03-2023 | 31-03-2022 | Variation in % |
|---|---|---|---|---|
| (a) Current Ratio | In multiple | 1.08 | 1.14 | -5% |
| (b) Debt-Equity Ratio | In multiple | 0.65 | 0.59 | 10% |
| (c) Debt Service Coverage Ratio | In multiple | 1.31 | 1.35 | -3% |
| (d) Return on Equity Ratio | In % | 5% | 14% | -9% |
| (e) Inventory Turnover Ratio | In Days | 39 | 44 | -11% |
| (f) Trade receivables Turnover Ratio | In Days | 18 | 22 | -18% |
| (g) Trade payables Turnover Ratio | In Days | 25 | 26 | -4% |
| (h) Net Capital Turnover Ratio | In Days | 32 | 40 | -20% |
| (i) Net Profit Ratio | In % | 4% | 15% | -11% |
| (j) Return on Capital Employed | In % | 5% | 10% | -5% |
| (k) Return on Investment (Assets) | In % | 2% | 7% | -5% |

***Note:*** *There is no variation beyond 25% in any of the ratios given above*

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

***Formula adopted for above Ratios:***

(a) *Current Ratio = Current Assets / (Total Current Liabilities – Security Deposits payable on Demand – Current maturities of Long Term Debt)*

(b) *Debt-Equity Ratio = Total Debt / Total Equity*

(c) *Debt Service Coverage Ratio = (EBITDA – Current Tax) / (Principal Repayment excluding prepayments towards debt replacement + Gross Interest)*

(d) *Return on Equity Ratio = Total Comprehensive Income / Average Total Equity*

(e) *Inventory Turnover Ratio (Average Inventory days) = 365 / (Net Revenue / Average Inventories)*

(f) *Trade receivables Turnover Ratio (Average Receivables days) = 365 / (Net Revenue / Average Trade receivables)*

(g) *Trade Payables Turnover Ratio (Average Payable days) = 365 / (Net Revenue / Average Trade payables)*

(h) *Net Capital Turnover Ratio = (Inventory Turnover Ratio + Trade receivables turnover ratio – Trade payables turnover ratio)*

(i) *Net Profit Ratio = Net Profit / Net Revenue*

(j) *Return on Capital employed = (Total Comprehensive Income + Interest) / (Average of (Equity + Total Debt))*

(k) *Return on Investment (Assets) = Total Comprehensive Income / Average Total Assets*

## 64. Events after the reporting period – Distribution made and proposed

Rs. in Crores

| Particulars | 31-03-2023 | 31-03-2022 |
|---|---|---|
| **Cash Dividends on Equity Shares declared and paid** | | |
| Final dividend for the year ended 31st March 2022: Rs. 3/- per share (For the year ended 31st March 2021: Nil) | 70.96 | - |
| TDS on Dividends included above | 4.85 | - |
| **Proposed Dividends on Equity Shares** | | |
| Final dividend for the year ended 31st March 2023: Rs. 2/- per share (For the year ended 31st March 2022: Rs. 3/- per share) including TDS on dividends | 47.31 | 70.96 |

## 65. Capital Management

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximize the shareholders' wealth. The Group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt.

Rs. in Crores

| Particulars | | 31-03-2023 | 31-03-2022 |
|---|---|---|---|
| Long Term Borrowings | | 3,622.16 | 2,857.29 |
| Short Term Borrowings | | 865.26 | 1,072.66 |
| Less: Cash and Cash Equivalents | | 137.71 | 146.18 |
| **Net Debt** | **(A)** | **4,349.71** | **3,783.77** |
| Equity Share Capital | | 23.63 | 23.63 |
| Other Equity | | 6,837.43 | 6,594.96 |
| **Total Equity** | **(B)** | **6,861.06** | **6,618.59** |
| **Total Capital Employed** | **(C) = (A) + (B)** | **11,210.77** | **10,402.36** |
| **Capital Gearing Ratio** | **(A) / (C)** | **39%** | **36%** |

# Notes to the Consolidated Financial Statements

**for the year ended 31st March 2023**

In order to achieve this overall objective, the Group'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 significant breaches in the financial covenants of any interest-bearing loans/borrowing. The Group is not subjected to any externally imposed capital requirements. There are no significant changes in the objectives, policies or processes for managing capital during the years ended 31-03-2023 and 31-03-2022.

## 66. Closure of foreign branch in Srilanka

The Group has closed the operations of foreign branch in Srilanka effective from 27-07-2021, in view of its unviability. The completion of unwinding activities is in progress. There is no material impact in the financial statements because of closure of said branch operation.

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As per our report annexed

| | | | |
|---|---|---|---|
| For **SRSV & ASSOCIATES**<br>Chartered Accountants<br>Firm Registration Number: 015041S | For **RAMAKRISHNA RAJA AND CO**<br>Chartered Accountants<br>Firm Registration Number: 005333S | **M.F. FAROOQUI**<br>Chairman<br>DIN: 01910054 | **S. VAITHIYANATHAN**<br>Chief Financial Officer |
| **P.SANTHANAM**<br>Partner<br>Membership No. 018697 | **M. VIJAYAN**<br>Partner<br>Membership No. 026972 | **A.V. DHARMAKRISHNAN**<br>Chief Executive Officer | **K.SELVANAYAGAM**<br>Secretary |

Chennai
18-05-2023

## ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTERPRISES CONSOLIDATED AS SUBSIDIARIES/ ASSOCIATES FOR THE YEAR 2022-23

| Name of the Entity | Net Assets i.e, total assets minus total liabilities | | Share in Profit/Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated net assets | Rs. in Crores | As % of Consolidated profit/loss | Rs. in Crores | As % of Consolidated OCI | Rs. in Crores | As % of Consolidated TCI | Rs. in Crores |
| **Parent** | | | | | | | | |
| The Ramco Cements Limited | 96.04% | 6,596.03 | 110.14% | 346.68 | 373.40% | (4.07) | 109.23% | 342.61 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Ramco Windfarms Limited | 0.25% | 17.00 | 0.51% | 1.61 | - | - | 0.51% | 1.61 |
| Ramco Industries and Technology Services Limited | 0.05% | 3.65 | (2.07%) | (6.53) | 3.67% | (0.04) | (2.09%) | (6.57) |
| Minority Interest in Subsidiary | 0.10% | 7.00 | 0.07% | 0.23 | 0.00% | 0.00 | 0.07% | 0.23 |
| **Associates (Investments as per the Equity Method)** | | | | | | | | |
| **Indian** | | | | | | | | |
| Ramco Industries Limited | 2.12% | 145.69 | 2.46% | 7.73 | (132.11%) | 1.44 | 2.92% | 9.17 |
| Ramco Systems Limited | 1.35% | 92.49 | (11.20%) | (35.24) | (144.04%) | 1.57 | (10.73%) | (33.67) |
| Rajapalayam Mills Limited | 0.04% | 2.59 | 0.09% | 0.28 | - | - | 0.09% | 0.28 |
| Madurai Trans Carrier Limited | 0.05% | 3.61 | 0.00% | (0.01) | (0.92%) | 0.01 | - | - |
| Lynks Logistics Limited | - | - | - | - | - | - | - | - |

As per our report annexed
For **SRSV & ASSOCIATES**
Chartered Accountants
Firm Registration Number: 015041S

**P.SANTHANAM**
Partner
Membership No. 018697

Chennai
18-05-2023

For **RAMAKRISHNA RAJA AND CO**
Chartered Accountants
Firm Registration Number: 005333S

**M. VIJAYAN**
Partner
Membership No. 026972

**M.F. FAROOQUI**
Chairman
DIN: 01910054

**A.V. DHARMAKRISHNAN**
Chief Executive Officer

**S. VAITHIYANATHAN**
Chief Financial Officer

**K.SELVANAYAGAM**
Secretary

YOU SURE HAVE A HEART,
SO YOU MUST HAVE SOME
BLOOD TO DONATE

LET YOUR BLOOD RUSH
IN WHEN SOMEONE'S
LIFE IS RUNNING OUT

**THE RAMCO CEMENTS LIMITED**
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